



JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

JACK JENKINS, CPA
MICHAEL KEMPER, CPA

December 6, 2021

To the Board of Education
Midwest City-Del City School District

We have audited the basic financial statements of Midwest City-Del City School District for the year ended June 30, 2021 and have issued our report thereon dated December 6, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB's *Uniform Guidance* (2 CFR part 200, subpart E), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated January 27, 2021. Professional standards also require that we communicate to you the following information related to your audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the School District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2021. We noted no transactions entered into by the School District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the School District's financial statements were:

Management's estimate of the School District's net pension obligation and the related deferred inflows and outflows of resources are based on pension contributions made by the School District and actuarial information obtained from the Oklahoma Teacher's Retirement System. We evaluated the key factors and assumptions used to develop the net pension obligation and related deferred inflows and outflows of resources in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements of the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 6, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the School District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the School District's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, the Schedule of Proportionate Share of the Net Pension Liability, and the Schedule of Contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on supplementary information including combining statements, and the schedule of expenditures of federal awards, which accompanies the financial statements but are not RSI. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on statistical information, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Additional Services Provided

We also assisted in preparation of the financial statements, notes to the financial statements, and schedule of expenditures of federal awards.

Restriction on Use

This information is intended solely for the information and use of the board of education and administrative employees of the School District and is not intended to be, and should not be, used by anyone other than these specific parties.

Sincerely,

Jenkins & Kemper, CPAs P.C.

Jenkins & Kemper
Certified Public Accountants, P.C.

**AUDITED FINANCIAL STATEMENTS
AND REPORTS OF INDEPENDENT AUDITOR**

**MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. 1-52,
OKLAHOMA COUNTY, OKLAHOMA**

JUNE 30, 2021



JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

TABLE OF CONTENTS – contd.

REQUIRED SUPPLEMENTARY INFORMATION:

Oklahoma Teachers' Requirement System:	
Schedule of the District's proportionate share of the net pension liability	58
Schedule of District Contributions	59
Budgetary comparison schedule – general fund	60
Budgetary comparison schedule – building fund	61

OTHER SUPPLEMENTARY INFORMATION:

Combining balance sheet – other governmental funds	62-63
Combining statement of revenues, expenditures and changes in fund balances – other governmental funds	64-65
Budgetary comparison schedule – debt service fund	66
Budgetary comparison schedule – child nutrition fund	67
Budgetary comparison schedule – tech center	68
Budgetary comparison schedule – tech center building fund	69

COMPLIANCE SECTION:

Schedule of expenditures of federal awards	70-72
Notes to schedule of expenditures of federal awards	73
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 <i>Government Auditing Standards</i>	74-75
Independent auditor's report on compliance with requirements applicable to each major program and internal control over compliance in accordance with the Uniform Guidance	76-77
Schedule of findings and questioned costs	78
Summary schedule of prior audit findings	79
Schedule of Accountant's Professional Liability Insurance Affidavit	80

TABLE OF CONTENTS

	<u>Page No.</u>
Table of Contents	1-2
School District Officials	3
Independent Auditor's Report	4-5
Management's Discussion and Analysis	6-10
 <u>BASIC FINANCIAL STATEMENTS:</u>	
Government-wide financial statements:	
Statement of net position	11
Statement of activities	12
 <u>GOVERNMENTAL FUND FINANCIAL STATEMENTS:</u>	
Balance sheet	13-14
Reconciliation of the governmental funds balance sheet to the statement of net position	15
Statement of revenues, expenditures, and changes in fund balances	16-17
Reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities	18
Statement of net position – proprietary fund	19
Statement of revenues, expenditures and changes in net position – proprietary fund	20
Statement of cash flows – proprietary fund	21
Notes to basic financial statements	22-57

**INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
SCHOOL DISTRICT OFFICIALS
FOR THE YEAR ENDED JUNE 30, 2021**

BOARD OF EDUCATION

President	Mrs. Jimmie Nolen
Vice-President	Mr. Julian Biggers
Clerk	Dr. Silvy Kirk
Member	Dr. Ed Daniel
Member	Mr. Le Roy Porter

SUPERINTENDENT OF SCHOOLS

Dr. Rick Cobb

**SCHOOL DISTRICT TREASURER
and CHIEF FINANCIAL OFFICER**

Ms. Kay Medcalf



JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

JACK JENKINS, CPA
MICHAEL KEMPER, CPA

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education
Midwest City-Del City School District No. 1-52
Midwest City, Oklahoma 73110

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Midwest City-Del City School District No. 1-52, Midwest City, Oklahoma (the "School District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Midwest City-Del City School District No. 1-52, Oklahoma County, Oklahoma as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6-10, budgetary comparison information on pages 60 and 61, and Teacher's Retirement Schedules on pages 58 and 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial

statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the method of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and statistical section listed in the accompanying table of contents are presented for purposes of additional analysis, and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis 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*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2021, on our consideration of the School 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 School 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 School District's internal control over financial reporting and compliance.

Jenkins & Kemper, CPAs P.C.

Jenkins & Kemper
Certified Public Accountants, P.C.

December 6, 2021

Management's Discussion & Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

MIDWEST CITY - DEL CITY INDEPENDENT SCHOOL DISTRICT NO. I-52

June 30, 2021

This section of Midwest City-Del City Independent School District #52's annual financial report presents the District's discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2020. Please read it in conjunction with the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts - Management's Discussion and Analysis (this section), the basic financial statements, and supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operation in more detail than the district-wide statements.
- The governmental funds statements tell how basic services like regular and special education were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

TABLE A-1
Major Features of District-Wide and Fund Financial Statements

Scope	District-Wide Statements	Fund Financial Statements - Governmental Funds
	Entire district (<i>except fiduciary funds</i>)	The activities of the district that are not proprietary or fiduciary such as special education and building maintenance
Required Financial Statements	1) Statement of Net Position 2) Statement of Activities	1) Balance Sheet 2) Statement of Revenue, Expenditures, and Changes in Fund Balances
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus.
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included
Type of Inflow/Outflow Information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and the related liability is due and payable

Table A-1 summarizes the major features of the District's financial statements. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

District-Wide Statements: The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the district's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's net position. Net position - the difference between the District's assets and liabilities is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district wide financial statements, the District's activities are categorized as governmental activities.

- *Governmental Activities* - Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state aid formula finance most of these activities.

Fund Financial Statements: The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (like repaying its long-term debts) or to show that it is properly using certain revenues.

Most of the District's basic services are included in governmental funds, which generally focus on 1) how cash and other financial assets that can readily be converted to cash flow in and out; and 2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, the District provides additional information with the governmental funds statements that explain the relationship (or differences) between them.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

TABLE A2
Net Position

	2021	2020
	(in Millions)	
ASSETS		
Current and other assets	\$ 68.2	\$ 82.9
Capital assets	237.6	228.6
TOTAL ASSETS	<u>\$ 305.9</u>	<u>\$ 311.5</u>
Deferred Outflows of Resources	<u>\$ 48.6</u>	<u>\$ 30.0</u>
LIABILITIES		
Long-term liabilities	\$ 277.1	\$ 239.2
Other liabilities	9.6	13.4
TOTAL LIABILITIES	<u>\$ 286.8</u>	<u>\$ 252.6</u>
Deferred Inflows of Resources	<u>\$ 5.0</u>	<u>\$ 18.2</u>
NET POSITION		
Net investment in capital assets	\$ 127.8	\$ 127.4
Restricted	24.0	24.7
Unrestricted	(89.1)	(81.3)
TOTAL NET POSITION	<u>\$ 62.7</u>	<u>\$ 70.8</u>

TABLE A3
Changes in Net Position

	2021	2020	Difference
	(in Millions)		
REVENUES			
Program revenues:			
Charges for services	\$ 7.3	\$ 6.5	\$ 0.8
Federal and State grants	27.4	16.6	\$ 10.8
General revenues:			
Property taxes	40.9	39.0	\$ 1.9
Other taxes	12.0	13.0	\$ (1.0)
State entitlement	61.8	67.6	\$ (5.8)
Other general revenues	2.7	5.3	\$ (2.6)
TOTAL REVENUES	<u>152.1</u>	<u>148.0</u>	<u>\$ 4.1</u>
EXPENSES			
Instruction	92.2	79.8	\$ 12.4
Support services	57.8	51.8	\$ 6.0
Non-instruction	6.7	7.9	\$ (1.2)
Interest on long-term debt	3.3	3.7	\$ (0.4)
Judgements	0.2	1.2	\$ (1.0)
Other outlays/uses	0.10	0.7	\$ (0.6)
TOTAL EXPENSES	<u>160.3</u>	<u>145.1</u>	<u>\$ 15.2</u>
CHANGE IN NET POSITION	<u>\$ (8.2)</u>	<u>\$ 2.9</u>	<u>\$ (11.1)</u>

Changes in Net Position: The ending net position decreased by approximately \$11.1 million from the prior fiscal year, of that governmental funds actually increased 4.6 million with the pension plan liability and compensated absences accounting for the difference. The District saw a decrease in state revenue in governmental funds over the prior year of about \$8.6 million. This decrease was due to the following: Motor Vehicle decreased 1.6 million which was expected; State Aid went down by \$6.6 million, due to the increase in chargeable for motor vehicle and a decrease in the factors, including a small reduction in WADM due to our three-year high student count rolling. Federal revenue increase for governmental funds by \$12.5 million. Most of this increase was due to the Cares Act and ESSER II funds received.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds reported combined fund balances of \$52.4 million, compared to \$47.8 million in FY20. General fund went from 8.14% in FY20, to 7.56% in FY 21, this was a decreased by .6% primarily due to federal claims funds not being received until FY 22. However, Child Nutrition fund balance went from 15.48% in FY20 to 25.25% in FY 21. This was due to receiving a higher reimbursement rate under the summer food service program, but also a decrease in expenditures of \$1.8 million mainly due to matching labor to number of students served. No one was riff, but we didn't refill all the vacant positions.

The only limitations that affect the availability of fund resources for future use would be that the Bond funds are only restricted in the sense that they must meet the 85% rule of what was voted on by the patrons of the District and then used for like purposes. The Building Fund, Child Nutrition Fund and Debt Service Fund are restricted only in regards to what is required by law to be used in those respected funds.

General Fund Budgetary Highlights: The General Fund approved budget at June 2020 for FY21 to the final approved budget on June 28, 2021 increased by \$3.9 million and expenditures increased by \$1.9 million over FY20.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: By the end of 2021 the District expended \$27.0 million in finishing up the new classroom additions and equipping for Midwest City Middle School and Del City Middle School which opened in August of 2020. Stadium renovations at all 3 high schools continued as well as continued renovations to the PACs. There were also, new buses, musical instruments, technology and security cameras purchased.

Long-Term Debt: At year end the District had \$45.5 million in total long-term GO debt outstanding. This is a decrease from last year's amount of \$48.4 million. (More detailed information about the District's long-term liabilities is presented in Note 5 to the financial statements.)

- The District continued to pay down its debt, retiring \$24.6 million of outstanding GO bonds, leases payable, premium on bonds and compensated absences in FY21.
- \$13.99 million in new GO debt and premium was issued during the year.

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was not aware of any existing circumstances that would adversely impact the finances of the district that have not already been presented in the audit.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designated to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Superintendent, Mid-Del Schools, 7217 S.E. 15th, Midwest City, OK 73110.

BASIC FINANCIAL STATEMENTS

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
STATEMENT OF NET POSITION
JUNE 30, 2021

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 53,730,718
Property taxes receivable	1,326,291
Due from other governments	6,152,883
Other receivables	6,375,990
Inventory	668,090
Capital assets:	
Land	16,552,576
Construction-in-progress	42,316,713
Other capital assets, net of accumulated depreciation	178,760,713
Total assets	<u>305,883,974</u>
Deferred outflows of resources, pension related deferred outflows	<u>48,596,527</u>
Liabilities	
Accounts payable	260,650
Wages payable	7,741,541
Liabilities for incurred claims	349,852
Bond proceeds good faith deposit	322,400
Accrued interest	963,128
Long-term liabilities:	
Due within one year	18,735,969
Due in more than one year	258,458,234
Total liabilities	<u>286,831,774</u>
Deferred inflows of resources	
Pension related deferred inflows	4,978,391
Total deferred inflows of resources	<u>4,978,391</u>
Net Position	
Net investment in capital assets	127,815,799
Restricted for:	
Debt service	9,812,096
Child Nutrition	1,373,941
Building	12,779,574
Unrestricted (deficit)	(89,111,074)
Total net position	<u>\$ 62,670,336</u>

See Notes to Basic Financial Statements

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Programs/Functions	Expenses	Program Revenues		Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Instruction	\$ 92,187,243	7,111,017	22,635,354	(62,440,872)
Support services	57,791,453			(57,791,453)
Non-instruction services	6,713,552	194,628	4,785,173	(1,733,751)
Other outlays	63,717			(63,717)
Judgments	191,081			(191,081)
Interest on long-term debt	3,285,257			(3,285,257)
Total primary government	\$ 160,232,303	7,305,645	27,420,527	(125,506,131)
General Revenues				
Taxes:				
Property taxes, levied for general purposes				\$ 20,723,266
Property taxes, levied for building purposes				2,995,363
Property taxes, levied for debt service				17,134,944
General taxes				7,600,168
State aid not restricted for specific purposes				61,769,239
Support from other local governments				4,492,381
Interest, dividends, and investment earnings				89,828
Other general revenues				2,517,802
Total general revenues				117,322,991
Changes in net position				(8,183,140)
Net position, beginning of year as restated				70,853,476
Net position, end of year				\$ 62,670,336

See Notes to Basic Financial Statements

GOVERNMENTAL FUND FINANCIAL STATEMENTS

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

	General Fund	Tech Center	Building Fund
Assets			
Cash and cash equivalents	\$ 15,256,294	6,823,745	4,755,895
Property taxes receivable	674,838		96,349
Receivables net of allowance for uncollectibles	5,251,530	714,215	
Inventory	301,984		240,542
Total assets	<u>21,484,646</u>	<u>7,537,960</u>	<u>5,092,786</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts payable	716	8,730	135,007
Accrued wages	7,300,326	206,024	
Total liabilities	<u>7,301,042</u>	<u>214,754</u>	<u>135,007</u>
Deferred Inflows of Resources			
Unavailable revenue - property taxes	522,670		76,623
Total deferred inflows of resources	<u>522,670</u>	<u>-</u>	<u>76,623</u>
Fund Balances			
Nonspendable inventory	301,984		240,542
Restricted fund balances:			
School construction			
Retirement of long-term debt			
Buildings			4,640,614
Custodial funds			
Child nutrition			
Assigned		7,323,206	
Unassigned	13,358,950		
Total fund balances	<u>13,660,934</u>	<u>7,323,206</u>	<u>4,881,156</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 21,484,646</u>	<u>7,537,960</u>	<u>5,092,786</u>

See Notes to Basic Financial Statements

<u>Tech Center Building Fund</u>	<u>Sinking Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 7,876,872	10,218,446	8,207,913	53,139,165
	556,778		1,327,965
185,465			6,151,210
		125,564	668,090
<u>8,062,337</u>	<u>10,775,224</u>	<u>8,333,477</u>	<u>61,286,430</u>
		2,790	147,243
		235,192	7,741,542
<u>-</u>	<u>-</u>	<u>237,982</u>	<u>7,888,785</u>
	430,855		1,030,148
<u>-</u>	<u>430,855</u>	<u>-</u>	<u>1,030,148</u>
		125,564	668,090
		3,355,718	3,355,718
	10,344,369		10,344,369
8,062,337			12,702,951
		2,120,527	2,120,527
		1,373,941	1,373,941
		1,119,745	8,442,951
			13,358,950
<u>8,062,337</u>	<u>10,344,369</u>	<u>8,095,495</u>	<u>52,367,497</u>
<u>\$ 8,062,337</u>	<u>10,775,224</u>	<u>8,333,477</u>	<u>61,286,430</u>

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

Total governmental fund balances	\$ 52,367,497
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Amounts reported for governmental activities in the statement
of net position are different because:

Capital assets used in governmental activities are not financial resources and; therefore, are not reported as assets in governmental funds.	237,630,002
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Revenues receivable are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	
Property taxes	1,030,148

An internal service fund is used by the District to charge the costs of workers' compensation insurance to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities.	241,700
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Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:	
Deferred outflows of resources	48,596,527
Deferred inflows of resources	(4,978,391)
	43,618,136

Long-term liabilities, including bonds payable, are not due and payable in the current period and; therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:	
Bonds	(45,520,000)
Premium on bonds	(6,220,193)
Leases payable	(64,450,000)
Accrued interest	(963,128)
Compensated absences	(2,377,794)
Bond proceeds good faith deposit	(322,400)
Net pension liability	(158,626,216)
	(278,479,731)

Funds available for drawdown under the capital lease are reported as a receivable and related construction-in-progress as an accounts payable in the governmental activities, but not reported in governmental funds.	6,262,584
	6,262,584

Net position of governmental activities	\$ 62,670,336
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See Notes to Basic Financial Statements

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
JUNE 30, 2021

	General Fund	Tech Fund	Building Fund
Revenues:			
Property tax	\$ 20,784,071		3,002,045
Interest	57,269	8,165	
County	4,489,494		
State	62,663,461	1,734,442	117
Federal	19,747,517	698,098	365,675
Local	437,949	5,239,366	6,805
Other	242,540	45	
Total revenues	<u>108,422,301</u>	<u>7,680,116</u>	<u>3,374,642</u>
Expenditures:			
Instruction	67,440,456	2,611,211	698
Support services	38,039,795	3,300,813	4,708,479
Non-instruction services	293,688		
Capital outlays	6,600		6,666
Other outlays	102,705	4,282	6,805
Debt service:			
Principal paid			
Interest paid			
Judgements			
Total expenditures	<u>105,883,244</u>	<u>5,916,306</u>	<u>4,722,648</u>
Excess (deficiency) of revenues over expenditures	<u>2,539,057</u>	<u>1,763,810</u>	<u>(1,348,006)</u>
Other financing sources (uses)			
Premium on bonds sold			
Proceeds of bonds			
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	2,539,057	1,763,810	(1,348,006)
Fund balance, beginning of year	11,121,877	5,559,396	6,229,162
Fund balance, end of year	<u>\$ 13,660,934</u>	<u>7,323,206</u>	<u>4,881,156</u>

See Notes to Basic Financial Statements

Tech Bldg Fund	Sinking Fund	Other Governmental Funds	Governmental Funds
	\$ 17,125,324		40,911,440
	3,333	18,670	87,437
			4,489,494
	655	467,867	64,866,542
		5,104,419	25,915,709
1,873,023		2,246,359	9,803,502
		409,386	651,971
<u>1,873,023</u>	<u>17,129,312</u>	<u>8,246,701</u>	<u>146,726,095</u>
92,387		2,133,131	72,277,883
177,464		3,534,186	49,760,737
		5,425,736	5,719,424
354,136		8,890,629	9,258,031
		608,859	722,651
	16,885,000		16,885,000
	1,392,138		1,392,138
	191,081		191,081
<u>623,987</u>	<u>18,468,219</u>	<u>20,592,541</u>	<u>156,206,945</u>
<u>1,249,036</u>	<u>(1,338,907)</u>	<u>(12,345,840)</u>	<u>(9,480,850)</u>
	17,891		17,891
		14,050,800	14,050,800
<u>-</u>	<u>17,891</u>	<u>14,050,800</u>	<u>14,068,691</u>
1,249,036	(1,321,016)	1,704,960	4,587,841
6,813,301	11,665,385	6,390,535	47,779,656
<u>\$ 8,062,337</u>	<u>10,344,369</u>	<u>8,095,495</u>	<u>52,367,497</u>

INDEPENDENT SCHOOL DISTRICT NO. 1-52, OKLAHOMA COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2021

Net change in fund balance - total governmental funds		\$ 4,587,841
Amounts reported for governmental activities and the statement of activities are different because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which the capital outlays exceeded depreciation and retirements in the period.		
Capital outlays	\$ 1,392,750	
Depreciation expense	<u>(6,936,894)</u>	(5,544,144)
Drawdowns of capital lease funds of \$18,913,336 used for the purchase of capital assets, net of dividends earned of \$2,077		(18,899,860)
Because some revenues will not be collected for several months after the District's year end, they are not considered "available" revenues in the governmental funds and are, instead counted as deferred inflows of resources. They are, however, recorded as revenues in the statement of activities.		
Property taxes		(54,980)
Construction-in-progress included some ongoing projects that were recognized as part of accounts payable because the materials and supplies were ordered out of the lease fund prior to year end and that is not recognized in the governmental funds.		17,882,097
Some of the capital assets acquired this year were financed with general obligation bonds. The amount financed by the bonds and related premium is reported in the governmental funds as a source of financing, but increases long-term liabilities in the statement of net position and does not affect the statement of activities.		
		9,430,000
Repayment of bond principal and repayment on capital lease purchases are an expense in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities. Amortization of bond premium is recorded in the statement of activities, but not in the governmental funds.		
		4,204,154
In the statement of activities, certain expenses do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences		372,424
Pension expense adjustments net of state contributions		(16,912,394)
An internal service fund is used by the District to charge the costs of workers compensation insurance to the individual funds. The changes in net position of the internal service fund is reported with governmental activities.		
		32,687
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus, requires the use of current financial resources. In the statement of activities, interest expense is recognized as the interest accrues, regardless of when it is due.		
		<u>(3,280,965)</u>
Change in net position - statement of activities		<u>\$ (8,183,140)</u>

See Notes to Basic Financial Statements

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
STATEMENT OF NET POSITION - PROPRIETARY FUND
JUNE 30, 2021

	Internal Service Fund - Workers' <u>Compensation</u>
Assets	
Cash and cash equivalents	\$ 591,552
Total assets	<u>591,552</u>
Liabilities	
Liability for incurred claims	<u>349,852</u>
Net Position	
Unrestricted	<u>\$ 241,700</u>

See Notes to Basic Financial Statements

INDEPENDENT SCHOOL DISTRICT NO. 1-52, OKLAHOMA COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN NET POSITION - PROPRIETARY FUND
JUNE 30, 2021

	Internal Service Fund - Workers' Compensation
Operating revenues:	
Local	\$ 32,371
Total operating revenues	<u>32,371</u>
Operating expenses:	
Management fees	<u>-</u>
Total operating expenses	<u>-</u>
Operating income	32,371
Nonoperating revenues, interest income	<u>316</u>
Changes in net position	32,687
Net position, beginning of year	209,013
Net position, end of year	<u>\$ 241,700</u>

See Notes to Basic Financial Statements

INDEPENDENT SCHOOL DISTRICT NO. 1-52, OKLAHOMA COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Internal Service Fund - Workers' Compensation
Cash flows from operating activities:	
Refunds received	\$ 32,371
Payments for workers' compensation claims and management fees	(89,380)
Net cash (used in) operating activities	<u>(57,009)</u>
Cash flows from investing activities, interest earnings	<u>316</u>
Net decrease in cash and cash equivalents	(56,693)
Cash and cash equivalents, beginning of year	648,245
Cash and cash equivalents, end of year	<u>\$ 591,552</u>
Reconciliation of operating income to net cash (used in)	
operating activities:	
Operating income	\$ 32,371
Adjustments to reconcile operating income to net cash (used in)	
operating activities:	
Change in liability for incurred claims	<u>(89,380)</u>
Net cash (used in) operating activities	<u>\$ (57,009)</u>

See Notes to Basic Financial Statements

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1. Summary of Significant Accounting Policies

The financial statements of the Midwest City-Del City Public Schools Independent District No. 52 (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units as promulgated by the Governmental Accounting Standards Board ("GASB"), the standard-setting body for governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

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 the State of Oklahoma for 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.

As required by accounting principles generally accepted in the United States of America, the basic financial statements present the reporting entity which consists of the primary government; organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the District's basic financial statements to be misleading.

The District has presented the entities which comprise the reporting entity in the basic financial statements for 2021.

The Midwest City-Del City Lewis Eubanks Technical Center (formerly the Mid-Del Area Vo-Tech) became a designated Area Vocational-Technical School in 1977 by action of the Oklahoma State Board of Vocational and Technical Education with no ad valorem millage devoted specifically for its support. It is the only designated technology center in the State of Oklahoma that shares a school board with a public school district. The Mid-Del School District No. I-52 board of education serves as the Tech Center's board of education. The Technical Center is reported as a blended component unit as a special revenue fund of the primary government.

INDEPENDENT SCHOOL DISTRICT NO. 1-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1. **Summary of Significant Accounting Policies- contd.**

A. Reporting Entity – contd.

The government-wide financial statements (the statement of net position and the statement of activity) report information on all of the non-fiduciary activities of the school district. For the most part, the effect of inter-fund activity has been removed from these statements.

B. Fund Accounting

Governmental activities are normally supported by taxes and intergovernmental revenues and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All of the District's activities are reported as governmental activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the statement of activities. Program revenues include 1) tuition or fees paid by students or citizens of the District and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items, including state aid, that are not properly included among program revenues are reported as general revenues.

The school district segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance.

Separate financial statements are provided for governmental funds, proprietary, and fiduciary funds, even though the latter are excluded from the government-side financial statements.

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 capital 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.

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1. **Summary of Significant Accounting Policies-** contd.

B. Fund Accounting - contd.

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.

Special Revenue Fund - The special revenue funds are the District's building, co-op and child nutrition funds.

Building Fund - The building fund consists of monies derived property taxes levied for the purpose of erecting, remodeling, repairing, or maintaining school buildings and for purchasing furniture and equipment.

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. The District did not maintain this fund during the 2020-2021 fiscal year.

Child Nutrition Fund - The child nutrition fund is a special revenue fund used to account for the operations of the child nutrition programs. Revenue sources include meal ticket sales and Federal and State grants for free and reduced meals.

Technology Center Fund - The technology center fund is used to account for financial resources to be used for the operation of vocational and technical education programs.

Custodial Funds - The student activity fund, tech center activity fund, and child nutrition clearing funds are used to account for monies collected principally through fundraising efforts of the students and district sponsored groups.

Debt Service Fund - The debt service (sinking fund) is used to account for the accumulation of financial resources for the payment of general long-term 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 Bond Funds 34, 35, 36 & 39 - The bond funds are capital project funds used to account for the proceeds of bond sales to be used exclusively for acquiring school sites,

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1. **Summary of Significant Accounting Policies- contd.**

B. Fund Accounting - contd.

constructing and equipping new school facilities, renovating existing facilities, and acquiring transportation equipment.

Tech Center Building Fund – The tech center building fund is used to account for financial resources restricted to the Technology Center's remodeling or repairing buildings and purchasing furniture and equipment.

Casualty/Insurance Funds – The insurance fund was established to account for revenues and expenditures for all types of insurance coverage and major reimbursements and reserves for property.

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). Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The District reports the following non-major propriety fund:

Internal Service Fund – Worker's Compensation – The workers' compensation insurance fund is an internal service fund used to account for the accumulation, recording and disbursing of District contributions to the District's self-insured Workers' Compensation Account.

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. When these assets are held under the terms of a formula trust agreement, either a private purpose trust fund or a permanent fund is used. The terms "permanent" and "private purpose" refer to whether or

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1. **Summary of Significant Accounting Policies-** contd.
B. Fund Accounting - contd.

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 operations.

The District reports the following non-major fiduciary funds:

Private Purpose Trust Funds – Gifts Fund – The gifts fund is a private-purpose trust fund to account for donations received for the benefit of specified individuals associated with the District. This fund was not active during the current fiscal year.

The District's fiduciary funds have been excluded from the government-wide financial statements.

Account Group

Account groups are not funds and consist of a self-balancing set of accounts used only to establish accounting control over long-term debt and fixed assets.

General Long-Term Debt Account Group - This account group was established to account for all 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.

C. Basis of Accounting and Measurement Focus

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. The economic resources measurement focus is not applicable to the agency fund and therefore they have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1. Summary of Significant Accounting Policies - contd.

C. Basis of Accounting and Measurement Focus – contd.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and pension liabilities are recorded only when the payment is due.

Property taxes and interest and certain state and federal grants associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

D. Budget and Budgetary Accounting

A budget is legally adopted by the Board of Education for the general fund, building fund, debt service (sinking) fund, child nutrition fund, tech center, and tech center building fund that included revenues and expenditures. These budgets are prepared on a modified cash basis of accounting. Budgetary control is maintained by fund, function, and activity and budgeted expenditures may not exceed appropriations at the fund level. Amendments may be made to the budget without approval by the governing body at the function and activity levels. Fund level budgetary amendments require approval of the governing body.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable fund balance is utilized in all governmental funds of the District. Appropriations which are not spent lapse at the end of the fiscal year and encumbrances are reversed. On the first day of the following fiscal year, the encumbrances are reinstated and the expenditures are applied against the year's budget. At the beginning of the next year, prior year encumbrances are reviewed and some are reestablished. There were no material encumbrances which lapsed at June 30, 2020 and were reinstated during fiscal year 2021.

**INDEPENDENT SCHOOL DISTRICT NO. 1-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

1. Summary of Significant Accounting Policies- contd.

E. Assets, Liabilities, Deferred Inflows/Outflows and Fund Balance/Net Position

Cash and Cash Equivalents and Investments – The District considers all cash on hand, demand deposits interest bearing checking accounts, and highly liquid investments with an original maturity of three months or less when purchased to be cash and cash equivalents. As of June 30, 2021, all of the District's investments were in money market accounts which meet the definition of cash equivalents. Investments, not meeting the definition of cash equivalents, are recorded at fair value.

Inventories – Inventories in the governmental funds are recorded as expenditures when purchased rather than when consumed. Inventories include fuel, maintenance supplies, instructional supplies, and food service supplies. Cost of donated federal surplus commodities is based on values established by the federal government at the time of donation.

Capital Assets – Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements.

The capitalization threshold is \$5,000. All purchased capital assets are valued at cost when historical records exist and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their fair market value on the date donated.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Capital assets are depreciated using the straight-line method over the following useful lives:

<u>Type of Asset</u>	<u>Years</u>
Buildings and renovations	45
Furniture and accessories	5-20
Equipment and appliances	7-15
Computer software/hardware	5
Vehicles/buses	6

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1. Summary of Significant Accounting Policies- contd.

E. Assets, Liabilities, Deferred Inflows/Outflows and Fund Balance/Net Position – contd.

Deferred Outflows of Resources – In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s). It will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources for the year ended June 30, 2021 consist of unrecognized items not yet charged to pension expense and contributions from the District after the measurement date but before the end of the District's reporting period.

Deferred Inflows of Resources – In addition to liabilities, financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s). It will not be recognized as an inflow of resources (revenue) until then. The governmental fund balance sheet includes deferred inflows of resources related to unavailable revenue from property taxes, federal revenue, and local revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Deferred inflows of resources in the statement of net position for the year ended June 30, 2021 consist of succeeding year property tax receivables that will not be recognized until the year for which it is levied and budgeted for and the unamortized portion of the net difference between projected and actual earnings on pension plan investments and pension plan experience.

Compensated Absences – The District's policy allows employees to accumulate unused sick leave from year to year as long as employees remain continuously in the Midwest City-Del City School system. Maximum number of days that can be accumulated for purposes of sick leave cannot exceed one hundred twenty (120) days at the beginning of the school year. For the purposes of sick leave reimbursement upon retirement or resignation, the district pays for all sick leave accrued during employment not previously paid for by the Midwest City-Del City School District.

A twelve-month salaried employee is eligible for twelve (12) days paid vacation each year accrued at the rate of one (1) day per month. Twelve month employees may carry over vacation days up to a maximum of twenty-four (24) days. Upon retirement or resignation, the District will reimburse an employee for accrued vacation at the employee's regular daily rate of pay.

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1. Summary of Significant Accounting Policies- contd.

Assets, Liabilities, Deferred Inflows/Outflows and Fund Balance/Net Position – contd.

The liability for compensated absences attributable to the District's governmental funds is recorded in the government-wide financial statements. A liability for those amounts is recorded in governmental funds only if the liability has matured as a result of employee resignations or retirements.

Long-term Liabilities – In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bond issuance costs are expensed when incurred.

In the governmental fund financial statements, the face amount of debt is reported as other financing sources. Repayments of long-term debt are reported as expenditures. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions – For purposes of measuring the net pension asset (liability), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Oklahoma Teachers' Retirement System (OTRS) and additions to/deductions from these fiduciary net positions has been determined on the same basis as they are reported by OTRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position – The government-wide, proprietary fund, and fiduciary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets – This component of net position reports capital assets less both accumulated depreciation and the outstanding balance of debt (excluding unexpended proceeds) that is directly attributable to the acquisition, construction, or improvement of those assets. Any deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in the component of net position.

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1. **Summary of Significant Accounting Policies- contd.**

E. Assets, Liabilities, Deferred Inflows/Outflows and Fund Balance/Net Position – contd.

Restricted Net Position – This component of net position reports the difference between assets, deferred inflows/outflows of resources and liabilities of certain programs or funds that consist of assets with constraints placed on their use by either external parties and/or enabling legislation. Net position restricted by enabling legislation consists of \$9,812,096 for debt service, \$1,373,941 for child nutrition and \$12,779,574 for buildings.

Unrestricted Net Position – Net position that does not meet the definition of net investment in capital assets or restricted are classified as unrestricted.

It is the District's policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Fund Balance – Governmental fund equity is classified as fund balance. Fund balance consists of five categories, defines as follows:

Nonspendable Fund Balance – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. This would include items not expected to be converted to cash including inventories, long-term receivables, and prepaid amounts. It may also include long-term loans and receivables, as well as property acquired for resale and the corpus (principal) of a permanent fund.

Restricted Fund Balance – The restricted fund balance classification should be reported when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – The committed fund balance classification reflects specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority (the District's Board of Education). Such constraints can only be removed or changed by the same form of formal action. Funds set aside by the Board of Education as committed fund balance requires the approval of a resolution by a majority vote of the members of the Board of Education. Such approval must take place prior to the District's fiscal year-end in order for it to be applicable to that fiscal year. It is permitted for the specific amount of the commitment to be determined after the fiscal year-end if any additional information is

INDEPENDENT SCHOOL DISTRICT NO. 1-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1. **Summary of Significant Accounting Policies- contd.**

E. Assets, Liabilities, Deferred Inflows/Outflows and Fund Balance/Net Position – contd.

Committed Fund Balance – contd.

required in order to determine the exact amount. The Board of Education has the authority to remove or change the commitment of funds with a resolution.

Assigned Fund Balance – The assigned fund balance classification reflects amounts that are constrained by the government's intent to be used for specific purposes but meet neither the restricted nor committed forms of constraint. Assigned funds cannot cause a deficit in unassigned fund balance. For the purposes of assigned fund balance, the District has given authority to the Superintendent and Deputy Superintendent of Fiscal Services to assign funds for specific purposes.

Unassigned Fund Balance – The unassigned fund balance classification is the residual classification for the General Fund only. It is also where negative residual amounts for all other governmental funds must be reported. Unassigned fund balance essentially consists of excess funds that have not been classified in the other four fund balance categories mentioned above.

It is the District's policy to use restricted fund balance prior to the use of unrestricted fund balance when an expense is incurred for purposes for which both restricted and unrestricted fund balances are available. The District's policy for the use of unrestricted fund balance amounts requires that committed amounts would be used first, followed by assigned and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

F. Revenue and Expenditures

Local Revenues – Revenue from Local sources is the monies 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 Debt Service 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 roll 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 are due prior to January 1. The second half is due prior to April 1.

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1. **Summary of Significant Accounting Policies- contd.**

F. *Revenue and Expenditures – contd.*

Local Revenues – contd.

If the first payment is not made timely, 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.

Uncollected taxes assessed on valuations made each year are recorded in the District's financial statements. The delinquent taxes which are not collected within 60 days of year-end are recorded in the financial statements as deferred inflows of resources. Uncollectible personal and real property taxes are deemed to be immaterial because the property can be sold for the amount of taxes due.

Other Local sources of revenues include tuition, fees, rentals, disposals, commissions and reimbursements. The District also enters into agreements each year between the Board of Education for the Midwest City-Del City Lewis Eubanks Technical Center and the Board of Trustees for the Rose State College Technical Area Education District. Under these agreements, the Mid-Del School District receives 50 percent of total collections for the fiscal year.

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 or additions of 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 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 education program revenues be accounted for in the general fund. The aforementioned state revenues are apportioned to the District's General Fund.

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1. **Summary of Significant Accounting Policies- contd.**

F. *Revenue and Expenditures- contd.*

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 pass-through from another government, such as the state. An 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 are apportioned to the General and Technology Center Funds. The District maintains a separate Child Nutrition Fund and the federal revenues received for the child nutrition programs are apportioned there.

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

Other Sources and Non-Revenue Receipts – Other sources represent primarily prior year lapsed encumbrances and prior year reimbursements and adjustments. Non-revenue receipts represent receipts deposited into a fund that is not new revenues to the District, but the return of assets.

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 co-curricular 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 local education agencies would be included here.

Support Services – 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. These services are designed to assess and improve student well-being and to supplement the teaching process.

Operation of Non-Instructional Services Expenditures – Activities concerned with providing non-instructional services to students, staff or the community.

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1. **Summary of Significant Accounting Policies-** contd.

F. *Revenue and Expenditures-* contd.

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 by private gifts and endowments; student aid and staff awards supported by outside revenue sources (i.e., foundations), and 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 – Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except interfund services provided and used or reimbursements, are reported as transfers.

Use of Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

2. **Deposits**

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of failure of a counterparty, the District will not be able to recover its deposits. Deposits are exposed to credit risk if they are uninsured or uncollateralized. The District's policy requires that all deposits in excess of amounts covered by federal deposit insurance be fully collateralized by the entity holding the deposits. As of June 30, 2021, all the District's deposits were federally insured by FDIC or collateralized.

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

2. Deposits – contd.

The District had cash deposits at financial institutions with a book balance of approximately \$45,989,176 at June 30, 2021. The bank balance of these deposits was approximately \$61,582,096. The difference between the bank balance and book balance are the outstanding checks and deposits.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if they are uninsured, are not registered in the name of the District, and are held by counterparty or the counterparty's trust department but not in the name of this District. The District's policy requires that all investments in excess of amounts covered by federal deposit insurance be fully collateralized by the entity holding the investments. As of June 30, 2021, all of the District's investments were collateralized.

Concentration of Credit Risk:

The District's investment policies are governed by state statute. Permissible investments include:

- a. Direct obligations of the United State Government to the payment of which the full faith and credit of the government is pledged.
- b. Obligations to the payment of which the full faith and credit of the state is pledged.
- c. Certificates of deposits of banks when such certificates of deposits are secured by acceptable collateral as in the deposit of other public monies.
- d. Savings accounts or savings certificates of saving and loan associations to the extent that such accounts or certificates are fully insured by the Federal Saving and Loan Insurance Corporation.
- e. Repurchase agreements that have underlying collateral consisting of those items specified in paragraphs 1 and 2 of this section including obligations of the United States, its agencies and instrumentalities, and where collateral has been deposited with a trustee of custodian bank in an irrevocable trust or escrow account established for such purposes.

INDEPENDENT SCHOOL DISTRICT NO. 1-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

2. **Deposits – contd.**

- f. County, municipal or school district direct debt obligations for which an ad valorem tax may be levied or bond and revenue anticipation notes, money judgments against such county, municipality or school district ordered by a court of record or bonds or bond and revenue anticipation notes issued by a public trust for which such county, municipality or school district is a beneficiary thereof. All collateral pledged to secure public funds shall be valued at no more than market value.
- g. Money market mutual funds regulated by the Securities and Exchange Commission and which investments consist of obligations of the United States, its agencies and instrumentalities, and investments in those items listed above.
- h. Warrants, bonds, or judgments of the school district.
- i. Qualified pooled investment programs, the investments of which consist of those items specified above, as well as obligations of the United States agencies and instrumentalities, regardless of the size of the district's budget. To be qualified, a pooled investment program for the school funds must be governed through an Interlocal cooperative agreement formed pursuant to Title 70 Section 5-117b, and the program must competitively select its investment advisors and other professional. Any pooled investment program must be approved by the Board of Education.

The investments held at June 30, 2021 are as follows:

Type	Weighted Average Maturity (Months)	Market Value	Cost
Investments			
Money Market		\$ 0	\$ 0
Municipal tax-supported money judgments		0	0
Certificate of Deposit		<u>800,000</u>	<u>800,000</u>
Total investments		<u>\$ 800,000</u>	<u>\$ 800,000</u>

INDEPENDENT SCHOOL DISTRICT NO. 1-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

2. Deposits – contd.

The District places no limit on the amount it may invest in any one issuer. The District has the following of credit risk: 0% in Money Market funds, 0% in Municipal tax-supported money judgments and 100% in CDs (\$800,000).

Interest Rate Risk:

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments are made based upon prevailing market conditions at the time of the transaction with the intent to hold the instrument until maturity. However, the District has no formal written policy addressing interest rate risk.

3. Receivables

Receivables at June 30, 2021, for the individual governmental and proprietary funds are as follows:

	General	Debt Service	Building	Other Governmental Funds			Internal Service
				Child Nutrition	Tech Center	Tech Building	
Receivables							
Ad valorem	\$ 674,838	556,778	96,349				
Federal grants	5,147,976				349,657		
Local & intermediate	103,554				364,558	185,465	-
State dedicated revenue							
Total receivables	\$ 5,926,368	556,778	96,349	-	714,215	185,465	-

The government-wide financial statements also include other receivables of approximately \$6.38 million for amounts available to draw down on the capital lease (see Note 5).

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

4. Capital Assets

A summary of changes in capital assets for the year ended June 30, 2021 follows:

	Balance June 30, 2020	Additions	Transfers	Disposals	Balance June 30, 2021
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 16,552,576				16,552,576
Construction in progress	53,355,935	14,594,199	(25,633,421)		42,316,713
Total capital assets not being depreciated	<u>69,908,511</u>	<u>14,594,199</u>	<u>(25,633,421)</u>	<u>-</u>	<u>58,869,289</u>
Capital assets being depreciated:					
Buildings and renovations	255,456,243		25,559,793		281,016,036
Furniture and assessories	529,410				529,410
Equipment and appliances	16,432,322	322,464	73,628		16,828,414
Computer software/hardware	8,471,682				8,471,682
Vehicles/buses	10,911,590	1,070,286			11,981,876
Total capital assets being depreciated	<u>291,801,247</u>	<u>1,392,750</u>	<u>25,633,421</u>	<u>-</u>	<u>318,827,418</u>
Less: accumulated depreciation	<u>133,129,811</u>	<u>6,936,894</u>			<u>140,066,705</u>
Total capital assets being depreciated, net	<u>158,671,436</u>	<u>(5,544,144)</u>	<u>25,633,421</u>	<u>-</u>	<u>178,760,713</u>
Total Capital assets, net	<u>\$ 228,579,947</u>	<u>9,050,055</u>	<u>-</u>	<u>-</u>	<u>237,630,002</u>

Depreciation expense of \$757,551 in the support services function and \$6,179,343, is included in the instruction function on the government-wide statement of activities.

INDEPENDENT SCHOOL DISTRICT NO. 1-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

5. 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 from the date of issue. General long-term debt of the District consists of bond payable, and obligations for compensated absences. Debt service requirements for bonds are payable solely from fund balance and future revenues of the debt service fund.

The following is a summary of the long-term debt transactions of the District for the year ended June 30, 2021:

	Balance June 30, 2020	Additions	Retirements	Balance June 30, 2021	Due within one year
Bonds payable	\$ 48,425,000	13,980,000	16,885,000	45,520,000	9,110,000
Premium on bonds	7,590,147	17,891	1,387,845	6,220,193	1,335,969
Leases payable	70,435,000		5,985,000	64,450,000	8,290,000
Compensated absences	2,750,218		372,424	2,377,794	
Net pension liability	109,967,540	48,658,676		158,626,216	
Total	<u>\$ 239,167,905</u>	<u>62,656,567</u>	<u>24,630,269</u>	<u>277,194,203</u>	<u>18,735,969</u>

A brief description of the outstanding general obligation bond issues at June 30, 2021, is set forth below:

	Amount outstanding
Building Bonds, Series 2017A, original issue \$11,900,000, interest rate of 3.0%, due in annual installments of \$2,975,000 beginning 1-1-19, final payment due 1-1-22;	\$ 2,975,000
Building Bonds, Series 2018, original issue \$14,140,000, interest rate of 2.5-3.0%, due in annual installments of \$3,535,000 beginning on 1-1-20;	7,070,000
Building Bonds, Series 2018B, original issue \$7,080,000, interest rate of 3.0%, due in annual installments of \$1,770,000 beginning on 7-1-20;	3,540,000

INDEPENDENT SCHOOL DISTRICT NO. 1-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

5. **General Long-Term Debt – cont'd**

	<u>Amount outstanding</u>
Transportation Bonds, Series 2018B, original issue \$1,920,000, interest rate of 3.1-3.25%, due in annual installments of \$480,000 beginning on 7-1-20;	\$ 960,000
Building Bonds, Series 2019A, original issue \$10,400,000, interest rate of 3.0%, due in annual installments of \$2,600,000 beginning on 1-1-21;	7,800,000
Combined Purpose Bonds, Series 2019A, original issue \$10,460,000, interest rate of 2.0%, due in annual installments of \$2,615,000 beginning on 7-1-21;	7,845,000
General Obligation Bonds, Series 2019B, original issue \$1,800,000, interest rate of 2.25%, due in annual installments of \$450,000 beginning on 7-1-21;	1,350,000
Combined Purpose Bonds, Series 2020, original issue \$10,860,000, interest rate of 1.00-1.75%, due in annual installments of \$2,715,000 beginning on 7-1-22;	10,860,000
General Obligation Bonds, Series 2020A, original issue \$1,720,000, interest rate of 1.2%, due in annual installments of \$430,000 beginning on 7-1-22;	1,720,000
General Obligation Bonds, Series 2020B, original issue \$1,400,000, interest rate of 0.75%, due in annual installments of \$350,000 beginning on 9-1-21;	<u>1,400,000</u>
Totals	<u>\$ 45,520,000</u>

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

5. **General Long-Term Debt – cont'd**

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

<u>Year ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 9,110,000	697,688	9,807,688
2023	14,945,000	875,295	15,820,295
2024	11,410,000	343,363	11,753,363
2025	6,560,000	133,653	6,693,653
2026	3,495,000	36,293	3,531,293
Total	<u>\$ 45,520,000</u>	<u>2,086,292</u>	<u>47,606,292</u>

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

5. **General Long-Term Debt – cont'd**

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

<u>Year ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 9,110,000	697,688	9,807,688
2023	14,945,000	875,295	15,820,295
2024	11,410,000	343,363	11,753,363
2025	6,560,000	133,653	6,693,653
2026	3,495,000	36,293	3,531,293
Total	<u>\$ 45,520,000</u>	<u>2,086,292</u>	<u>47,606,292</u>

INDEPENDENT SCHOOL DISTRICT NO. 1-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

5. General Long-Term Debt – cont'd

Compensated Absences:

Compensating absences represent the estimated liability for employees accrued vacation and sick leave for which employees are entitled to be paid upon termination or resignation. The liability at June 30, 2021 totaled \$2,377,794 and is recorded as long-term debt of the District in the government-wide financial statements. The retirement of this liability is liquidated by the general fund or special revenue funds based on the assignment of the employee at termination or resignation. Below is the liquidation by fund:

General Fund	\$ 2,057,372
Tech Center	185,289
Child Nutrition	135,133
Total	<u>\$ 2,377,794</u>

Capital Leases:

In February 2019, the school district entered into a Ground Lease Agreement with the Oklahoma County Finance Authority (the "Authority") under which the district is leasing certain land upon which the Authority will construct improvements from the proceeds of \$77,060,000 in revenue bonds sold for that purpose. Improvements are to be constructed for so long as there are obligations outstanding, which are secured by the Ground Lease Agreement. The improvements to be constructed by the Authority consist of stadium renovations to Carl Albert Harris, Del City Kalsu, and Midwest City Darnell Stadiums, improvements to Kerr Middle School, Carl Albert Middle School, Monroney Middle School and Schwartz Elementary, Del City and Midwest City High School Performing Arts Centers renovations and various reoccurring District-wide projects. These facilities will be leased by the Authority to the school district pursuant to a sublease agreement enter into as of February 1, 2018. The sublease agreement between the Authority and the Mid-Del School District enables the district to lease back the property leased in the ground lease, and utilized the proceeds of the revenue bonds (issued by the Authority) for the construction and improvements on the property. The sublease agreement also provides a mechanism for the district to obtain title to the improvements free and clear of security interest. The District intends to finance the sublease agreements lease payments through a periodic issuance of Building Bonds which were authorized and approved by school district voters at an election held on October 10, 2017. These bonds are scheduled to be issued on dates, and in amounts, which coincide with sublease rental payments.

INDEPENDENT SCHOOL DISTRICT NO. 1-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

5. **General Long-Term Debt – cont'd**

Capital Leases:

The trustee bank holds the cash and makes payments after authorization from the District. Amounts held by the trustee and available for draw down at June 30, 2021 are recorded as a receivable in the government wide statements.

Under the agreements, the District transferred ownership for land and facilities covered by the ground lease to the Authority. Ownership will revert to the District upon payment of the lease purchase acquisition payments. Accordingly, the original cost of the assets is expensed if the item does not meet the District's capitalization criteria.

The present value of minimum sublease payments is recorded in the District's long-term debt. Lease payments are primarily payable from the capital projects fund.

The future minimum lease obligations and the net present value of these lease payments as of June 30, 2021, were as follows:

Year ending June 30	Amount
2022	\$ 11,305,250
2023	15,595,125
2024	10,503,125
2025	10,255,250
2026	11,801,875
Thereafter	15,318,625
Total minimum lease payments	74,779,250
Less amount representing interest	(10,329,250)
Present value of minimum lease payments	<u>\$ 64,450,000</u>

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

5. General Long-Term Debt – cont'd

Capital Leases – cont'd

Pursuant to the sublease agreement, the District is also required to make the following rental payments:

Year ending June 30	Rental Payments
2020	\$ 3,000
2021	3,000
2022	3,000
Total	<u>\$ 9,000</u>

6. Operating Leases

The District leases various business machines under operating lease agreements. The lease agreements are generally for one-year terms and subject to annual ratification. Management expects that in the normal course of business, leases that expire for the business machines will be renewed or replaced by other leases. The total rent expenditures were approximately \$95,362 for the year ended June 30, 2021.

Minimum future lease commitments under lease are payable as follows:

Year ending June 30	Amount
2022	\$ 95,362
2023	11,914
2024	11,914
Total	<u>\$ 119,190</u>

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

7. Employee Retirement System

Oklahoma Teachers Retirement System

Plan Description:

The District participates in the OTRS, a cost-sharing multiple-employer public employee retirement system that is self-administered. OTRS provides retirement, disability, and death benefits to plan members and beneficiaries. Benefit provisions are established and may be amended by the legislature of the State of Oklahoma. Title 70 of the Oklahoma State Statutes assigns the authority for management and operation of OTRS to the Board of Trustees of the System. OTRS issues a publicly available annual financial report that can be obtained at www.ok.gov/TRS.

Benefits Provided:

OTRS provides defined retirement benefits based on members' final compensation, age, and term of service. In addition, the retirement program provides for benefits upon disability and to survivors upon the death of eligible members. Title 70 O. S. Sec. 17-105 defines all retirement benefits. The authority to establish and amend benefit provisions rests with the State Legislature.

Benefit Provisions Include:

- Members who joined the system prior to November 1, 2017 are fully vested after 5 years of contributory Oklahoma membership service. Those who join on or after November 1, 2017 are fully vested after seven years of contributory Oklahoma membership service and may choose to take an early, reduced retirement benefit, or stay to qualify for a regular, unreduced retirement benefit. Member who joined OTRS on June 30, 1992 or prior are eligible to retire at maximum benefits when age and years of creditable service total 80. Members joining OTRS after June 30, 1992 are eligible for maximum benefits when their age and year of creditable service total 90. Members whose age and service do not equal the eligible limit may receive reduced benefits as early as age 55, and at the age 62 receive unreduced benefits based on their years of service. The maximum retirement benefit is equal to 2 percent of final compensation for year of credited service.

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

7. Employee Retirement System – cont'd

- Final compensation for members who joined OTRS prior to July 1, 1992 is defined as the average salary for the three highest years of compensation. Final compensation for members joining OTRS after June 30, 1992 is defined as the average of the five consecutive years of annual compensation in which contributions have been made. The final average compensation is limited for service credit accumulated prior to July 1, 1995 to \$40,000 or \$25,000, depending on the member's election. Monthly benefits are 1/12 of the amount. Service credits accumulated after June 30, 1995 are calculated based on each member's final average compensation, except for certain employees of the two comprehensive universities. Upon the death of a member who has not yet retired, the designated beneficiary shall receive the member's total contributions plus 100 percent of interest earned through the end of the fiscal year, with interest rates varying based on time of service. A surviving spouse of a qualified member was entitled to at the time of death as provided under the Joint Survivor Benefit Option.
- Upon the death of a retired member, OTRS will pay \$5,000 to the designated beneficiary, in addition to the benefits provided for the retirement option selected by the member.
- A member is eligible for disability benefits after ten years of credited Oklahoma service. The disability benefit is equal to 2% of final average compensation for the applicable year of credited service.
- Upon separation from OTRS, members' contributions to a tax-sheltered annuity program up to the exclusion allowance provided under the IRC under Code Section 403(b).

Contributions:

The contribution requirements of OTRS are at an established rate determined by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 7 percent of their annual compensation. The District paid the employees' required contribution. The amount paid by the District for employees totaled approximately \$4.5 million for the year ended June 30, 2021. The District's contribution rate is 9.5 percent for the year ended June 30, 2021. In addition, the District is required to match the State's contribution rate on salaries that are paid with federal funds. The District's contributions to OTRS in 2021 were \$7.2 million, equal to the annual required contributions each year. The District's matching contributions to OTRS in 2021 were \$0.6 million.

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

7. Employee Retirement System – cont'd

The State makes a contribution on behalf of each teacher meeting minimum salary requirements (known as the OTRS years of services credit). The credit amount is determined based on years of services and ranges from \$60.15 per year for 0 years of service to \$1,410.53 per year for 25 years or more of service. For the fiscal year ended June 30, 2021, the State paid approximately \$675,000 on behalf of teachers employed at the District. In accordance with generally accepted accounting practices, the District recognized the on-behalf-of payments as revenue and expense/expenditure in the government wide and fund financial statements. These on behalf payments do not meet the definition of a special funding situation.

The State of Oklahoma is also required to contribute to the System on behalf of the participating employers. For 2021, the State of Oklahoma contributed 5 percent of state revenues from sales and use taxes and individual income taxes, to the System on behalf of participating employers. The District has estimated the amounts contributed to the System by the State of Oklahoma on its behalf based on a contribution rate provided to the District. For the year ended June 30, 2021, the total amount contributed to the System by the State of Oklahoma on behalf of the District was approximately \$6,006,683. In accordance with generally accepted accounting practices, District recognized the on-behalf-of payments as revenue and expense/expenditure in the government fund financial statements. These on-behalf payments do not meet the definition of a special funding situation.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At June 30, 2021, the District reported a liability of \$158,626,216 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The District's proportion of the net pension liability was based on the District's contributions to OTRS relative to total contributions of OTRS for all participating employees for the year ended June 30, 2020. Based upon this information, the District's proportion was 1.67146813 percent.

For the year ended June 30, 2021, the District recognized pension expense of \$22.9 million. June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

7. Employee Retirement System – cont'd

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,722,230	2,686,631
Changes in Assumptions	19,453,510	2,291,760
Net difference between projected and actual earnings on pension plan investments	13,673,637	
Changes in proportionate and differences between District contributions and proportionate share of contributions		
District contributions subsequent to the measurement date	7,747,150	
Total	<u>\$48,596,527</u>	<u>4,978,391</u>

Deferred pension outflows totaling \$7.7 million resulting from the District's contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. The net deferred pension inflows totaling approximately \$5.0 million will be recognized in pension expense using the average expected remaining life of the Plan. The average expected remaining life of the Plan is determined by taking the calculated total future service years of the Plan divided by the number of people in the Plan including retirees. The total future service years of the Plan are estimated at 5.33 years at June 30, 2020 and are determined using the mortality, termination, retirement and disability assumptions associated with the Plan.

Deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended June 30	Amount
2021	\$ 6,019,914
2022	8,287,154
2023	11,135,127
2024	8,987,105
2025	1,441,686
Total	<u>\$ 35,870,986</u>

INDEPENDENT SCHOOL DISTRICT NO. 1-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

7. Employee Retirement System – cont'd

Actuarial Assumptions:

The total pension liability was determined based on an actuarial valuation prepared as of June 30, 2020 using the following actuarial assumptions:

- Actuarial Cost Method—Entry Age Normal
- Amortization Method—Level Percentage of Payroll
- Amortization Period—Amortization over an open 30-year period
- Asset Valuation Method—5-year smooth market
- Inflation—2.50 percent
- Salary Increases—Composed of 3.00 percent inflation, plus .75 percent productivity increase rate, plus step-rate promotional increases for members with less than 25 years of service
- Investment Rate of Return—7.50 percent, net of expenses and compounded annually
- Retirement Age—Experience-based table of rates based on age, service, and gender. Adopted by the Board in May 2015 in conjunction with the five-year experience study for the period ending June 2014
- Payroll Growth Rate—2.75 percent per year. This increase rate has no allowance for future membership growth

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study, dated May 13, 2015, for the period July 1, 2009-June 30, 2014 and in conjunction with the five-year-experience study for the period ending June 30, 2014.

Based on the stated assumptions and the projection of cash flows, the pension plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

7. Employee Retirement System – cont'd

The target asset allocation and best estimates of arithmetic expected real rates of return for each major asset class as of June 30, 2020, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	38.5%	7.5%
International Equity	19.0%	8.5%
Fixed Income	23.5%	2.5%
Real Estate *	9.0%	4.5%
Alternative Assets	10.0%	6.1%
Total	<u>100.0%</u>	

* - The Real Estate total expected return is a combination of US Direct Real Estate (unlevered) US Value added Real Estate (unlevered)

Discount Rate:

The discount rate used to measure the total pension liability was 7.5 percent. The single discount rate was based solely on the expected investment rate of return on pension plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate:

The following table presents the net pension liability of the District calculated using the discount rate of 7.5 percent, as well as what the District's net pension liability would be if OTRS calculated the total pension liability using a discount rate that is 1-percentage point lower (6.5 percent) or 1-percentage point higher (8.5 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's net pension liability	\$ 211,712,125	\$ 158,626,216	\$ 114,679,349

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

8. Sanctioned Organizations

The following entities are separately constituted and, accordingly, their financial position and results of operations have not been presented in the accompanying financial statements. The board of education does not appoint officers. The board of education is not responsible for approving budgets, contracts, key personnel, fiscal matters or day-to-day operations of the entity.

Barnes Elementary PTA	Jarman MS Band Parents Assoc.	Del City HS Homerun Club
Cleveland Bailey PTSA	Jarman MS Cheerleaders	DC Tip-In-Club
Country Estates Elem. PTA	Jarman MS PTSA	Del City HS Quarterback Club
		Del City HS Midfielders Booster Club
Del City Elementary PTA	Kerr MS Band Parent Association	
East Side Elementary PTA	Kerr MS Cheer Booster Club	MCHS Boys Basketball Tip In Club
Epperly Heights Elem. PTA	Kerr MS PTSA	Del City HS Fastpitch
Highland Park Elementary PTA	Monroney MS Band Boosters	DCHS Swim Team Parents Assoc.
Parkview Elementary PTA	Monroney MS Orchestra	DCHS Aires Patrons Organization
Pleasant Hill Elementary PTA	Monroney MS Cheer Booster Club	DCHS Orchestra Boosters
Ridgecrest Elementary PTA	Monroney MS PTA	Del City HS Volleyball Booster Club
Schwartz Elementary PTA	Carl Albert HS Band Boosters	Del City HS Take Down Club
Soldier Creek Elementary PTA	Carl Albert HS Homerun Club	MCHS Band Parents Association
	Carl Albert HS Basketball Tip In Club	
Soldier Creek Natural Notes		Midwest City HS Homerun Club
Parents Association	CAHS Cheerleader Parent Account	MCHS Girls BB Booster Club
Tinker Elementary PTA	Carl Albert HS Cross Country	Midwest City HS Boys Basketball
Townsend Elementary PTA	Carl Albert HS Quarterback Club	MCHS Cheer Parent Booster
Carl Albert MS Band Parents Club	Carl Albert HS Pom Pon Booster Club	
		Midwest City HS Quarterback Club
CAMS Cheer Parent Assoc.	Carl Albert HS PTSA	MCHS Bomber Golf Boosters
Carl Albert MS Pom	CAHS Titans Soccer Boosters	Midwest City HS Pom Pon Squad
	Carl Albert HS Softball Booster Club	
Carl Albert MS PTSA		MCHS Soccer Booster Club
Carl Albert MS Swim	Carl Albert HS Swim Club	Midwest City HS Swim Club
		MCHS Lady Bomber Softball Booster
Carl Albert MS Vocal Music	CAHS Vocal Music Booster Club	
	Carl Albert HS Sideout Booster Club	Midwest City HS Volleyball
Carl Albert MS Mat Club		MCHS Chorus Booster Club
Del Crest MS Bank Boosters	Carl Albert Orchestra Booster	
Del Crest MS Orchestra	Carl Albert HS Track	Midwest City HS Bomber Mat Club
Del Crest MS Choral Booster	Carl Albert HS Takedown Club	Mid-Del Orchestra
Del Crest MS PTA	Del City HS Band Boosters	Mid-Del PTA Council

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

9. Risk Management

The District administered a self-insurance workers' compensation fund for District employees until June 30, 2018. Currently, the District is now insured through Oklahoma Schools Assurance Group (OSAG). The self-insurance program was administered by an independent third-party and covers workers' compensation expenses for employees. In order to mitigate the risk associated with this program, the District has purchased individual "stop loss" insurance of \$1,000,000. The District made payments to the internal service fund based on estimates of the amounts needed to pay prior and current year claims. As of the end of the fiscal year, it was determined that the liability for incurred claims approximately \$439,232. Changes in the claims liability were as follows:

Fiscal Year	Beginning Balance	Claims Incurred	Claims Paid	Ending Balance
2020- 2021	439,232	0	(89,380)	349,852

The District purchases commercial insurance for all other types of risk including, but not limited to, property, casualty, vehicles, and employee life. Settlements have not exceeded insurance coverage for each of the past three fiscal years.

The full amount of the claims liability at June 30, 2021 is expected to be paid during fiscal year 2021.

10. Surety Bonds

The District has a Position Schedule Bond with Travelers Casualty and Surety Company of America Bond #106118502, for the period of July 1, 2020 to June 30, 2021, covering the following positions/amounts:

Superintendent	\$ 100,000	Director of Accounting	\$ 25,000
Treasurer	350,000	Child Nutrition Director	25,000
Assistant Treasurer	350,000	Accounts Payable Clerk	25,000
Encumbrance Clerk	100,000	Child Nutrition Clerk	25,000
Payroll Clerk	100,000	Activity Clerk	25,000
Treasurer's Clerk	100,000	Deputy Minutes Clerk	25,000
Minutes Clerk	25,000		

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

11. New/Adopted Pronouncements

The GASB has issued several new accounting pronouncements, which will be effective to the District in both the reported and subsequent years. A description of the new accounting pronouncements applicable to the District, the fiscal year in which they are effective, and the District's consideration of the impact of these pronouncements are described below:

Adopted: Fiscal Year Ended June 30, 2021

GASB issued Statement No. 84, *Fiduciary Activities*. - Statement No. 84 issued February 2017 was adopted by the District beginning with its fiscal year ending June 30, 2020. As a result of the adoption, the district determined student activity funds which had previously been reported as fiduciary (agency) funds needed to be reported as governmental (special revenue) funds. The objective of Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

GASB issued Statement No. 87, *Leases*. - The objective of Statement No. 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Although the District has been party to lease contracts in the past, the District does not currently nor plan to enter into lease contracts or lease agreements in the future. Should this management decision change, the District will evaluate and report the leases accurately according to the Statement.

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

11. **New/Adopted Pronouncements – cont'd**

GASB, Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. – Statement No. 89, issued June 2018, is required for reporting periods beginning after December 15, 2019. The objective of Statement No. 89 is to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superceded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The District separates and reports any interest cost as a financing activity (expense) separate from the capital asset.

GASB, Statement No. 90, *Major Equity Interests*. The object of Statement No. 90, an amendment of GASB Statements No. 14 and No. 61, is to modify previous guidance for reporting a government's majority equity interest in a legally separate organization. This Statement also provides guidance for reporting a component unit if a government acquires a 100 percent equity interest in that component unit. The requirements of this Statement are effective for periods beginning after December 15, 2018 as originally established, however GASB Statement No. 95 allows governments to postpone implementation for one year. The District does not have any component units or a majority interest in any legally separate organization.

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

11. New/Adopted Pronouncements – cont'd

GASB, Statement No. 95, *Postponements of Effective Dates of Certain Authoritative Guidance*, issued May 2020. The object of Statement No. 95 is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The requirements of this Statement are effective immediately. References to GASB Statement No. 95 within the various pronouncements to determine the impact on each individual Statement has been noted and adopted. 15, 2022.

New Accounting Pronouncements Issued Not Yet Adopted: The GASB has issued several new accounting pronouncements, which will be effective for the District in future fiscal years. Descriptions of the new accounting pronouncements are described below:

GASB, Statement No. 91, *Conduit Debt Obligations*, issued May 2019. The object of Statement No. 91 is to establish a single method of reporting conduit debt obligations by issuers to eliminate diversity in practice. The requirements of this Statement are effective for periods beginning after December 15, 2020 as originally established, however GASB Statement No. 95 allows governments to postpone implementation for one year. The District does not have conduit debt obligations for the fiscal year ending June 30, 2021. Should management decision obligate the district to conduit debt in the future, the District will evaluate the impact and report the debt accurately according to the Statement.

GASB, Statement No. 92, *Omnibus 2020*, issued January 2020. The object of Statement No. 92 is to address a variety of topics to enhance comparability in accounting and financial reporting and improve consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for periods beginning after June 15, 2021 as originally established, however GASB Statement No. 95 allows governments to postpone implementation for one year. The District is currently evaluating the impact that these new standards may have on its financial statements.

GASB, Statement No. 93, *Replacement of Interbank Offered Rates*, issued March 2020. The object of Statement No. 93 is to address accounting and financial reporting issues and implications that result from the replacement of an interbank offered rates. The requirements of this Statement are effective for periods beginning after June 15, 2020, June 15, 2021 and December 31, 2021, depending on the paragraph, as originally established, however GASB Statement No. 95 allows governments to postpone implementation for one year. The District is currently evaluating the impact that these new standards may have on its financial statements.

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

11. New/Adopted Pronouncements – cont'd

GASB, Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, issued March 2020. The object of Statement No. 94 is to address issues related to public-private and public-public partnership arrangements (PPPs). The Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The requirements of this Statement are effective for periods beginning after June 15, 2022. The District is currently evaluating the impact that these new standards may have on its financial statements.

GASB, Statement No. 96, *Subscription-Based Information Technology Arrangements*, issued May 2020. The object of Statement No. 96 is to provide guidance for accounting and financial reporting for subscription-based information technology arrangements. The requirements of this Statement are effective for periods beginning after June 15, 2022. The District is currently evaluating the impact that these new standards may have on its financial statements.

GASB, Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*, issued June 2020. The object of Statement No. 97 is to provide guidance regarding the financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans. The Statement will also enhance (1) information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans. Paragraphs 4 and 5 of the above Statement were effective immediately whereas the remaining requirement of this Statement are effective for periods beginning after June 15, 2021.

The District currently does not participate in component units, defined contribution pension plans, or defined contribution OPEB plans. The District is currently evaluating the impact of the remaining paragraphs and how these new standards may have on its financial statements.

12. Subsequent Events

Management has evaluated subsequent events through the date of the audit report, which is the date the financial statements were available to be issued and have determined that no additional information needs to be added to the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 1-52, OKLAHOMA COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2021
LAST 10 YEARS *

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>As of June 30, 2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability	1.67%	1.66%	1.66%	1.75%	1.65%	1.66%	1.65%
Proportionate share of the net pension liability	\$ 158,626,216	\$ 109,967,540	\$ 100,183,700	\$115,630,011	\$137,373,683	\$100,913,059	\$ 88,880,852
Covered payroll	\$ 74,862,779	\$ 79,291,499	\$ 76,626,141	\$ 64,032,397	\$ 66,932,668	\$ 66,929,860	\$ 65,939,633
Proportionate share of the net pension liability as percentage of covered-employee payroll	211.89%	138.69%	130.74%	180.58%	205.24%	150.77%	134.79%
Plan's fiduciary net position	\$ 115,008,081	\$ 98,095,686	\$ 96,697,773	\$108,410,195	\$100,706,830	\$110,226,600	\$101,021,665
Plan fiduciary net position as a percentage of the total pension liability	72.50%	89.20%	96.52%	93.76%	73.31%	109.23%	113.66%

Notes to schedule:

* GASB Statement No. 68 requires ten years of information to be presented in this table. The information for all periods for the 10-year schedules that are required to be presented as required supplementary information is not available. During this transition period, the information will be presented for as many years as are available.

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2021

	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contributions Deficiency (Excess)	District's Covered- Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2021	\$ 7,747,150	7,747,150	-	74,862,779	10.35%
2020	8,131,088	8,131,088	-	79,291,499	10.25%
2019	7,892,184	7,892,184	-	76,626,141	10.30%
2018	6,777,253	6,777,253	-	65,819,885	10.30%
2017	6,648,486	6,648,486	-	64,032,397	10.38%
2016	6,993,055	6,993,055	-	66,932,668	10.45%
2015	6,934,426	6,934,426	-	66,929,860	10.36%
2014	6,840,819	6,840,819	-	65,939,633	10.37%
2013	6,812,170	6,812,170	-	66,114,485	10.30%
2012	6,607,386	6,607,386	-	65,723,481	10.05%
2011	6,841,166	6,841,166	-	67,665,314	10.11%

Notes to Required Supplementary Information:

The Districts' statutorily required contribution rate has changed over the prior 10 years as follows:

1 July 1, 2005 to December 31, 2006	7.05%
2 January 1, 2007 to June 30, 2007	7.60%
3 July 1, 2007 to December 31, 2007	7.85%
4 January 1, 2008 to June 30, 2008	8.35%
5 July 1, 2008 to December 31, 2008	8.50%
6 January 1, 2009 to December 31, 2009	9.00%
7 January 1, 2010 to present	9.50%

INDEPENDENT SCHOOL DISTRICT NO. 1-52, OKLAHOMA COUNTY
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final	(budgetary basis)	(final budget)
Revenues:				
Property tax	\$ 20,223,813	20,868,000	20,871,610	(3,610)
Interest	175,000	57,000	57,269	(269)
County	4,000,000	4,328,000	4,475,273	(147,273)
State	64,259,334	61,869,508	62,663,461	(793,953)
Federal	10,958,712	19,019,721	16,620,375	2,399,346
Local	299,511	426,210	485,712	(59,502)
Total revenues	<u>99,916,370</u>	<u>106,568,439</u>	<u>105,173,700</u>	<u>1,394,739</u>
Expenditures:				
Instruction	63,140,248	68,398,328	67,440,456	957,872
Support services	39,687,509	38,950,287	38,091,883	858,404
Non-instructional services	271,802	378,321	293,688	84,633
Capital outlays		6,600	6,600	-
Other outlays	1,735,778	1,780,424	102,705	1,677,719
Total expenditures	<u>104,835,337</u>	<u>109,513,960</u>	<u>105,935,332</u>	<u>3,578,628</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,918,967)</u>	<u>(2,945,521)</u>	<u>(761,632)</u>	<u>(2,183,889)</u>
Other financing sources (uses):				
Non-revenue receipts	340,000	350,000	242,600	107,400
Total other financing sources	<u>340,000</u>	<u>350,000</u>	<u>242,600</u>	<u>107,400</u>
Net change in fund balance	<u>(4,578,967)</u>	<u>(2,595,521)</u>	<u>(519,032)</u>	<u>(2,076,489)</u>
Fund balance, beginning of year	<u>7,346,289</u>	<u>8,475,000</u>	<u>8,475,000</u>	<u>-</u>
Cash fund balance, end of year <i>budgetary basis</i>	<u>\$ 2,767,322</u>	<u>5,879,479</u>	7,955,968	<u>(2,076,489)</u>
Adjustments to conform with GAAP				
Inventory			301,984	
Receivables at year end				
less unavailable revenues			5,403,698	
Accounts payable at year end			(716)	
Fund balance, end of year - <i>modified accrual basis</i>			<u>\$ 13,660,934</u>	

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
BUDGETARY COMPARISON SCHEDULE - BUILDING FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final	(budgetary basis)	(final budget)
Revenues:				
Property tax	\$ 2,859,003	2,991,599	3,016,544	(24,945)
Interest				-
State		117	117	-
Federal	450,000	390,409	366,317	24,092
Local	5,000		6,805	(6,805)
Total revenues	<u>3,314,003</u>	<u>3,382,125</u>	<u>3,389,783</u>	<u>(7,658)</u>
Expenditures:				
Instruction	3,090	698	698	-
Support services	5,860,622	5,972,392	4,696,339	1,276,053
Capital outlays	136,288	20,105	6,666	13,439
Other outlays		6,805	6,805	-
Total expenditures	<u>6,000,000</u>	<u>6,000,000</u>	<u>4,710,508</u>	<u>1,289,492</u>
Net change in fund balance	(2,685,997)	(2,617,875)	(1,320,725)	1,297,150
Fund balance, beginning of year	<u>4,325,149</u>	<u>6,076,620</u>	<u>6,076,620</u>	<u>-</u>
Cash fund balance, end of year <i>budgetary basis</i>	<u>\$ 1,639,152</u>	<u>3,458,745</u>	<u>4,755,895</u>	<u>1,297,150</u>
Adjustments to conform with GAAP				
Inventory			240,542	
Receivables at year end				
less unavailable revenues			19,726	
Accounts payable at year end			<u>(135,007)</u>	
Fund balance, end of year - <i>modified accrual basis</i>			<u>\$ 4,881,156</u>	

**INDEPENDENT SCHOOL DISTRICT NO. 1-52, OKLAHOMA COUNTY
COMBINING BALANCE SHEET - OTHER GOVERNMENTAL FUNDS
JUNE 30, 2021**

	<u>Special Revenue Fund</u>
	Child Nutrition
Assets	
Cash and cash equivalents	1,376,441
Receivables net of allowance for uncollectibles	
Inventories	125,564
Total assets	<u>1,502,005</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances	
Liabilities	
Accounts payable	2,500
Accrued wages	
Total liabilities	<u>2,500</u>
Fund Balances	
Nonspendable:	
Inventory	125,564
Restricted fund balances:	
School construction	
Custodial funds	
Child nutrition	1,373,941
Assigned	
Total fund balances	<u>1,499,505</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>1,502,005</u>

See Notes to Basic Financial Statements

Capital Projects Funds

<u>Bond 34</u>	<u>Bond 35</u>	<u>Bond 36</u>	<u>Bond 39</u>	<u>Custodial Funds</u>	<u>Casualty/ Insurance</u>	<u>Total Other Governmental Funds</u>
\$ 363,875	1,805,607	1,137,376	48,975	2,120,702	1,119,745	7,972,721
						-
						125,564
<u>363,875</u>	<u>1,805,607</u>	<u>1,137,376</u>	<u>48,975</u>	<u>2,120,702</u>	<u>1,119,745</u>	<u>8,098,285</u>
	115			175		2,790
						-
<u>-</u>	<u>115</u>	<u>-</u>	<u>-</u>	<u>175</u>	<u>-</u>	<u>2,790</u>
						125,564
363,875	1,805,492	1,137,376	48,975			3,355,718
				2,120,527		2,120,527
						1,373,941
					1,119,745	1,119,745
<u>363,875</u>	<u>1,805,492</u>	<u>1,137,376</u>	<u>48,975</u>	<u>2,120,527</u>	<u>1,119,745</u>	<u>8,095,495</u>
\$ 363,875	1,805,607	1,137,376	48,975	2,120,702	1,119,745	8,098,285

OTHER SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 1-52, OKLAHOMA COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
JUNE 30, 2021

	<u>Special Revenue Fund</u>
	<u>Child Nutrition</u>
Revenues:	
Interest	\$ 1,669
State	467,867
Federal	4,785,173
Local	194,629
Other	<u>2,975</u>
Total revenues	<u>5,452,313</u>
Expenditures:	
Instruction	
Support services	
Non-instruction services	5,021,152
Capital outlays	
Other outlays	<u>12,294</u>
Total expenditures	<u>5,033,446</u>
Excess (deficiency) of revenues over expenditures	<u>418,867</u>
Other financing sources (uses)	
Proceeds of bonds	
Insurance loss recovery	
Total other financing sources (uses)	<u>-</u>
Net change in fund balances	418,867
Fund balance, beginning of year	<u>1,080,638</u>
Fund balance, end of year	<u>\$ 1,499,505</u>

See Notes to Basic Financial Statements

Capital Project Funds

<u>Bond 34</u>	<u>Bond 35</u>	<u>Bond 36</u>	<u>Bond 39</u>	<u>Custodial Funds</u>	<u>Casualty/ Insurance</u>	<u>Total Other Governmental Funds</u>
\$ 570	9,052	923	686	5,770		18,670
						467,867
				319,246		5,104,419
				2,051,730		2,246,359
	17,500			388,911		409,386
<u>570</u>	<u>26,552</u>	<u>923</u>	<u>686</u>	<u>2,765,657</u>	<u>-</u>	<u>8,246,701</u>
	1,386,318	111,309		631,527	3,977	2,133,131
119,520	1,169,055	182,238	1,032,236	1,031,024	113	3,534,186
	17,288			387,296		5,425,736
	8,890,629					8,890,629
				596,565		608,859
<u>119,520</u>	<u>11,463,290</u>	<u>293,547</u>	<u>1,032,236</u>	<u>2,646,412</u>	<u>4,090</u>	<u>20,592,541</u>
<u>(118,950)</u>	<u>(11,436,738)</u>	<u>(292,624)</u>	<u>(1,031,550)</u>	<u>119,245</u>	<u>(4,090)</u>	<u>(12,345,840)</u>
	11,720,800	1,430,000	900,000			14,050,800
						-
<u>-</u>	<u>11,720,800</u>	<u>1,430,000</u>	<u>900,000</u>	<u>-</u>	<u>-</u>	<u>14,050,800</u>
(118,950)	284,062	1,137,376	(131,550)	119,245	(4,090)	1,704,960
482,825	1,521,430	-	180,525	2,001,282	1,123,835	6,390,535
<u>\$ 363,875</u>	<u>1,805,492</u>	<u>1,137,376</u>	<u>48,975</u>	<u>2,120,527</u>	<u>1,119,745</u>	<u>8,095,495</u>

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
BUDGETARY COMPARISON SCHEDULE - DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final	(budgetary basis)	(final budget)
Revenues:				
Property tax	\$ 15,113,913	16,769,887	17,172,391	(402,504)
Interest		3,333	3,333	-
State		379	655	(276)
Total revenues	<u>15,113,913</u>	<u>16,773,599</u>	<u>17,176,379</u>	<u>(402,780)</u>
Expenditures:				
Other outlays	10,000	10,000		10,000
Debt service	19,990,000	15,990,000	18,468,219	(2,478,219)
Total expenditures	<u>20,000,000</u>	<u>16,000,000</u>	<u>18,468,219</u>	<u>(2,468,219)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,886,087)</u>	<u>773,599</u>	<u>(1,291,840)</u>	<u>2,065,439</u>
Other financing sources, bond premium		17,891	17,891	-
Net change in fund balance	<u>(4,886,087)</u>	<u>791,490</u>	<u>(1,273,949)</u>	<u>2,065,439</u>
Fund balance, beginning of year	<u>11,492,395</u>	<u>11,492,395</u>	<u>11,492,395</u>	<u>-</u>
Cash fund balance, end of year <i>budgetary basis</i>	<u>\$ 6,606,308</u>	<u>12,283,885</u>	<u>10,218,446</u>	<u>2,065,439</u>
Adjustments to conform with GAAP				
Receivables at year end less unavailable revenues			<u>125,923</u>	
Fund balance, end of year - <i>modified accrual basis</i>			<u>\$ 10,344,369</u>	

**INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
BUDGETARY COMPARISON SCHEDULE - CHILD NUTRITION FUND
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance
	Original	Final	(budgetary basis)	(final budget)
Revenues:				
Interest	\$ 3,319	1,400	1,669	(269)
State	505,012	460,037	467,867	(7,830)
Federal	4,907,262	4,275,537	4,785,173	(509,636)
Local	1,355,735	156,779	196,789	(40,010)
Other				-
Total revenues	<u>6,771,328</u>	<u>4,893,753</u>	<u>5,451,498</u>	<u>(557,745)</u>
Expenditures:				
Support services				-
Non-instructional services	6,676,175	5,357,261	4,936,337	420,924
Other outlays	297,125	14,354	12,294	2,060
Total expenditures	<u>6,973,300</u>	<u>5,371,615</u>	<u>4,948,631</u>	<u>422,984</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(201,972)</u>	<u>(477,862)</u>	<u>502,867</u>	<u>(980,729)</u>
Other financing sources (uses):				
Cash or change	3,065	3,065	2,975	90
Total other financing sources	<u>3,065</u>	<u>3,065</u>	<u>2,975</u>	<u>90</u>
Net change in fund balance	<u>(198,907)</u>	<u>(474,797)</u>	<u>505,842</u>	<u>(980,639)</u>
Fund balance, beginning of year	<u>870,600</u>	<u>870,599</u>	<u>870,599</u>	<u>-</u>
Cash fund balance, end of year <i>budgetary basis</i>	<u>\$ 671,693</u>	<u>395,802</u>	<u>1,376,441</u>	<u>(980,639)</u>
Adjustments to conform with GAAP				
Inventory			125,564	
Accounts payable at year end			<u>(2,500)</u>	
Fund balance, end of year - <i>modified accrual basis</i>			<u>\$ 1,499,505</u>	

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
BUDGETARY COMPARISON SCHEDULE - TECH CENTER
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final	(budgetary basis)	(final budget)
Revenues:				
Interest	\$ 7,500	8,000	8,165	(165)
State	1,805,639	1,735,440	1,734,442	998
Federal	1,069,300	2,067,007	439,602	1,627,405
Local	3,380,313	3,511,575	5,274,609	(1,763,034)
Other		101,089	45	101,044
Total revenues	6,262,752	7,423,111	7,456,863	(33,752)
Expenditures:				
Instruction	3,110,238	2,681,493	2,634,216	47,277
Support services	3,427,951	4,260,737	3,302,733	958,004
Non-instructional services	12,614	12,614		12,614
Other outlays	185,390	162,528	4,282	158,246
Total expenditures	6,736,193	7,117,372	5,941,231	1,176,141
Net change in fund balance	(473,441)	305,739	1,515,632	(1,209,893)
Fund balance, beginning of year	4,768,419	5,102,089	5,102,089	-
Cash fund balance, end of year <i>budgetary basis</i>	\$ 4,294,978	5,407,828	6,617,721	(1,209,893)
Adjustments to conform with GAAP				
Receivables at year end			714,215	
Accounts payable at year end			(8,730)	
Fund balance, end of year - <i>modified accrual basis</i>			\$ 7,323,206	

**INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
BUDGETARY COMPARISON SCHEDULE - TECH CENTER BUILDING FUND
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual (budgetary basis)	Variance (final budget)
	Original	Final		
Revenues:				
Local	\$ 1,685,294	1,685,294	1,894,703	(209,409)
Total revenues	<u>1,685,294</u>	<u>1,685,294</u>	<u>1,894,703</u>	<u>(209,409)</u>
Expenditures:				
Instruction		127,681	92,387	35,294
Support services	291,200	391,519	185,641	205,878
Capital outlays	1,708,800	1,480,800	354,136	1,126,664
Total expenditures	<u>2,000,000</u>	<u>2,000,000</u>	<u>632,164</u>	<u>1,367,836</u>
Net change in fund balance	(314,706)	(314,706)	1,262,539	(1,577,245)
Fund balance, beginning of year	<u>6,595,646</u>	<u>6,595,646</u>	<u>6,614,333</u>	<u>(18,687)</u>
Cash fund balance, end of year <i>budgetary basis</i>	<u>\$ 6,280,940</u>	<u>6,280,940</u>	<u>7,876,872</u>	<u>(1,595,932)</u>
Adjustments to conform with GAAP				
Receivables at year end			<u>185,465</u>	
Fund balance, end of year - <i>modified accrual basis</i>			<u>\$ 8,062,337</u>	

COMPLIANCE SECTION

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Project Number	Program or Award Amount	Beginning Balance 7/1/2020	Revenue Collected	Total Expenditures	Ending Balance 6/30/2021
<u>U.S. Department of Education</u>							
<u>Direct Programs:</u>							
Title VII Impact Aid							
Title VII Impact Aid-GF	84.041	591	\$ 52,143	(642)	52,143	51,501	
Title VII Impact Aid-GF	84.041	592	41,200	(41,011)	41,200		189
Title VII Impact Aid-BF	84.041	591	366,317	943,845	366,317	7,364	1,302,798
Subtotal - Title VII Impact Aid Program			459,660	902,192	459,660	58,865	1,302,987
Title VI-Part A, Indian Education	84.060	561	268,893		184,923	268,893	(83,970)
Title VI-Part A, Indian Education 2019-20	84.060	799		(14,867)	14,867		
Pell Grant	84.063	474	251,643		251,643	251,643	
Subtotal - Direct Programs			980,196	887,325	911,093	579,401	1,219,017
<u>Passed Through State Department of Education:</u>							
* Title I Cluster:							
Title I-Part A, Improving Basic Programs	84.010	511	4,431,677		3,300,981	3,970,091	(669,110)
Title I-Part A, Improving Basic Programs 2019-20	84.010	799		(935,457)	935,457		
Title I-School Improvement	84.010	515	241,413		187,866	212,678	(24,812)
Title I-Part A, Neglected	84.010	518	124,709		77,173	91,519	(14,346)
Title I-Part A, Neglected	84.010	799		(22,950)	22,950		
Subtotal - Title I Program (Cluster)			4,797,799	(958,407)	4,524,427	4,274,288	(708,268)
Title II Cluster:							
Title II-Part A, Teacher & Principal Training	84.367	541	1,119,032		574,951	760,088	(185,137)
Title II-Part A 2019-20	84.367	799		(124,617)	124,617		
Title IV-SSAE Grant	84.424A	552	258,304		258,304	258,304	
Title IV-SSAE Grant 2019-20	84.424A	799		(182,704)	182,704		
Subtotal - Title II Program (Cluster)			1,377,336	(307,321)	1,140,576	1,018,392	(185,137)
Title III-Part A, ELA	84.365	572	73,745		46,959	52,632	(5,673)
Title IX-Part A, Homeless	84.196	596	87,085		42,922	59,164	(16,242)
Title IX-Part A, Homeless 2019-20	84.196	799		(13,069)	13,069		
* CARES Act Funding							
ESSERF (Covid)	84.425D	788	2,778,145		2,670,280	2,702,251	(31,971)
ESSER II Formula Funding (Covid)	84.425D	793	12,634,623		4,853,162	8,357,888	(3,504,726)
HEERF (Covid) CF	84.425N	415	409,974	(22,423)	153,038	368,694	(238,079)
HEERF (Covid) CF	84.425F	416	312,520			18,896	(18,896)
HEERF (Covid) PGF	84.425E	416	67,603		67,603	67,603	
Subtotal - CARES Act Funding (Covid)			\$ 16,202,865	(22,423)	7,744,083	11,515,332	(3,793,672)

INDEPENDENT SCHOOL DISTRICT NO. 1-52, OKLAHOMA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Project Number	Program or Award Amount	Beginning Balance 7/1/2020	Revenue Collected	Total Expenditures	Ending Balance 6/30/2021
Special Education Cluster:							
IDEA-B Discretionary	84.027	613	\$ 1,316		1,020	1,020	
IDEA-B Discretionary	84.027	615	37,765		18,916	24,361	(5,445)
IDEA-COVID Assist	84.027	617	147,008		125,206	142,670	(17,464)
IDEA-B Flowthrough	84.027	621	3,085,312		1,904,856	2,439,189	(534,333)
IDEA-B Flowthrough 2019-20	84.027	799		(592,995)	592,995		
IDEA-B Flowthrough, Private Schools	84.027	625	47,806		1,741	1,741	
IDEA-B Flowthrough, Private Schools 2019-20	84.027	799		(3,458)	3,458		
IDEA-B Preschool	84.173	641	72,127		43,950	58,591	(14,641)
IDEA-B Preschool 2019-20	84.173	799		(14,524)	14,524		
Subtotal - Special Education Program (Cluster)			3,391,334	(610,977)	2,706,666	2,667,572	(571,883)
Subtotal - Passed Through State Dept of Education			25,930,164	(1,912,197)	16,218,702	19,587,380	(5,280,875)
<u>Passed Through State Department of Career and Technology Education:</u>							
Carl Perkins Cluster:							
Carl Perkins Grant - GF	84.048	421	118,414		66,073	83,986	(17,913)
Carl Perkins Grant - GF	84.048	799		(30,213)	30,213		
Carl Perkins Grant - Tech	84.048	421	137,732		75,893	131,673	(55,780)
Carl Perkins Grant - Tech	84.048	799		(48,061)	48,061		
Tech Centers That Work	84.048	429	12,000		12,000	12,000	
Tech Centers That Work	84.048	799		(9,950)	9,950		
Subtotal - Carl Perkins Programs (Cluster)			\$ 268,146	(88,224)	242,190	227,659	(73,693)
<u>U.S. Department of Agriculture:</u>							
<u>Passed Through State Department of Education:</u>							
Child Nutrition Cluster:							
Cash Assistance:							
National School Lunch Program	10.555	763		804,773			804,773
Summer Food Program	10.559	766			4,780,891	4,213,998	566,893
Equipment Assistance Grant	10.579	791			4,282	4,282	
Cash Assistance Subtotal				804,773	4,785,173	4,218,280	1,371,666
<u>Passed Through State Department of Human Services:</u>							
Non-cash Assistance (Commodities)	10.555	N/A			359,008	359,008	
Subtotal - Child Nutrition Program (Cluster)				804,773	5,144,181	4,577,288	1,371,666

INDEPENDENT SCHOOL DISTRICT NO. 1-52, OKLAHOMA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Project Number	Program or Award Amount	Beginning Balance 7/1/2020	Revenue Collected	Total Expenditures	Ending Balance 6/30/2021
<u>U.S. Department of Defense:</u>							
<u>Direct Programs:</u>							
JROTC Program:							
JROTC - Air Force	12.401	774	\$ 167,994		125,836	125,836	
JROTC - Air Force	12.401	799		(7,017)	7,017		
JROTC - Air Force	12.401	775	98,948		55,566	76,486	(20,920)
JROTC - Air Force	12.401	799		(19,767)	19,767		
Subtotal - U.S. Dept. of Defense			<u>266,942</u>	<u>(26,784)</u>	<u>208,186</u>	<u>202,322</u>	<u>(20,920)</u>
<u>Other Federal Assistance:</u>							
Johnson O'Malley	15.130	563	\$ 49,042	23,803	21,599	3,827	41,575
Temporary Assistance for Needy Families	93.558	452	173,000		107,510	144,411	(36,901)
Temporary Assistance for Needy Families 2019-20	93.558	799		(33,150)	33,150		
OJT-Rehabilitation Services	84.126	456	5,503		3,110	5,503	(2,393)
Subtotal - Other Federal Assistance			<u>227,545</u>	<u>(9,347)</u>	<u>165,369</u>	<u>153,741</u>	<u>2,281</u>
Total Federal Assistance			<u>\$ 27,672,993</u>	<u>(344,454)</u>	<u>22,889,721</u>	<u>25,327,791</u>	<u>(2,782,524)</u>

* Major federal programs

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

1. General

The schedule of expenditures of federal awards presents the activity of all federal award programs of Midwest City-Del City School District (the District). The District reporting entity is defined in the notes to the District's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through from other government agencies are included on the schedule. There were no amounts passed to subrecipients.

2. Basis of Accounting

The information in this schedule 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). Expenditures are reported on the regulatory basis of accounting, as prescribed by the Oklahoma State Department of Education, which is considered an other comprehensive basis of accounting. Therefore, some material presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The District has also elected to not use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

3. Non-cash Federal Awards

The District receives food commodities from the U.S. Department of Agriculture for use in its foodservice program. The commodities, in the amount of \$359,008, are recognized as revenue when received and are reported at fair market value.

4. Prior Year Reimbursements

These amounts represent reimbursements for prior year expenditures which were not received until the current fiscal year.



JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

JACK JENKINS, CPA
MICHAEL KEMPER, CPA

**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
Midwest City-Del City School District
Midwest City, OK 73110

We have audited, in accordance with the 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 financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Midwest City-Del City School District No. I-52, Midwest City, Oklahoma, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated December 6, 2021. This report was unqualified with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in the United States.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School 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 the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School 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 School 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*. However, there was one (1) immaterial observation included in a separate letter to management.

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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Jenkins & Kemper, CPAs P.C.

Jenkins & Kemper
Certified Public Accountants, P.C.

December 6, 2021



JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

JACK JENKINS, CPA
MICHAEL KEMPER, CPA

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

The Honorable Board of Education
Midwest City-Del City School District No. I-52
Midwest City, Oklahoma 73110

Report on Compliance for Each Major Federal Program

We have audited the Midwest City-Del City School District No. I-52, Midwest City, Oklahoma's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. 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* (The Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, Midwest City-Del City School District No. I-52, Midwest City, Oklahoma 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, 2021.

Report on Internal Control over Compliance

The management of the Midwest City-Del City School District No. I-52, Midwest City, Oklahoma is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Jenkins & Kemper, CPAs P.C.

Jenkins & Kemper
Certified Public Accountants, P.C.

December 6, 2021

INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JULY 1, 2020 TO JUNE 30, 2021

Summary of Auditor's Results

1. The auditor's report expresses an unqualified opinion on the basic financial statements in conformity with generally accepted accounting principles.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Schedule of Findings and Questioned Costs.
3. No instances of noncompliance material to the financial statements of the District were reported during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the "Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Uniform Guidance"
5. An unqualified opinion report was issued on the compliance of major federal award programs.
6. The audit disclosed no audit findings and questioned costs, which are required to be reported under OMB Uniform Guidance.
7. Identification of Major Programs: Education Stabilization Fund (84.425D, 84.425E, 84.425F, 84.425N) programs, which were clustered in the determination.
8. The dollar threshold used to determine between Type A and Type B programs was \$750,000.
9. The District did qualify to be a low-risk auditee.

Findings – Financial Statement Audit

None

Findings and Questioned Costs – Major Federal Award Programs Audit

None

**INDEPENDENT SCHOOL DISTRICT NO. 1-52, OKLAHOMA COUNTY
DISPOSITION OF PRIOR YEAR FINDINGS
JULY 1, 2020 TO JUNE 30, 2021**

Findings Related to the Financial Statement Audit:

There were no prior year findings.

**INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL
LIABILITY INSURANCE AFFIDAVIT
JULY 1, 2020 TO JUNE 30, 2021**


State of Oklahoma)
County of Tulsa)

The undersigned auditing firm representative of lawful age, 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 Midwest City-Del City School District for the audit year 2020-2021.

Jenkins & Kemper, CPAs, P.C.
AUDITING FIRM

BY 
AUTHORIZED AGENT

Subscribed and sworn to before me on this
6th day of, December, 2021


NOTARY PUBLIC

