

**FINANCIAL STATEMENTS – REGULATORY BASIS
AND REPORTS OF INDEPENDENT AUDITOR**

**SAPULPA INDEPENDENT SCHOOL DISTRICT NO. I-33,
CREEK COUNTY, OKLAHOMA**

JUNE 30, 2023

Audited by

**BLEDSON, HEWETT & GULLEKSON
CERTIFIED PUBLIC ACCOUNTANTS, PLLLP**

BROKEN ARROW, OK

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
SCHOOL DISTRICT OFFICIALS
JUNE 30, 2023

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SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
JUNE 30, 2023

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JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Board of Education
Sapulpa Independent School District No. 33
Sapulpa, Creek County, Oklahoma

Report on the Audit of the Financial Statements

We have audited the accompanying combined fund type and account group financial statements-regulatory basis of the Sapulpa Independent School District No. 33, Sapulpa, Creek County, Oklahoma (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter discussed in the "Basis for Qualified Opinion on Regulatory Basis of Accounting" section of our report, the combined financial statements referred to above present fairly, in all material respects, the assets, liabilities and fund balances arising from regulatory basis transactions of each fund type and account group of the District, as of June 30, 2023, and the revenues it received and expenditures it paid and encumbered for the year then ended, in accordance with the financial reporting provisions of the Oklahoma State Department of Education as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" section of our report, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District, as of June 30, 2023, or the revenues, expenses, and changes in net position and, where applicable, cash flows thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and qualified audit opinions.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 1, the financial statements referred to above do not include the General Fixed Asset Account Group, which is a departure from the regulatory basis of accounting prescribed or permitted by the Oklahoma State Department of Education. The amount that should be recorded in the General Fixed Asset Account Group is not known.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 to the financial statements, to meet the financial reporting requirements of the Oklahoma State Department of Education, the financial statements are prepared by the District on the basis of the financial reporting regulations prescribed or permitted by the Oklahoma State Department of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting regulations prescribed or permitted by the Oklahoma State Department of Education as described in Note 1, to meet the financial reporting requirements of the State of Oklahoma; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the fund type and account group financial statements-regulatory basis that collectively comprise the District's basic financial statements. The accompanying combining financial statements-regulatory basis and other supplementary information and schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements-regulatory basis. The information has been subjected to the auditing procedures applied in the audit of the fund type and account group financial statements within the combined financial statements-regulatory basis and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the financial statements being prepared in compliance with the regulatory basis as prescribed by the Oklahoma State Department of Education as discussed in Note 1, the combining financial statements-regulatory basis and other supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the combined financial statements-regulatory basis as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Bledsoe, Hewett & Gullekson

Bledsoe, Hewett & Gullekson
Certified Public Accountants, PLLLP

November 10, 2023



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

The Honorable Board of Education
Sapulpa Independent School District No. 33
Sapulpa, Creek County, Oklahoma

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the fund type and account group financial statements – regulatory basis of the Sapulpa Independent School District No. 33, Sapulpa, Creek County, Oklahoma (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 10, 2023, which was adverse with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in the United States because the presentation followed the regulatory basis of accounting for Oklahoma school districts as provided by the Oklahoma State Department of Education. However, our report was qualified because the omission of the general fixed asset account group results in an incomplete presentation with respect to the presentation of financial statements on the regulatory basis of accounting authorized by the Oklahoma State Board of Education.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of District's internal control. Accordingly, we do not express an opinion on the effectiveness of District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bledsoe, Hewett & Gullekson

Bledsoe, Hewett & Gullekson
Certified Public Accountants, PLLLP

November 10, 2023



BLED SOE, HEWETT & GULLEKSON
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable Board of Education
Sapulpa Independent School District No. 33
Sapulpa, Creek County, Oklahoma

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Sapulpa Independent School District No. 33, Sapulpa, Creek County, Oklahoma's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the “Auditor’s Responsibilities for the Audit of Compliance” section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Bledsoe, Hewett & Gullekson

Bledsoe, Hewett & Gullekson
Certified Public Accountants, PLLLP

November 10, 2023

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
DISPOSITION OF PRIOR YEAR'S SIGNIFICANT DEFICIENCIES AND
MATERIAL INSTANCES OF NONCOMPLIANCE
JUNE 30, 2023

There were no prior year significant deficiencies or material instances of noncompliance.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
SCHEDULE OF AUDIT RESULTS, FINDINGS AND QUESTIONED COSTS
JUNE 30, 2023

Section 1 – Summary of Auditor’s Results:

1. An adverse opinion on the combined financial statements in conformity with generally accepted accounting principles and a qualified opinion for the omission of the general fixed asset account group on the combined financial statements in conformity with a regulatory basis of accounting prescribed by the Oklahoma State Department of Education.
2. The audit did not identify any material weaknesses and did not report any significant deficiencies not considered to be material weaknesses in the internal controls over financial reporting.
3. The audit disclosed no instances of noncompliance which are material to the financial statements.
4. The audit did not identify any material weaknesses and did not report any significant deficiencies not considered to be material weaknesses in the internal controls over major programs.
5. An unmodified report was issued on the compliance for major programs in conformity with the regulatory basis of accounting.
6. The audit disclosed no audit findings which are required to be reported under the Uniform Guidance, 2 CFR 200.51(a).
7. Programs determined to be major are the COVID-19 Education Stabilization Fund – CARES Act / CRRSA Act/ ARP Act Programs (84.425D, 84.425U), which were not clustered in determination and the IDEA-B Special Education Programs (84.027, 84.173) which were both clustered in determination.
8. The dollar threshold used to determine between Type A and Type B programs was \$750,000.
9. The District was determined not to be a low-risk auditee.

Section 2 – Findings relating to the financial statements required to be reported in accordance with GAGAS:

NONE

Section 3 – Findings and questioned costs for federal awards:

NONE

COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
 COMBINED STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -
 ALL FUND TYPES AND ACCOUNT GROUPS - REGULATORY BASIS
 JUNE 30, 2023

	GOVERNMENTAL FUND TYPES			FIDUCIARY FUND TYPES		ACCOUNT GROUP		TOTALS (MEMORANDUM ONLY)
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	EXPENDABLE TRUSTS AND AGENCY FUNDS	GENERAL	LONG-TERM DEBT	
<u>ASSETS</u>								
Cash	\$ 6,513,242	1,856,594	28,120	17,393,240	1,391,311		1,233,122	27,182,507
Amounts available in debt service								1,233,122
Amount to be provided for retirement of long-term debt							31,135,562	31,135,562
Total Assets	\$ 6,513,242	1,856,594	28,120	17,393,240	1,391,311		32,368,684	59,551,191
<u>LIABILITIES AND FUND BALANCE</u>								
Liabilities:								
Warrants/checks payable	\$ 2,744,206	141,794		9,092				2,895,092
Encumbrances	240,564	214,203		395,813	1,325,060			850,580
Funds held for school organizations								1,325,060
Long-term debt:								
Bonds payable							16,000,000	16,000,000
Capital leases							16,368,684	16,368,684
Total liabilities	2,984,770	355,997	0	404,905	1,325,060		32,368,684	37,439,416
Fund Balance:								
Restricted		1,500,597	28,120	16,988,335	66,251			18,583,303
Unassigned	3,528,472							3,528,472
Cash fund balances	3,528,472	1,500,597	28,120	16,988,335	66,251		0	22,111,775
Total Liabilities and Fund Balance	\$ 6,513,242	1,856,594	28,120	17,393,240	1,391,311		32,368,684	59,551,191

The notes to the combined financial statements are an integral part of this statement

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
 COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND CHANGES IN CASH FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUSTS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2023

	GOVERNMENTAL FUND TYPES				FIDUCIARY	TOTALS (MEMORANDUM ONLY)
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	FUND TYPES EXPENDABLE TRUST FUNDS	
Revenues Collected:						
Local sources	\$ 7,890,622	1,497,050	5,386,974			14,774,646
Intermediate sources	872,415					872,415
State sources	18,181,157	343,612				18,524,769
Federal sources	4,051,262	1,445,695				5,496,957
Interest earnings	212,372	81	87,374		845	348,672
Nonrevenue receipts	211,191					211,191
Total revenues collected	<u>31,419,019</u>	<u>3,286,438</u>	<u>5,474,348</u>	<u>48,000</u>	<u>845</u>	<u>40,228,650</u>
Expenditures:						
Instruction	18,269,685					18,269,685
Support services	13,160,578	1,262,278		611,678	4,212	15,038,746
Operation of noninstructional services	36,133	1,869,930				1,906,063
Other outlays:						
Debt service			6,679,350			6,679,350
Total expenditures	<u>31,466,396</u>	<u>3,132,208</u>	<u>6,679,350</u>	<u>611,678</u>	<u>4,212</u>	<u>41,893,844</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	(47,377)	154,230	(1,205,002)	(563,678)	(3,367)	(1,665,194)
Other financing sources (uses):						
Adjustments to prior year encumbrances	137,182	62,987		20,374		220,543
Bond proceeds				16,328,960		16,328,960
Total other financing sources (uses)	<u>137,182</u>	<u>62,987</u>	<u>0</u>	<u>16,349,334</u>	<u>0</u>	<u>16,549,503</u>
Excess of revenues collected over (under) expenditures	89,805	217,217	(1,205,002)	15,785,656	(3,367)	14,884,309
Cash fund balances, beginning of year	3,438,667	1,283,380	1,233,122	1,202,679	69,618	7,227,466
Cash fund balances, end of year	<u>\$ 3,528,472</u>	<u>1,500,597</u>	<u>28,120</u>	<u>16,988,335</u>	<u>66,251</u>	<u>22,111,775</u>

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
 COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND
 CHANGES IN CASH FUND BALANCES - BUDGETED GOVERNMENTAL FUND TYPES - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2023

	GENERAL FUND		
	Original / Final Budget	Actual	Prior Year (Memorandum Only)
Revenues Collected:			
Local sources	\$ 7,323,231	7,890,622	7,391,965
Intermediate sources	770,445	872,415	856,051
State sources	17,821,380	18,181,157	17,516,715
Federal sources	4,980,812	4,051,262	4,587,900
Interest earnings		212,372	14,619
Nonrevenue receipts		211,191	299,916
Total revenues collected	<u>30,895,868</u>	<u>31,419,019</u>	<u>30,667,166</u>
Expenditures:			
Instruction	21,137,824	18,269,685	17,732,644
Support services	13,160,578	13,160,578	12,073,838
Operation of noninstructional services	36,133	36,133	114,801
Total expenditures	<u>34,334,535</u>	<u>31,466,396</u>	<u>29,921,283</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	(3,438,667)	(47,377)	745,883
Adjustments to prior year encumbrances	<u>0</u>	<u>137,182</u>	<u>68,486</u>
Excess of revenues collected over (under) expenditures	(3,438,667)	89,805	814,369
Cash fund balance, beginning of year	<u>3,438,667</u>	<u>3,438,667</u>	<u>2,624,298</u>
Cash fund balance, end of year	<u>\$ 0</u>	<u>3,528,472</u>	<u>3,438,667</u>

The notes to the combined financial statements are an integral part of this statement

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
 COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND
 CHANGES IN CASH FUND BALANCES - BUDGETED GOVERNMENTAL FUND TYPES - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2023

	SPECIAL REVENUE FUNDS		
	Original / Final Budget	Actual	Prior Year (Memorandum Only)
Revenues Collected:			
Local sources	\$ 1,124,463	1,497,050	1,161,347
State sources		343,612	143,391
Federal sources	1,448,328	1,445,695	2,020,031
Interest earnings		81	
Total revenues collected	2,572,791	3,286,438	3,324,769
Expenditures:			
Support services	1,508,997	1,262,278	1,139,633
Operation of noninstructional services	2,347,174	1,869,930	1,712,874
Total expenditures	3,856,171	3,132,208	2,852,507
Excess of revenues collected over (under) expenditures before other financing sources (uses)	(1,283,380)	154,230	472,262
Other financing sources (uses):			
Adjustments to prior year encumbrances	0	62,987	15,335
Excess of revenues collected over (under) expenditures	(1,283,380)	217,217	487,597
Cash fund balances, beginning of year	1,283,380	1,283,380	795,783
Cash fund balances, end of year	\$ 0	1,500,597	1,283,380

The notes to the combined financial statements are an integral part of this statement

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
 COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND
 CHANGES IN CASH FUND BALANCES - BUDGETED GOVERNMENTAL FUND TYPES - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2023

	DEBT SERVICE FUND		
	Original / Final Budget	Actual	Prior Year (Memorandum Only)
Revenues Collected:			
Local sources	\$ 5,444,956	5,386,974	5,565,692
Interest earnings		87,374	15,998
Nonrevenue receipts			
Total revenues collected	<u>5,444,956</u>	<u>5,474,348</u>	<u>5,581,690</u>
Requirements:			
Bonds	5,632,500	6,600,000	4,955,000
Judgments	67,057	5,075	11,408
Coupons	3,803	74,275	148,600
Total expenditures	<u>5,703,360</u>	<u>6,679,350</u>	<u>5,115,008</u>
Excess of revenue collected over (under) expenditures	(258,404)	(1,205,002)	466,682
Cash fund balance, beginning of year	<u>1,233,122</u>	<u>1,233,122</u>	<u>766,440</u>
Cash fund balance, end of year	<u>\$ 974,718</u>	<u>28,120</u>	<u>1,233,122</u>

The notes to the combined financial statements are an integral part of this statement

NOTES TO COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Sapulpa Public Schools Independent District, No. I-33 (the “District”), have been prepared in conformity with another comprehensive basis of accounting prescribed by the Oklahoma State Department of Education as authorized by Oklahoma Statutes. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with the accounting principles generally accepted in the United States of America. The District’s accounting policies are described in the following notes that are an integral part of the District’s financial statements.

A. Reporting Entity

The District is a corporate body for public purposes created under Title 70 of the Oklahoma Statutes and accordingly is a separate entity for operating and financial reporting purposes. The District is part of the public school system of Oklahoma under the general direction and control of the State Board of Education and is financially dependent on State of Oklahoma support. The general operating authority for the public school system is the Oklahoma School Code contained in Title 70, Oklahoma Statutes.

The governing body of the District is the Board of Education composed of five elected members. The appointed superintendent is the executive officer of the District. The Board, constituting an on-going entity, is the level of government, which has governance responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the local independent school district. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the District is not included in any other governmental “reporting entity” as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards, since Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The basic – but not the only – criterion for including a potential component unit within the reporting entity is the governing body’s ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

A. Reporting Entity – cont'd

whether the activity benefits the District and/or its citizens, or whether the activity is conducted within the geographic boundaries of the District and is generally available to its patrons. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, there are no potential component units included in the District's reporting entity.

B. Measurement Focus

The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: Governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental Fund Types

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds).

General Fund – The general fund is used to account for all financial transactions except those required to be accounted for in another fund. Major revenue sources include state and local property taxes and state funding under the Foundation and Incentive Aid Program. Expenditures include all costs associated with the daily operations of the schools except for programs funded for building repairs and maintenance, school construction and debt service on bonds and other long-term debt. The general fund includes federal and state restricted monies that must be expended for specific programs.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

B. Measurement Focus - cont’d

Special Revenue Funds – Special revenue funds account for revenue sources that are restricted to expenditures for specific purposes. The special revenue funds typically include the building, co-op, and child nutrition funds. The District did not maintain a co-op fund during the 2022-23 fiscal year.

Building Fund – The building fund consists mainly of monies derived from property taxes levied for the purpose of erecting, remodeling, repairing, or maintaining school buildings and for purchasing furniture, equipment and computer software to be used on or for school district property, for paying energy and utility costs, for purchasing telecommunications services, for paying fire and casualty insurance premiums for school facilities, for purchasing security systems, and for paying salaries of security personnel.

Co-op Fund – The co-op fund is established when the boards of education of two or more school districts enter into cooperative agreements and maintain joint programs. The revenues necessary to operate a cooperative program can come from federal, state, or local sources, including the individual contributions of participating school districts. The expenditures for this fund would consist of those necessary to operate and maintain the joint programs.

Child Nutrition Fund - The child nutrition fund consists of monies derived from federal and state financial assistance and food sales. This fund is used to account for the various nutrition programs provided to students.

Debt Service Fund – The debt service fund is the District’s sinking fund and is used to account for the accumulation of financial resources for the payment of general long-term (including judgments) debt principal, interest and related costs. The primary revenue sources are local property taxes levied specifically for debt service and interest earnings from temporary investments.

Capital Projects Fund – The capital projects fund is the District’s bond fund and is used to account for the proceeds of bond sales to be used exclusively for acquiring school sites, constructing and equipping new school facilities, renovating existing facilities and acquiring transportation equipment.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

B. Measurement Focus – cont’d

Proprietary Fund Types

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the District (internal service funds). The District has no proprietary funds.

Fiduciary Fund Types

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District. The terms “non-expendable” and “expendable” refer to whether or not the District is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the District holds on behalf of others as their agent and do not involve measurement of results of operation.

Expendable Trust Funds – Expendable trust funds typically include the gifts and endowments fund and the insurance recovery fund. The District maintained a gifts and endowments fund during the 2022-23 fiscal year.

Gifts and Endowments Fund – The gifts and endowments fund receives its assets by way of philanthropic foundations, individuals, or private organizations for which no repayment or special service to the contributor is expected. This fund is used to promote the general welfare of the District.

Insurance Recovery Fund – The insurance recovery fund accounts for all types of insurance recoveries, major reimbursements and reserves for property repairs and replacements.

Agency Fund – The agency fund is the school activities fund which is used to account for monies collected principally through the fundraising efforts of students and District-sponsored groups. The administration is responsible, under the authority of the Board, for collecting, disbursing and accounting for these activity funds.

Account Groups

An account group is not a fund and consists of a self-balancing set of accounts used only to establish accounting control over long-term debt and fixed assets.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** – cont’d

B. Measurement Focus – cont’d

General Long-Term Debt Account Group – This account group is established to account for all the long-term debt of the District, which is offset by the amount available in the debt service fund and the amount to be provided in future years to complete retirement of the debt principal. It is also used to account for other liabilities (judgments and lease purchases) which are to be paid from funds provided in future years.

General Fixed Assets Account Group – This account group is used by governments to account for the property, plant and equipment of the school district. The District does not have the information necessary to include this group in its financial statements.

Memorandum Only - Total Column

The total column on the combined financial statements – regulatory basis is captioned “memorandum only” to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position or results of operations in conformity with accounting principles generally accepted in the United States. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

C. Basis of Accounting and Presentation

The District prepares its financial statements in a presentation format that is prescribed by the Oklahoma State Department of Education. This format is essentially the generally accepted form of presentation used by state and local governments prior to the effective date of GASB Statement No. 34, *Basic Financial Statements – Management’s Discussion and Analysis for State and Local Governments* with certain modifications. This format differs significantly from that required by GASB 34.

The financial statements are essentially prepared on the basis of cash receipts and disbursements modified as required by the regulations of the Oklahoma State Department of Education as follows:

- Encumbrances represented by purchase orders, contracts, and other commitments for the expenditure of monies are recorded as expenditures when approved.
- Investments are recorded as assets when purchased.
- Inventories of school supplies are recorded as expenditures and not as inventory assets.
- Warrants/checks payable are recorded as liabilities when issued.
- Long-term debt is recorded in the General Long-Term Debt Account Group and not in the basic financial statements.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

C. Basis of Accounting and Presentation – cont’d

- Compensated absences are recorded as expenditures when paid and not recorded as a liability.
- Fixed assets are recorded in the General Fixed Asset Account Group and not in the basic financial statements. Fixed assets are not depreciated.

This regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, which require revenues to be recognized when they become available and measurable, or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred for governmental fund types; and, when revenues are earned.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental type funds are accounted for using the regulatory basis of accounting. Revenues are recognized when they are received rather than earned and expenditures are generally recognized when encumbered/reserved rather than at the time the related fund liability is incurred. These practices differ from accounting principles generally accepted in the United States.

D. Budgets and Budgetary Accounting

The District is required by state law to prepare an annual budget. The Board of Education must request an initial temporary appropriations budget from their County Excise Board before June 30. The District uses the temporary appropriation amounts as their legal expenditure limit until the annual Estimate of Needs is completed.

A budget is legally adopted by the Board of Education for all funds (with the exception of the trust and agency funds) that includes revenues and expenditures. No later than October 1, each Board of Education shall prepare a financial statement and Estimate of Needs to be filed with the applicable County Clerk and the State Department of Education.

The 2022-23 Estimate of Needs was not amended by any supplemental appropriations. Any supplemental appropriations must be approved by the County Clerk’s Office.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting – under which purchase orders and other commitments of resources are recorded as expenditures of the applicable fund – is utilized in all governmental funds of the District. Unencumbered appropriations lapse at the end of each fiscal year. While the Debt Service Fund is a governmental fund, a comparison of budget to actual schedule is presented in the financial statements, although the board can exercise no control of the revenue sources for this fund (except interest earnings), and no control over its expenditures.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

E. Assets, Liabilities and Fund Equity

Cash and Cash Equivalents – The District considers all cash on hand, demand deposit accounts, and highly liquid investments, with an original maturity of three months or less when purchased, to be cash and cash equivalents.

Investments – The District considers investments of direct obligations of the United States government and agencies, certificates of deposits, savings accounts or savings certificates with maturities of greater than three months. All investments are recorded at cost, which approximates market value.

Inventories – The value of consumable inventories at June 30, 2023 is not material to the combined financial statements.

Fixed Assets and Property, Plant and Equipment – The District has not maintained a record of general fixed assets, and, accordingly, a General Fixed Assets Account Group required by the regulatory basis of accounting prescribed by the Oklahoma State Department of Education is not included in the financial statements. General fixed assets purchased are recorded as expenditures in the various funds at the time of purchase.

Warrants/Checks Payable – Warrants/checks are issued to meet the obligations for goods and services provided to the District. The District recognizes a liability for the amount of outstanding warrants/checks that have yet to be redeemed by the District’s bank.

Encumbrances – Encumbrances represent commitments related to purchase orders, contracts, other commitments for expenditures or resources, and goods or services received by the District for which a warrant has not been issued. An expenditure is recorded and a liability is recognized for outstanding encumbrances at year end in accordance with the regulatory basis of accounting. While the regulatory basis that is used for the Debt Service Fund approximates full accrual accounting, the accruals recorded are reported to meet regulatory requirements, as opposed to the requirements of generally accepted accounting principles.

Compensated Absences – The District provides vacation and sick leave benefits in accordance with Title 70 of the Oklahoma Statutes, Article 6-104, which provides for annual sick leave and personal business days. District policy allows certified employees to accumulate such days to a maximum number of days. Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources had not been reported as an expenditure of the governmental fund that will pay it since the financial statements have been prepared on the regulatory basis of accounting. This practice differs from generally accepted accounting principles.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

E. Assets, Liabilities and Fund Equity – cont’d

Funds Held for School Organizations – Funds held for school organizations represent the funds received or collected from students or other cocurricular and extracurricular activities conducted in the District, control over which is exercised by the board of education. These funds are credited to the account maintained for the benefit of each particular activity within the school activity fund.

Long-Term Debt – Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group.

Fund Balance – In the fund financial statements, governmental funds report the hierarchy of fund balances. The hierarchy is based primarily on the degree of spending constraints placed upon use of resources for specific purposes versus availability of appropriation. An important distinction that is made in reporting fund balance is between amounts that are considered *non-spendable* (i.e., fund balance associated with assets that are not in spendable form, such as inventories or prepaid items, long-term portions of loans and notes receivable, or items that are legally required to be maintained intact (such as the corpus of a permanent fund)) and those that are *spendable* (such as fund balance associated with cash, investments or receivables).

Amounts in the spendable fund balance category are further classified as *restricted*, *committed*, *assigned* or *unassigned*, as appropriate.

Restricted fund balance represents amounts that are constrained either externally by creditors (such as debt covenants), grantors, contributors or laws or regulations of other governments; or by law, through constitutional provisions or enabling legislation.

Committed fund balance represents amounts that are useable only for specific purposes by formal action of the government’s highest level of decision-making authority. Such amounts are not subject to legal enforceability (like restricted amounts), but cannot be used for any other purpose unless the government removes or changes the limitation by taking action similar to that which imposed the commitment.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

E. Assets, Liabilities and Fund Equity – cont'd

Assigned fund balance represents amounts that are intended to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by the governing body itself, or a subordinated high-level body or official who the governing body has delegated the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining spendable amounts (except negative balances) that are reported in governmental funds other than the general fund, that are neither restricted nor committed, and amounts in the general fund that are intended to be used for specific purposes in accordance with the provisions of the standard.

Unassigned fund balance is the residual classification for the general fund. It represents the amounts that have not been assigned to other funds, and that have not been restricted, committed, or assigned to specific purposes within the general fund.

F. Revenue and Expenditures

Local Revenues – Revenue from local sources is the money generated from within the boundaries of the District and available to the District for its use. The District is authorized by state law to levy property taxes which consist of ad valorem taxes on real and personal property within the District. These property taxes are distributed to the District's general, building and sinking funds based on the levies approved for each fund. The County Assessor, upon receipt of the certification of tax levies from the county excise board, extends the tax levies on the tax rolls for submission to the county treasurer prior to October 1. The county treasurer must commence tax collection within fifteen days of receipt of the tax rolls. The first half of taxes is due prior to January 1. The second half is due prior to April 1. If the first payment is not made in a timely manner, the entire tax becomes due and payable on January 2. Second half taxes become delinquent on April 1, of the year following the year of assessment. If not paid by the following October 1, the property is offered for sale for the amount of taxes due. The owner has two years to redeem the property by paying the taxes and penalty owed. If at the end of two years the owner has not done so, the purchaser is issued a deed to the property. Other local sources of revenues include tuition, fees, rentals, disposals, commissions and reimbursements.

Intermediate Revenues - Revenue from intermediate sources is the amount of money from funds collected by an intermediate administrative unit, or a political subdivision between the District and the state, and distributed to Districts in amounts that differ in proportion to those which are collected within such systems.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

F. Revenue and Expenditures – cont’d

State Revenues – Revenues from state sources for current operations are primarily governed by the state aid formula under the provisions of Article XVIII, Title 70, Oklahoma Statutes. The State Board of Education administers the allocation of state aid funds to school districts based on information accumulated from the Districts.

After review and verification of reports and supporting documentation, the State Department of Education may adjust subsequent fiscal period allocations of money for prior year errors disclosed by review. Normally, such adjustments are treated as reductions from or additions to the revenue of the year when the adjustment is made.

The District receives revenue from the state to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for these programs be expended only for the program for which the money is provided and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical programs. The State Department of Education requires that categorical educational program revenues be accounted for in the general fund.

Federal Revenues – Federal revenues consist of revenues from the federal government in the form of operating grants or entitlements. An operating grant is a contribution to be used for a specific purpose, activity or facility. A grant may be received either directly from the federal government or indirectly as a passthrough from another government, such as the state. Entitlement is the amount of payment to which the District is entitled pursuant to an allocation formula contained in applicable statutes. The majority of the federal revenues received by the District are apportioned to the general fund. The District maintains a separate child nutrition fund and the federal revenues received for the child nutrition programs are apportioned there.

Non-Monetary Transactions – The District receives commodities from the U.S. Department of Agriculture. The value of these commodities has been included in the Schedule of Expenditures of Federal Awards; however, they have not been included in the financial statements as either revenue or expense since they are not reported under the regulatory basis of accounting.

Interest Earnings – Represent compensation for the use of financial sources over a period of time.

Nonrevenue Receipts – Nonrevenue receipts represent receipts deposited into a fund that are not new revenues to the District, but the return of assets.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

F. Revenue and Expenditures – cont'd

Instruction Expenditures – Instruction expenditures include the activities dealing directly with the interaction between teachers and students. Teaching may be provided for students in a school classroom, in another location, such as a home or hospital, and in other learning situations, such as those involving cocurricular activities. It may also be provided through some other approved medium, such as television, radio, telephone and correspondence. Included here are the activities of teacher assistants of any type (clerks, graders, teaching machines, etc.) which assist in the instructional process. The activities of tutors, translators and interpreters would be recorded here. Department chairpersons who teach for any portion of time are included here. Tuition/transfer fees paid to other LEAs would be included here.

Support Services Expenditures – Support services expenditures provide administrative, technical (such as guidance and health) and logistical support to facilitate and enhance instruction. These services exist as adjuncts for fulfilling the objectives of instruction, community services and enterprise programs, rather than as entities within themselves.

Operation of Noninstructional Services Expenditures – Activities concerned with providing noninstructional services to students, staff or the community.

Facilities Acquisition and Construction Services Expenditures – Consists of activities involved with the acquisition of land and buildings; remodeling buildings; the construction of buildings and additions to buildings; initial installation or extension of service systems and other built-in equipment; and improvements to sites.

Other Outlays Expenditures – A number of outlays of governmental funds are not properly classified as expenditures, but still require budgetary or accounting control. These are classified as Other Outlays. These include debt service payments (principal and interest).

Other Uses Expenditures – This includes scholarships provided by private gifts and endowments; student aid and staff awards supported by outside revenue sources (i.e., foundations). Also, expenditures for self-funded employee benefit programs administered either by the District or a third-party administrator.

Repayment Expenditures – Repayment expenditures represent checks/warrants issued to outside agencies for refund or restricted revenue previously received for overpayment, non-qualified expenditures and other refunds to be repaid from District funds.

Interfund Transactions – Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund or expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the fund that is reimbursed.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

F. Revenue and Expenditures – cont'd

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers. There were no interfund transfers made during the 2022-23 fiscal year.

2. CASH AND INVESTMENTS

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to the District. The District's cash deposits and investments at June 30, 2023 were \$27,212,572 at financial institutions, and were completely insured or collateralized by federal depository insurance, direct obligations of the U.S. Government, or securities held by the District or by its agent in the District's name.

Investment Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. Due to the required liquidity for those investments, these funds have no defined maturity dates. The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses from increasing interest rates.

Investment Credit Risk – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The District does not have a formal policy limiting its investment choices, other than the limitation of state law as follows:

- Direct obligations of the U.S. Government, its agencies and instrument to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
- With certain limitation, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper and repurchase agreements with certain limitations.
- County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
 NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2023

2. CASH AND INVESTMENTS – cont'd

- Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
- Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous bullet items.

Concentration of Investment Credit Risk – The District places no limit on the amount it may invest in any one issuer.

3. INTERFUND RECEIVABLES AND PAYABLES

There were no interfund receivables or payables at June 30, 2023.

4. GENERAL LONG-TERM DEBT

State statutes prohibit the District from becoming indebted in an amount exceeding the revenue to be received for any fiscal year without approval by the District’s voters. Bond issues have been approved by the voters and issued by the District for various capital improvements. These bonds are required to be fully paid serially within 25 years of the date of issue.

General long-term debt consists of building bonds payable, transportation bonds payable, judgments and capital leases. Debt service requirements for bonds and judgments are payable solely from the fund balance and the future revenues of the debt service fund, and capital leases are paid from other funds.

The following is a summary of the long-term debt transactions of the District for the year ended June 30, 2023:

	Bonds Payable	Judgments Payable	Capital Leases	Total
Balance, July 1, 2022	\$ 6,600,000	0	16,532,768	23,132,768
Additions	16,000,000	5,075	0	16,005,075
Retirements	(6,600,000)	(5,075)	(164,084)	(6,769,159)
Balance, June 30, 2023	<u>\$ 16,000,000</u>	<u>0</u>	<u>16,368,684</u>	<u>32,368,684</u>

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
 NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2023

4. GENERAL LONG-TERM DEBT – cont'd

A brief description of the outstanding long-term debt at June 30, 2023 is set forth below:

<u>General Obligation Bonds:</u>	<u>Amount Outstanding</u>
General Obligation Building Bonds, Series 2023, original issue \$16,000,000, interest rate of 4.00%, due in an initial installment of \$8,000,000, and a final payment of \$8,000,000 due 6-01-26	\$ 16,000,000
<u>Lease Purchase Agreements:</u>	
Lease purchase for 2015 Sapulpa Public School Project, dated 5-1-15, for \$26,800,000, due in annual principal and interest installments of varying amounts, final payment due 8-20-29 (see below)	15,535,000
Lease purchase for Chieftain Center Scoreboard, dated 7-16-21, totaling \$316,202, interest rate of 2.65%, due in annual installments of \$67,094, final installment due 2-1-26	190,929
Lease purchase for Collins Stadium Scoreboard, dated 7-16-21, totaling \$374,816, interest rate of 2.65%, due in annual installments of \$79,175, final installment due 5-1-26	225,287
Lease purchase for Soccer Equipment and Turf, dated 12-14-22, totaling \$450,000, interest rate of 3.95%, due in annual installments of \$ 99,863, final installment due 1-20-28	<u>417,468</u>
Total Long-Term Debt	<u>\$ 32,368,684</u>

2015 Sapulpa Public Schools Project

On May 1, 2015, the Creek County Educational Facilities Authority issued \$26,800,000 of Educational Facilities Lease Revenue Bonds (Sapulpa Public Schools Project) Series 2014, to provide funds required for the constructing, equipping, repairing and remodeling school buildings, acquiring school furniture, fixtures and equipment and acquiring and improving school sites for the benefit of the Sapulpa Public Schools (District). Also on May 1, 2015, the District, as lessor, entered into a ground lease agreement, for certain district property, with the Creek County Educational Facilities Authority.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
 NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2023

4. GENERAL LONG-TERM DEBT – cont'd

In addition, the District entered into a sublease, as lessee, with the Creek County Educational Facilities Authority. The sublease calls for nine (9) annual payments starting September 1, 2015. These payments will be made out of general obligation bond funds, pursuant to the issuance of series bonds in the amount of \$39,555,000. The Sapulpa Public Schools gains ownership to the capital improvements incrementally as each payment is made. The remaining payments are as follows.

Future Debt Requirements

The annual debt service requirements for retirement of bond principal, capital lease principal and payment of interest are as follows:

Year Ending June 30	Principal	Interest	Total
2024	\$ 15,754,713	1,351,919	17,106,632
2025	8,226,842	659,290	8,886,132
2026	8,234,174	331,958	8,566,132
2027	95,474	4,389	99,863
2028	57,481	773	58,254
Total	<u>\$ 32,368,684</u>	<u>2,348,329</u>	<u>34,717,013</u>

Interest paid on general long-term debt during the 2022-23 fiscal year totaled \$783,570.

5. EMPLOYEE RETIREMENT SYSTEM

Description of Plan

The District participates in the state-administered Oklahoma Teachers' Retirement System, which is a cost sharing, multiple-employer defined benefit public employee retirement system (PERS), which is administered by the Board of Trustees of the Oklahoma Teachers' Retirement System (the "System"). The System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Title 70 Section 17 of the Oklahoma Statutes establishes benefit provisions and may be amended only through legislative action. The Oklahoma Teachers' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Oklahoma Teachers' Retirement System, P.O. Box 53624, Oklahoma City, OK 73152, or by calling 405-521-2387.

Basis of Accounting

The System's financial statements are prepared using the cash basis of accounting, except for accruals of interest income. Plan member contributions are recognized in the period in which the contributions are made. Benefits and refunds are recognized when paid.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

5. EMPLOYEE RETIREMENT SYSTEM – cont'd

The pension benefit obligation is a standardized disclosure measure of the present value of pension benefits. This pension valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of employee services performed to date and is adjusted for the effect of projected salary increases. There are no actuarial valuations performed on individual school districts. The System has an under-funded pension benefit obligation as determined as part of the latest actuarial valuation.

Funding Policy

The District, the State of Oklahoma, and the participating employee make contributions. The contribution rates for the District and its employees are established by and may be amended by Oklahoma Statutes. The rates are not actuarially determined. The rates are applied to the employee's earnings plus employer-paid fringe benefits. The required contribution for the participating members is 7.0% of compensation. Contributions received by the System from the State of Oklahoma are used to offset required employer contributions by the local school district. For the 2022-23 fiscal year, the District contributed 9.5% and the State of Oklahoma contributed the remaining amount during the year. The District is allowed by Oklahoma Teachers' Retirement System to make the required contributions on behalf of the participating members. In addition, if a member's salary is paid in part by federal or private funds, the contribution on that portion of the salary paid by those funds must be matched by the District at 8.00%.

Annual Pension Cost

The District's total contributions for 2023, 2022 and 2021 were \$1,938,430, \$1,818,370 and \$1,691,956, respectively. Ten-year historical trend information is presented in the Teacher's Retirement System of Oklahoma Annual Report for the year ended June 30, 2023. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due. Please visit www.ok.gov/TRS for all plan information.

GASB Statement 68 became effective for fiscal years beginning after June 15, 2014, and significantly changes pension accounting and financial reporting for governmental employers who participate in a pension plan, such as the System, and who prepare published financial statements on an accrual basis using Generally Accepted Accounting Principles. Since the District does not prepare and present their financial statements on an accrual basis, the net pension amount is not required to be presented on the audited financial statements.

6. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; or acts of God. The District purchases commercial insurance to cover these risks, including general and auto liability, property damage, and public officials' liability. Settled claims resulting from risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

6. RISK MANAGEMENT – cont'd

The District participates in a risk pool for Workers' Compensation coverage in which there is a transfer or pooling of risks among the participants of that pool. In accordance with GASB No. 10, the District reports the required contribution to the pool, net of refunds, as insurance expense. The risk pool is the Oklahoma School Assurance Group (OSAG), an organization formed for the purpose of providing workers' compensation coverage to participating schools in the State of Oklahoma.

In that capacity, OSAG is responsible for providing loss control services and certain fiscal activities, including obtaining contract arrangements for the underwriting, excess insurance agreements, claims processing, and legal defense for any and all claims submitted to it during the plan year. As a member of OSAG, the District is required to pay fees set by OSAG according to an established payment schedule. A portion of the fees paid by the District goes into a loss fund for the District. The fee for the loss fund is calculated by projecting losses based on the school's losses for the last five years. OSAG provides coverage in excess of the Loss Fund so the District's liability for claim loss is limited to the balance of the loss fund. If the District does not use its loss fund in three years, it is returned to the District with no interest.

7. CONTINGENCIES

Federal Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

Schedule of Expenditure of Federal Awards

The schedule shows the federal awards received and expended by the District during the 2022-23 fiscal year. The new Uniform Guidance of Audits of States, Local Governments and Non-Profit Organizations established uniform audit requirements for nonfederal entities which expended more than \$750,000 in federal awards.

Litigation

District officials are not aware of any pending or threatened litigation, claims or assessments or unasserted claims or assessments against the District.

SUPPLEMENTARY INFORMATION

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -
 ALL SPECIAL REVENUE FUNDS - REGULATORY BASIS
 JUNE 30, 2023

	BUILDING FUND	CHILD NUTRITION FUND	TOTAL
<u>ASSETS</u>			
Cash	\$ 642,933	1,213,661	1,856,594
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Warrants/checks payable	\$ 24,827	116,967	141,794
Encumbrances	105,180	109,023	214,203
Total liabilities	130,007	225,990	355,997
Fund Balance:			
Restricted	512,926	987,671	1,500,597
Total Liabilities and Fund Balance	\$ 642,933	1,213,661	1,856,594

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
 COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND CHANGES
 IN CASH FUND BALANCES - ALL SPECIAL REVENUE FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2023

	BUILDING FUND	CHILD NUTRITION FUND	TOTAL
Revenues Collected:			
Local sources	\$ 1,094,251	402,799	1,497,050
State sources	199,007	144,605	343,612
Federal sources		1,445,695	1,445,695
Interest earnings		81	81
Total revenues collected	<u>1,293,258</u>	<u>1,993,180</u>	<u>3,286,438</u>
Expenditures:			
Support services	1,262,278		1,262,278
Operation of noninstructional services		1,869,930	1,869,930
Total expenditures	<u>1,262,278</u>	<u>1,869,930</u>	<u>3,132,208</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	30,980	123,250	154,230
Other financing sources (uses):			
Adjustments to prior year encumbrances	<u>18,832</u>	<u>44,155</u>	<u>62,987</u>
Excess of revenues collected over (under) expenditures	49,812	167,405	217,217
Cash fund balances, beginning of year	<u>463,114</u>	<u>820,266</u>	<u>1,283,380</u>
Cash fund balances, end of year	<u>\$ 512,926</u>	<u>987,671</u>	<u>1,500,597</u>

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
 COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND CHANGES
 IN CASH FUND BALANCES - BUDGET AND ACTUAL - ALL SPECIAL REVENUE FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2023

	BUILDING FUND		CHILD NUTRITION FUND	
	ORIGINAL BUDGET	FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET
Revenues Collected:				
Local sources	\$ 1,045,883	1,045,883	\$ 78,580	78,580
State sources				402,799
Federal sources			1,448,328	144,605
Interest earnings				1,445,695
Total revenues collected	<u>1,045,883</u>	<u>1,045,883</u>	<u>1,526,908</u>	<u>1,993,180</u>
Expenditures:				
Support services	1,508,997	1,508,997		
Operation of noninstructional services			2,347,174	1,869,930
Total expenditures	<u>1,508,997</u>	<u>1,508,997</u>	<u>2,347,174</u>	<u>1,869,930</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	(463,114)	(463,114)	(820,266)	123,250
Other financing sources (uses):				
Adjustments to prior year encumbrances	0	0	0	44,155
Excess of revenues collected over (under) expenditures	(463,114)	(463,114)	(820,266)	167,405
Cash fund balances, beginning of year	463,114	463,114	820,266	820,266
Cash fund balances, end of year	<u>\$ 0</u>	<u>0</u>	<u>\$ 0</u>	<u>987,671</u>

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES -
 ALL CAPITAL PROJECTS FUNDS - REGULATORY BASIS
 JUNE 30, 2023

	31	32	33	34	35	39	
	BUILDING BOND FUND	TOTAL					
ASSETS							
Cash	\$ 627,806	352,953	22,489	16,353,210	17	36,765	17,393,240
LIABILITIES AND FUND BALANCE							
Liabilities:							
Warrants/checks payable	\$ 8,322	770					9,092
Encumbrances	113,076	231,451	14,521			36,765	395,813
Total Liabilities	121,398	232,221	14,521	0	0	36,765	404,905
Fund Balances:							
Restricted	506,408	120,732	7,968	16,353,210	17	0	16,988,335
Total Liabilities and Fund Balance	\$ 627,806	352,953	22,489	16,353,210	17	36,765	17,393,240

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
 COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES, AND CHANGES
 IN CASH FUND BALANCES - ALL CAPITAL PROJECTS FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2023

	31	32	33	34	35	39	TOTAL
	BUILDING	BUILDING	BUILDING	BUILDING	BUILDING	BUILDING	
	BOND FUND	BOND FUND	BOND FUND	BOND FUND	BOND FUND	BOND FUND	TOTAL
Revenues collected:							
Interest earnings	\$ 0	0	0	48,000	0	0	48,000
Expenditures:							
Support services	177,754	337,364	36,045	23,750	0	36,765	611,678
Excess of revenues collected over (under) expenditures before other financing sources (uses)	(177,754)	(337,364)	(36,045)	24,250	0	(36,765)	(563,678)
Other financing sources (uses):							
Adjustments to prior year encumbrances	2,792	10,279	7,286		17		20,374
Bond proceeds				16,328,960			16,328,960
Total other financing sources (uses)	2,792	10,279	7,286	16,328,960	17	0	16,349,334
Excess of revenues collected over (under) expenditures	(174,962)	(327,085)	(28,759)	16,353,210	17	(36,765)	15,785,656
Cash fund balances, beginning of year	681,370	447,817	36,727	0	0	36,765	1,202,679
Cash fund balances, end of year	\$ 506,408	120,732	7,968	16,353,210	17	0	16,988,335

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
 COMBINED STATEMENT OF ASSETS, LIABILITES AND FUND BALANCE -
 ALL FICUCIARY FUND TYPES - REGULATORY BASIS
 JUNE 30, 2023

	EXPENDABLE TRUST FUNDS	AGENCY FUNDS	
<u>ASSETS</u>	GIFTS & ENDOWMENTS FUND	SCHOOL ACTIVITY FUNDS	TOTAL
Cash	\$ 66,251	1,325,060	1,391,311
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Funds held for school organizations	\$ 0	1,325,060	1,325,060
Fund Balance:			
Restricted	66,251	0	66,251
Total Liabilities and Fund Balance	\$ 66,251	1,325,060	1,391,311

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
 AGENCY FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2023

	BALANCE 07/01/22	ADDITIONS	NET TRANSFERS	DEDUCTIONS	BALANCE 06/30/23
<u>ASSETS</u>					
Cash	\$ 1,283,996	2,048,456	0	2,007,392	1,325,060
<u>LIABILITIES</u>					
Non Categorical Fund	\$ 0	4		0	4
HS Grants	1,538	3,290		3,261	1,567
HS Office	5,225	11,238	1,500	7,767	10,196
Credit Recovery	6,411	2,126		50	8,487
ID Badge	2,792	2,555		2,557	2,790
HS Art	1,738	10,125		5,111	6,752
HS Band	9,422	19,698		23,614	5,506
HS Band Booster Concession	49,465	52,848	(4,051)	48,274	49,988
HS Oklahoma Close Up	474	0		0	474
HS Hospitality Committee	606	525		265	866
HS STAY	445	0		0	445
HS Counseling Office	6,187	551		1,476	5,262
HS Business Prof Assoc.	445	0		0	445
HS AP Exams	1,396	2,586		1,193	2,789
HS FCCLA	1,349	3,548	(180)	3,772	945
HS Title 7 Indian Ed Pantry	73	0		73	0
HS Library	1,229	56		241	1,044
HS National Honor Society	4,645	3,521		2,165	6,001
HS Green-Thumb Chieftains	6,225	4,136		5,870	4,491
HS NAACP	112	281		0	393
HS Seniors 2024	2,723	13,805		10,325	6,203
HS Seniors 2025	4,969	0		0	4,969
HS Seniors 2023	9,599	0		1,323	8,276
HS Science club	4,578	29,565		356	33,787
HS Spanish Honor Society	691	775		865	601
HS Special Olympics	15,460	570		10,103	5,927
HS Student Council	3,016	3,037		3,470	2,583
HS Vocal Music	3,036	65,440	(1,206)	57,055	10,215
HS Ag Ed & FFA	52,535	131,731	(1,779)	160,550	21,937
HS Lyons Special Ed	1,533	302		195	1,640
HS Yearbook	8,946	3,715		8,777	3,884
HS Gillis Sped	488	301		0	789
HS Fishing Team	737	0		152	585
HS Band Auxiliaries	4,902	14,447		10,917	8,432
HS Band Trips	75,464	163,260	8,983	206,612	41,095
HS Band Grants	55,636	53,174		51,862	56,948
HS Ping Pings	1,737	1,433		953	2,217
HS FCA	0	1,950		0	1,950

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
 AGENCY FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2023

	BALANCE 07/01/22	ADDITIONS	NET TRANSFERS	DEDUCTIONS	BALANCE 06/30/23
HS Indian Parent Comm	\$ 497	1,030		500	1,027
HS Sapulpa Indian Club	3,544	4,566		2,275	5,835
HS Key Club	155	340		311	184
HS GSA Gay Straight All.	69	0		0	69
HS Productions	13,868	11,300		16,659	8,509
HS Culinary Arts	1,251	1,370	6,373	4,614	4,380
HS JROTC	25,075	63,792	(60)	43,352	45,455
HS School Nurse	1,813	0		0	1,813
Backpack Food Pantry	4,944	700	565	4,923	1,286
Local Scholarships	37,706	4,500		5,200	37,006
HS Senior Girl Events	4,703	2,250		2,132	4,821
HS First Robotics	59,894	9,065		50,191	18,768
HS Indian Ed Staff Dev	2,911	1,070		1,282	2,699
HS Physics	684	0	1,000	0	1,684
E-Sports	5,356	0		2,906	2,450
JH Office	731	2,988	1,500	4,514	705
JH Library	1,133	19		0	1,152
JH Student Council	2,081	2,330		3,618	793
JH Vocal Music	2,541	4,222	(68)	5,924	771
JH Yearbook	5,809	3,001		2,275	6,535
JH Art	594	7,950	4,987	10,259	3,272
JH Taps	316	0		0	316
Stem JH Math Science	4,240	0		0	4,240
JH Grants	3,648	775		738	3,685
MS Office	6,601	12,381	1,250	7,565	12,667
MS Library	932	103		705	330
MS Student of Month	200	0		0	200
MS Student Council	19	1,639		0	1,658
MS Yearbook	114	3,096	35	2,732	513
MS Art	0	523		0	523
MS Choir	9,355	4,444	391	5,370	8,820
MS NJHS	1,565	385		385	1,565
7/8 Grade Volleyball	636	0		0	636
MS Grants	186	36,869		22,198	14,857
Special Ed Director	229	0	(36)	186	7
Liberty Library	997	3,137		2,797	1,337
Liberty Music	8,016	0	1,250	5,434	3,832
Liberty Fundraising	3,671	8,228		8,902	2,997
Liberty STEM	5,054	43,419		38,629	9,844
Liberty Grants	1,662	11,931		11,469	2,124

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
 AGENCY FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2023

	BALANCE 07/01/22	ADDITIONS	NET TRANSFERS	DEDUCTIONS	BALANCE 06/30/23
Freedom Misc	\$ 4,484	7,204	1,250	9,856	3,082
Freedom Fundraising	15,999	34,217		23,518	26,698
Freedom Library	2,310	7,073		8,873	510
Freedom Grants	114	13,460		13,337	237
Freedom Taps	11,647	50,800		41,951	20,496
Jefferson HTS Misc	3,588	4,971	1,250	4,195	5,614
Jefferson HTS Fundraising	16,695	18,232		24,078	10,849
Jefferson HTS Grants	9,545	2,204		2,772	8,977
Jefferson HTS Library	3,007	4,810		4,810	3,007
Holmes Park Misc	4,979	1,038	1,250	3,424	3,843
Holmes Park Fundraising	25,321	53,840	(255)	57,226	21,680
Holmes Park Library	2,103	13,453		10,010	5,546
Holmes Park Grants	1,026	3,990		4,174	842
Revolutionary Days	331	450	178	816	143
District Stem	22,621	14,400	(178)	6,331	30,512
Sapulpa Academic Conf.	267	0		0	267
Benevolence Fund	9,509	0		235	9,274
GT Grants	13,550	0		0	13,550
NOW Interest	30,084	38,829	(5,837)	24,240	38,836
Driver Education	1,750	3,600		175	5,175
Stem - Camp Invention	45,186	29,615	(8,658)	28,172	37,971
Latchkey	2,900	174,637	80	94,032	83,585
Collins Foundation	27,119	0		0	27,119
Education Foundation	80	55		0	135
Spark	47,280	69,423	(80)	55,465	61,158
Local Child Welfare	52,376	35,006		52,437	34,945
Hot Spot Insurance	705	0		0	705
Alternative School Grants	81	928		896	113
Child Nutrition Banquets	124	113		0	237
SPS Food Service Assoc.	8,340	210		6,027	2,523
Soft Drink Money	10,891	20,693	(10,000)	12,190	9,394
Alternative School	3,487	1,160	750	1,773	3,624
Clearing Account	82	2,443	(1,000)	0	1,525
Service Center	367	338		68	637
Chromebook Repair	49,039	30,118		20,132	59,025
Elem Basketball	1,238	7,498		5,004	3,732
Centennial Plaza Project	1,973	0		0	1,973
Homeless	565	1,054	(600)	514	505
Athletic Sports Overall	7,505	17,612	1,576	19,982	6,711
Football	25,748	11,217	15,000	32,382	19,583
Boys Basketball	2,450	3,183	3,500	6,469	2,664

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
 AGENCY FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2023

	BALANCE 07/01/22	ADDITIONS	NET TRANSFERS	DEDUCTIONS	BALANCE 06/30/23
Girls Basketball	\$ 1,598	450	3,500	3,542	2,006
Baseball	11,582	17,410	3,500	21,544	10,948
Softball	4,164	0	4,000	7,106	1,058
Wrestling	2,499	5,611	4,000	9,565	2,545
Tennis	621	0	1,500	2,105	16
Track	585	1,578	3,000	4,230	933
Golf	6,804	9,111	2,500	12,663	5,752
Athletic Booster	106,243	139,624	(3,247)	149,953	92,667
Cross Country	8,170	6,051	3,000	10,910	6,311
Boys Soccer	1,414	463	3,000	4,068	809
Athletic Trainer	19	324	5,731	753	5,321
Girls Soccer	8,302	15,145	3,000	16,580	9,867
Girls Volleyball	5,120	4,342	3,000	7,169	5,293
Cheer	6,598	5,838		9,223	3,213
All Events Gate	12,847	185,382		184,966	13,263
JH Cheer	3,305	5,701		7,879	1,127
Drug Test	16,682	25,177	(5,231)	24,628	12,000
Sponsors 2022-23	32,502	49,773	(52,500)	1,641	28,134
Chieftain Center Concession	19,848	50,586	2,567	56,054	16,947
Total Liabilities	\$ 1,283,996	2,048,456	0	2,007,392	1,325,060

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REGULATORY BASIS**

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33, CREEK COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor / Pass Through Grantor / Program Title	Fed. Asst. Listing Number	Control Project No.	Total Expenditures
U.S. DEPARTMENT OF EDUCATION -			
<u>Direct Programs:</u>			
Indian Education	84.060	561	\$ 212,695
<u>Passed Through State Department of Education:</u>			
Title I, Basic Programs	84.010	511	698,897
Title I, Neglected	84.010	518	7,371
Total Title I Cluster			706,268
Title II, Part A	84.367	541	117,750
Title III, Part A	84.365	572	15,279
Title IV, Part A	84.424	552	43,666
Title IX, Homeless	84.196	596	33,389
ARP IDEA-B Flow Through	84.027X	628	87,749
ARP IDEA-B Flow Preschool	84.027X	643	750
Total ARP IDEA-B Special Education Cluster			88,499
* IDEA-B Special Education:			
IDEA-B Flow Through	84.027	621	749,177
IDEA-B Prof Develop, OSDE	84.027	613	2,788
IDEA-B Prof Develop, District	84.027	615	4,182
IDEA-B Preschool	84.173	641	31,695
Total IDEA-B Special Education Cluster			787,842
*COVID-19 Education Stabilization Fund (ESF):			
ESSER II	84.425D	793	211,517
ARP - ESSER III	84.425U	795	1,563,186
ARP - ESSER Homeless II	84.425U	797	
ARP - OK Paid Student Teacher	84.425U	725	3,498
ARP - Science of Reading	84.425U	726	5,168
ARP - ESSER Counselor Corps Grant	84.425U	722	182,329
Total COVID-19 - ESF			1,965,698
<u>Passed Through State Department of Career and Technology Education:</u>			
Carl Perkins	84.048	421	34,009
Carl Perkins Supplemental Grants	84.048	424	30,102
Sub Total			64,111
U.S. DEPARTMENT OF AGRICULTURE -			
<u>Passed Through State Department of Education:</u>			
Child Nutrition Programs:			
School breakfast program	10.553	764	257,982
National school lunch program	10.555	763	996,661
Summer food program	10.559	766	496
Supply chain assistance	10.555	759	105,124
Non-cash assistance - Commodities	10.555	N/A	202,330
Total Child Nutrition Program Cluster			1,562,593
Other Child Nutrition Programs:			
P-EBT	10.649	760	3,135
<u>Other Federal Assistance:</u>			
Johnson O'Malley	15.130	563	9,152
Johnson O'Malley 3 month	15.130	564	31,681
Johnson O'Malley MCN/BIA	15.130	565	5,490
JROTC	12.357	770	68,693
Total Federal Assistance			\$ 5,715,941

* Major programs = 48.17%

Note 1 - Basis of Presentation - The accompanying schedule of expenditures of federal awards includes the federal activity of the District for the year ended June 30, 2023. This information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended and does not present the financial position, changes in net assets, or cash flows of the District.

Note 2 - Summary of Significant Accounting Policies - Expenditures reported on this schedule are reported on the regulatory basis of accounting consistent with the preparation of the combined financial statements except as noted in Note 3. Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance. None of the federal programs include any loan programs, loan guarantee programs, and has no sub-recipients.

Note 3 - Non-Monetary Assistance - Commodities received by the District were of a non-monetary nature.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33, CREEK COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - REGULATORY BASIS
PREPARED FOR THE OKLAHOMA STATE DEPARTMENT OF EDUCATION
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor / Pass Through Grantor / Program Title	Fed. Asst. Listing Number	OCAS Project No.	Program or Award Amount	Balance at 7/1/2022	Revenue Collected	Total Expenditures	Balance at 6/30/2023
U.S. DEPARTMENT OF EDUCATION -							
Direct Programs:							
Indian Education	84.060	561	\$ 212,695		148,756	212,695	63,939
Indian Education, 2021-22	84.060	799		46,154	46,154		
Sub Total			212,695	46,154	194,910	212,695	63,939
Passed Through State Department of Education:							
Title I, Basic Programs	84.010	511	804,251		576,301	698,897	122,596
Title I, Neglected	84.010	518	11,285		6,295	7,371	1,076
Title I, Neglected, 2021-22	84.010	799		2,513	2,513		
Title II, Part A	84.367	541	127,568		108,201	117,750	9,548
Title II, Part A, 2021-22	84.367	799		12,933	12,933		
Title III, Part A	84.365	572	17,730		15,130	15,279	148
Title IV, Part A	84.424	552	60,594		39,030	43,666	4,636
Title IV, Part A, 2021-22	84.424	799		8,298	8,298		
Title IX, Homeless	84.196	596	99,630		26,015	33,389	7,374
Title IX, Homeless, 2021-22	84.196	799		3,716	3,716		
IDEA-B Secondary Transition	84.027X	618	9,356				
ARP IDEA-B Flow Through	84.027X	628	95,682		72,191	87,749	15,558
ARP IDEA-B Flow Through, 2021-22	84.027X	799		51,132	51,132		
ARP IDEA-B Flow Preschool	84.027X	643	1,546		750	750	
ARP IDEA-B Flow Preschool, 2021-22	84.027X	799		3,325	3,325		
IDEA-B Flow Through	84.027	621	892,314		584,649	749,177	164,528
IDEA-B Flow Through, 2021-22	84.027	799		127,397	127,397		
IDEA-B Prof Develop, OSDE	84.027	613	2,788			2,788	2,788
IDEA-B Prof Develop, District	84.027	615	5,584		3,744	4,182	439
IDEA-B Preschool	84.173	641	44,131		27,550	31,695	4,144
COVID-19 Education Stabilization Fund (ESF) -							
ESSER II	84.425D	793	211,517		211,517	211,517	
ARP - ESSER III	84.425U	795	4,507,526		1,297,034	1,563,186	266,152
ARP - ESSER Homeless II	84.425U	797	49,132				
ARP - OK Paid Student Teacher	84.425U	725	3,498		3,498	3,498	
ARP - Science of Reading	84.425U	726	5,168		5,168	5,168	
ARP - ESSER Counselor Corps Grant	84.425U	722	182,329		182,329	182,329	
ARP - ESSER Counselor Corps Grant, 2021-22	84.425U	799		30,153	30,153		
Total COVID-19 - ESF (84.425U)			4,959,170	217,115	1,916,661	1,965,698	266,152
Sub Total			7,131,629	544,913	3,704,315	3,758,391	598,987
Passed Through State Department of Career and Technology Education:							
Carl Perkins	84.048	421	35,830		30,641	34,009	3,368
Carl Perkins, 2021-22	84.048	799		7,555	7,555		
Carl Perkins Supplemental Grants	84.048	424	48,789			30,102	30,102
Sub Total			84,619	7,555	38,196	64,111	33,470
U.S. DEPARTMENT OF AGRICULTURE -							
Passed Through State Department of Education:							
Child Nutrition Programs:							
School breakfast program	10.553	764			257,982	257,982	
National school lunch program	10.555	763			1,078,958	996,661	
Summer food program	10.559	766			496	496	
Supply chain assistance	10.555	759			105,124	105,124	
Non-cash assistance - Commodities	10.555	N/A			202,330	202,330	
Total Child Nutrition Program Cluster					1,644,890	1,562,593	
Other Child Nutrition Programs:							
P-EBT	10.649	760			3,135	3,135	
Other Federal Assistance:							
Johnson O'Malley	15.130	563	53,520		1,807	9,152	7,346
Johnson O'Malley 3 month	15.130	564	31,681		31,681	31,681	
Johnson O'Malley MCN/BIA	15.130	565	7,530			5,490	5,490
Johnson O'Malley, 2021-22	15.130	799		11,069	11,069		
Flood Control, 2021-22	12.112	799		589	589		
JROTC	12.357	770	68,694		68,694	68,693	
Sub Total			161,425	11,658	113,840	115,016	12,836
Total Federal Assistance			\$ 7,590,368	610,280	5,699,286	5,715,941	709,232

Note 1 - This schedule was prepared on a regulatory basis of accounting consistent with the preparation of the combined financial statements, except for the non-cash assistance noted in Note 2.

Note 2 - Food Distribution - Non-cash assistance is reported in this schedule at the fair market value of the commodities received and disbursed.

Note 3 - None of the federal programs include any loan programs, loan guarantee programs, has no sub-recipients and does not use the 10% de minimus indirect cost rate.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
STATEMENT OF STATUTORY, FIDELITY AND HONESTY BONDS
FOR THE YEAR ENDED JUNE 30, 2023

BONDING COMPANY	POSITION COVERED	BOND NUMBER	COVERAGE AMOUNT	EFFECTIVE DATES
RLI Insurance -	Treasurer	LSM0902376	\$ 500,000	7/1/22 - 7/1/23
Western Surety Company -	Superintendent	70402481	100,000	10/30/22 - 10/30/23
	Encumbrance Clerk	70402481	50,000	10/30/22 - 10/30/23
	Activitty Fund Custodian	70402481	100,000	10/30/22 - 10/30/23
	Minutes Clerk	70402481	100,000	10/30/22 - 10/30/23
	Payroll Clerk	70402481	100,000	10/30/22 - 10/30/23
	Payroll Assistant	70402481	100,000	10/30/22 - 10/30/23
	Child Nutrition Director	70402481	10,000	10/30/22 - 10/30/23

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE
AFFIDAVIT
JULY 1, 2022 TO JUNE 30, 2023

State of Oklahoma)
) ss
County of Tulsa)

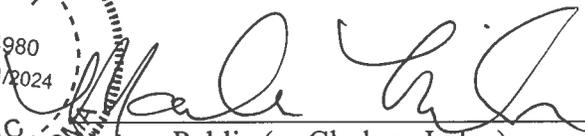
The undersigned auditing firm of lawful ages, being first duly sworn on oath says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with Sapulpa Public Schools for the audit year 2022-23.

Bledsoe, Hewett & Gullekson
Certified Public Accountants, PLLLP
Auditing Firm

By 
Authorized Agent

Subscribed and sworn to before me
This 10th day of November, 2023




Notary Public (or Clerk or Judge)

My Commission Expires: 12-11-2024
Commission No. 20014980



BLEDSON, HEWETT & GULLEKSON
CERTIFIED PUBLIC ACCOUNTANTS, PLLLP

Eric M. Bledsoe, CPA
Jeffrey D. Hewett, CPA
Christopher P. Gullekson, CPA

P.O. BOX 1310 • 121 E. COLLEGE ST • BROKEN ARROW, OK 74013 • (918) 449-9991 • (800) 522-3831 • FAX (918) 449-9779

November 10, 2023

Mr. Robert Armstrong, Supt.
Sapulpa Public Schools
511 E Lee Ave
Sapulpa, Oklahoma 74066

Dear Mr. Armstrong:

Listed below are the observations and recommendations from the final audit work we performed for you. Please review them very carefully, along with the review copy of your audit report. If you have questions or desire additional information, please call us so that any discrepancies may be resolved.

The following section contains an observation relayed to management that is a control deficiency, which we feel needs to be communicated to you so appropriate action may be taken to correct this deficiency. This item is not included or referred to in your audit report, as it is not considered material or immaterial in nature. It is a minor deficiency that could evolve into a material or immaterial finding if not addressed or corrected.

Child Nutrition Fund

We observed during the audit that the net cash resources for the child nutrition fund at June 30, 2023, exceeded the three months average expenditures allowed by the State Department of Education by approximately \$370,594. We recommend that the administration contact the Child Nutrition Division at the State Department of Education and seek their guidance concerning this matter.

We take this opportunity to thank you and your professional staff for the outstanding cooperation and invaluable assistance you gave us during our recent onsite audit work.

Sincerely,



Christopher P. Gullekson

For

Bledsoe, Hewett & Gullekson
Certified Public Accountants, PLLLP