

OKLAHOMA Education

Audit Acknowledgement

Audit Year: 2021-2022

District Name Mustang Independent School District

District Number 1-69

County Name Canadian County

County Code 9

The annual independent audit was presented to the Board of Education in a meeting conducted in accordance with the Open Meeting Act 25 O.S. Section 301-314 on Jan 9th, 2023.

Date of Meeting

The audit was presented by Bledsoe, Hewett & Gullekson, CPAs, PLLP

(Independent Auditor)

(Independent Auditor's Signature)

The School Board acknowledges that as the governing body of the district, responsible for the district's financial and compliance operations, the audit findings and exceptions have been presented to them.

A copy of the audit, including this acknowledgement form, will be sent to the State Board of Education and the State Auditor and Inspector within 30 days from its presentation, as stated in 70 O.S. § 22-108:

"The district board of education shall forward a copy of the auditor's opinions and related financial statements to the State Board of Education and the State Auditor and Inspector within thirty (30) days after receipt of the audit."

Signature of the Board of Education:

Charles Brumby

Superintendent

Jeff Fowler

Board of Education President

Debra Scholla

Board of Education Vice President

Bill Calum

Board of Education Member

[Signature]

Board of Education Member

Board of Education Member

Board of Education Member



Subscribed and sworn before me on January 9, 2023

My Commission expires 04/22/25

Susan Cavett

(Notary Public)

**FINANCIAL STATEMENTS – REGULATORY BASIS
AND REPORTS OF INDEPENDENT AUDITOR**
**MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69,
CANADIAN COUNTY, OKLAHOMA**

JUNE 30, 2022



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

BROKEN ARROW, OK

MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
SCHOOL DISTRICT OFFICIALS
JUNE 30, 2022

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Vice-President

Chad Schroeder

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CHIEF FINANCIAL OFFICER

Jeff Landes

www.mustangps.org

MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
JUNE 30, 2022

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MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
JUNE 30, 2022

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BLEDSON, HEWETT & GULLEKSON
CERTIFIED PUBLIC ACCOUNTANTS, PLLLP

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

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

INDEPENDENT AUDITOR'S REPORT

To the Honorable Board of Education
Mustang Independent School District No. 69
Mustang, Canadian County, Oklahoma

Report on the Audit of the Financial Statements

We have audited the accompanying combined fund type and account group financial statements-regulatory basis of the Mustang Independent School District No. 69, Mustang, Canadian County, Oklahoma (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter discussed in the "Basis for Qualified Opinion on Regulatory Basis of Accounting" section of our report, the combined financial statements referred to above present fairly, in all material respects, the assets, liabilities and fund balances arising from regulatory basis transactions of each fund type and account group of the District, as of June 30, 2022, and the revenues it received and expenditures it paid and encumbered for the year then ended, in accordance with the financial reporting provisions of the Oklahoma State Department of Education as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" section of our report, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District, as of June 30, 2022, or the revenues, expenses, and changes in net position and, where applicable, cash flows thereof for the year then ended.

Basis for Opinions

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

Basis for Qualified Opinion on Regulatory Basis of Accounting

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Bledsoe, Hewett & Gullekson

Bledsoe, Hewett & Gullekson
Certified Public Accountants, PLLLP

October 19, 2022



BLEDSON, HEWETT & GULLEKSON
CERTIFIED PUBLIC ACCOUNTANTS, PLLLP

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

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

**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
Mustang Independent School District No. 69
Mustang, Canadian County, Oklahoma

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the fund type and account group financial statements – regulatory basis of the Mustang Independent School District No. 69, Mustang, Canadian County, Oklahoma (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 19, 2022, which was adverse with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in the United States because the presentation followed the regulatory basis of accounting for Oklahoma school districts as provided by the Oklahoma State Department of Education. However, our report was qualified because the omission of the general fixed asset account group results in an incomplete presentation with respect to the presentation of financial statements on the regulatory basis of accounting authorized by the Oklahoma State Board of Education.

Internal Control Over Financial Reporting

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

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of audit results, findings and questioned costs, we identified a significant deficiency in internal control that we consider to be material weaknesses.

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. We consider the deficiency 2022-1, described in the accompanying schedule of audit results, findings and questioned costs to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. This item, identified as 2022-1, in the accompanying schedule of audit results, findings and questioned costs.

Purpose of this Report

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

Bledsoe, Hewett & Gullekson

Bledsoe, Hewett & Gullekson
Certified Public Accountants, PLLLP

October 19, 2022



BLEDSON, HEWETT & GULLEKSON
CERTIFIED PUBLIC ACCOUNTANTS, PLLLP

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

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

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

To the Honorable Board of Education
Mustang Independent School District No. 69
Mustang, Canadian County, Oklahoma

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Mustang Independent School District No. 69, Mustang, Canadian County, Oklahoma's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

Bledsoe, Hewett & Gullekson

Bledsoe, Hewett & Gullekson
Certified Public Accountants, PLLLP

October 19, 2022

MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
DISPOSITION OF PRIOR YEAR'S SIGNIFICANT DEFICIENCIES AND
MATERIAL INSTANCES OF NON-COMPLIANCE
JUNE 30, 2022

There were no prior year significant deficiencies.

MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
SCHEDULE OF AUDIT RESULTS, FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022

Section 1 - Summary of Auditor's Results:

1. An adverse opinion was issued on the combined financial statements in conformity with generally accepted accounting principles, and a qualified opinion was issued for the omission of the general fixed asset account group on the combined financial statements in conformity with a regulatory basis of accounting prescribed by the Oklahoma State Department of Education.
2. The audit identified a significant deficiency in the internal controls over financial reporting (2022-1), which was considered to be a material weakness, and did not report any significant deficiencies not considered to be material weaknesses in the internal controls over financial reporting.
3. The audit disclosed an instance of noncompliance or other matters, item 2022-1, which is required to be reported under Government Auditing Standards.
4. An unmodified opinion report was issued on the compliance of major programs in conformity with the regulatory basis of accounting.
5. The audit did not identify any material weaknesses and did not report any significant deficiencies not considered to be material weaknesses in the internal controls over major programs.
6. The audit disclosed no audit findings which are required to be reported under Uniform Guidance, 2 CFR 200.516(a).
7. Programs determined to be major are the COVID-19 Education Stabilization Fund-ESSER/CARES Act Programs (84.425D, 84.425U), which were not clustered in determination, and the Title I Program (84.010), which was not clustered in determination.
8. The dollar threshold used to determine between Type A and Type B programs was \$750,000.
9. The auditee was determined not to be a low-risk auditee.

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

Finding 2022-1 Payroll

Criteria: School Districts are required, per Oklahoma Statute Title 70 § 5-135, to implement internal controls and procedures over initiating, recording and paying for all purchases, salaries, wages and contractual obligations.

Condition: We observed that there was insufficient oversight of the payroll function at the payroll administrator level. Pursuant to an agreed upon procedures engagement that was performed for the District in April 2022, it was determined that the Director of Payroll committed a payroll scheme that misappropriated approximately \$415,000, over the past five years, which appears to have benefited only two employees. This scheme involved the payment of additional direct deposits during the payroll process through a series of adjusting entries to the District's payroll software. The additional direct deposits were in excess of their approved employment contracts.

Cause / Effect: The District had internal controls in place, however, the payroll administrator was involved in the processing of payroll and had the ability to circumvent procedures to make adjusting entries during the payroll process that were not approved or reviewed by another employee. The effect of this weakness in the controls over the processing of payroll and the lack of administrative oversight of the payroll administrator allowed for the misappropriation of assets. Also, it is highly probable the District will be liable to the IRS and the Oklahoma Tax Commission for unpaid withholding taxes.

Recommendation : We recommend that the District enforce its current procedures. We recommend that a risk assessment be performed over the payroll function to determine the areas of higher risk of misappropriation. Based on the assessment, new controls be implemented to address these risks, to include, but not limited to, a log of payroll adjustments be prepared and reviewed by the Human Resources department each payroll period. This situation is currently under investigation by local authorities.

Response :

Section 3 – Findings and questioned costs for federal awards:

None



Mustang Public Schools

Jeff M. Landes
Chief Financial Officer

12400 SW 15th Street
Yukon, OK 73099
(405) 376-7356 office
landesj@mustangps.org

Mustang Public School District I-001 Canadian County #69

Audit Findings Corrective Action Plan Audit Year 2022-2023

Audit Finding Reference #: 2022-1

Description of Finding: Insufficient oversight of the payroll function at the payroll administrator level enabled the director of payroll to commit a payroll scheme that misappropriated approximately \$415,000 over the past five years which appears to have benefited only two employees.

Contact Person: Jeff Landes, Treasurer / CFO

Steps Implemented: The director of payroll and the chief financial officer are no longer employed by Mustang Public Schools. A separation of duties has been implemented between the payroll staff to minimize the risk associated with a singular point of data entry. Payroll entries now directly correspond the personnel system to provide consistency and clarity. A full set of payroll processing reports are now computer generated and given to a third staff member to review each pay period. In-depth payroll reports for each member of the finance team will be reviewed by the CFO and the audit team.

Completion Date: Effective Immediately

Company's financial statements prepared in accordance with the accounting principles generally accepted in the United States of America.

COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	991	990	989	988	987	986	985	984	983	982	981	980	979	978	977	976	975	974	973	972	971	970	969	968	967	966	965	964	963	962	961	960	959	958	957	956	955	954	953	952	951	950	949	948	947	946	945	944	943	942	941	940	939	938	937	936	935	934	933	932	931	930	929	928	927	926	925	924	923	922	921	920	919	918	917	916	915	914	913	912	911	910	909	908	907	906	905	904	903	902	901	900	899	898	897	896	895	894	893	892	891	890	889	888	887	886	885	884	883	882	881	880	879	878	877	876	875	874	873	872	871	870	869	868	867	866	865	864	863	862	861	860	859	858	857	856	855	854	853	852	851	850	849	848	847	846	845	844	843	842	841	840	839	838	837	836	835	834	833	832	831	830	829	828	827	826	825	824	823	822	821	820	819	818	817	816	815	814	813	812	811	810	809	808	807	806	805	804	803	802	801	800	799	798	797	796	795	794	793	792	791	790	789	788	787	786	785	784	783	782	781	780	779	778	777	776	775	774	773	772	771	770	769	768	767	766	765	764	763	762	761	760	759	758	757	756	755	754	753	752	751	750	749	748	747	746	745	744	743	742	741	740	739	738	737	736	735	734	733	732	731	730	729	728	727	726	725	724	723	722	721	720	719	718	717	716	715	714	713	712	711	710	709	708	707	706	705	704	703	702	701	700	699	698	697	696	695	694	693	692	691	690	689	688	687	686	685	684	683	682	681	680	679	678	677	676	675	674	673	672	671	670	669	668	667	666	665	664	663	662	661	660	659	658	657	656	655	654	653	652	651	650	649	648	647	646	645	644	643	642	641	640	639	638	637	636	635	634	633	632	631	630	629	628	627	626	625	624	623	622	621	620	619	618	6
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MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
COMBINED STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -
ALL FUND TYPES AND ACCOUNT GROUPS - REGULATORY BASIS
JUNE 30, 2022

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPES EXPENDABLE TRUST & AGENCY FUNDS	ACCOUNT GROUP GENERAL LONG-TERM DEBT	TOTALS (MEMORANDUM ONLY)	PRIOR YEAR (MEMORANDUM ONLY)
ASSETS	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS				
Cash and investments	\$ 16,752,504	4,138,016	9,536,036	19,871,567	5,288,492		55,586,615	48,552,826
Amounts available in debt service						9,536,036	9,536,036	9,602,717
Amount to be provided for retirement of long-term debt						51,963,964	51,963,964	48,482,283
Total Assets	<u>\$ 16,752,504</u>	<u>4,138,016</u>	<u>9,536,036</u>	<u>19,871,567</u>	<u>5,288,492</u>	<u>61,500,000</u>	<u>117,086,615</u>	<u>106,637,826</u>
LIABILITIES AND FUND BALANCE								
Liabilities:								
Warrants payable	\$ 3,371,415	205,157		135,372	97,243		3,809,187	9,134,368
Encumbrances	8,519,020	359,083					8,878,103	28,953
Funds held for school organizations					2,604,282		2,604,282	3,440,525
Long-term debt:								
Bonds payable						61,500,000	61,500,000	58,085,000
Total liabilities	<u>11,890,435</u>	<u>564,240</u>	<u>0</u>	<u>135,372</u>	<u>2,701,525</u>	<u>61,500,000</u>	<u>76,791,572</u>	<u>70,688,846</u>
Fund Balance:								
Restricted		3,573,776	9,536,036	19,736,195	2,586,967		35,432,974	29,045,301
Unassigned	4,862,069						4,862,069	6,903,679
Cash fund balances	<u>4,862,069</u>	<u>3,573,776</u>	<u>9,536,036</u>	<u>19,736,195</u>	<u>2,586,967</u>	<u>0</u>	<u>40,295,043</u>	<u>35,948,980</u>
Total Liabilities and Fund Balance	<u>\$ 16,752,504</u>	<u>4,138,016</u>	<u>9,536,036</u>	<u>19,871,567</u>	<u>5,288,492</u>	<u>61,500,000</u>	<u>117,086,615</u>	<u>106,637,826</u>

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

MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
 COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND CHANGES IN CASH FUND BALANCES
 - ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUSTS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2022

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPES	TOTALS (MEMORANDUM ONLY)	PRIOR YEAR (MEMORANDUM ONLY)
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	EXPENDABLE TRUST		
Revenues collected:							
Local sources	\$ 24,067,149	3,727,528	16,516,203	22,048	2,945,154	47,278,082	43,899,732
Intermediate sources	4,021,695					4,021,695	3,891,406
State sources	60,837,421	1,032,278				61,869,699	51,694,200
Federal sources	9,465,471	6,299,329				15,764,800	9,035,636
Interest earnings	76,998	953				77,951	57,223
Non-revenue receipts	2,579,092	7,832	500,223			3,087,147	678,921
Total revenues collected	<u>101,047,826</u>	<u>11,067,920</u>	<u>17,016,426</u>	<u>22,048</u>	<u>2,945,154</u>	<u>132,099,374</u>	<u>109,257,118</u>
Expenditures:							
Instruction	62,991,832			622,412		63,614,244	56,635,749
Support services	39,271,616	2,840,561		2,803,211	358,187	45,273,575	36,817,968
Operation of non-instructional services	11,707	6,245,677				6,257,384	4,632,181
Facilities acquisition & construction services	819,221	59,750		13,984,282		14,863,253	17,144,876
Other outlays :							
Debt service			17,083,107			17,083,107	15,809,807
Reimbursements		7,832				7,832	1,465
Correcting entry							49,918
Total expenditures	<u>103,094,376</u>	<u>9,153,820</u>	<u>17,083,107</u>	<u>17,409,905</u>	<u>358,187</u>	<u>147,099,395</u>	<u>131,091,964</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	(2,046,550)	1,914,100	(66,681)	(17,387,857)	2,586,967	(15,000,021)	(21,834,846)
Other financing sources (uses):							
Proceeds from sale of bonds				19,340,000		19,340,000	16,255,000
Adjustments to prior year encumbrances	4,940	1,144				6,084	10,682
Total other financing sources (uses)	<u>4,940</u>	<u>1,144</u>	<u>0</u>	<u>19,340,000</u>	<u>0</u>	<u>19,346,084</u>	<u>16,265,682</u>
Excess of revenues collected over (under) expenditures	(2,041,610)	1,915,244	(66,681)	1,952,143	2,586,967	4,346,063	(5,569,164)
Cash fund balances, beginning of year	<u>6,903,679</u>	<u>1,658,532</u>	<u>9,602,717</u>	<u>17,784,052</u>	<u>0</u>	<u>35,948,980</u>	<u>41,518,144</u>
Cash fund balances, end of year	<u>\$ 4,862,069</u>	<u>3,573,776</u>	<u>9,536,036</u>	<u>19,736,195</u>	<u>2,586,967</u>	<u>40,295,043</u>	<u>35,948,980</u>

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

MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
 COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND
 CHANGES IN CASH FUND BALANCES - BUDGETED GOVERNMENTAL FUND TYPES - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2022

	GENERAL FUND			
	Original Budget	Final Budget	Actual	Prior Year (Memorandum Only)
Revenues Collected:				
Local sources	\$ 23,527,742	23,527,742	24,067,149	23,929,103
Intermediate sources	4,200,000	4,200,000	4,021,695	3,891,404
State sources	57,337,313	57,337,313	60,837,421	51,112,063
Federal sources	10,370,827	15,157,713	9,465,471	5,187,624
Interest earnings	286,553	286,553	76,998	56,890
Non-revenue receipts	87,000	87,000	2,579,092	102,585
Total revenues collected	<u>95,809,435</u>	<u>100,596,321</u>	<u>101,047,826</u>	<u>84,279,669</u>
Expenditures:				
Instruction	60,000,000	64,000,000	62,991,832	56,557,405
Support services	40,000,000	40,000,000	39,271,616	32,209,405
Operation of non-instruction services			11,707	6,868
Facilities acquisition & construction services	1,000,000	1,000,000	819,221	1,522
Other outlays:				
Correcting entry				42,271
Unbudgeted	1,713,114	2,500,000		
Total expenditures	<u>102,713,114</u>	<u>107,500,000</u>	<u>103,094,376</u>	<u>88,817,471</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	(6,903,679)	(6,903,679)	(2,046,550)	(4,537,802)
Other financing sources (uses):				
Adjustments to prior year encumbrances	<u>0</u>	<u>0</u>	<u>4,940</u>	<u>9,869</u>
Excess of revenues collected over (under) expenditures	(6,903,679)	(6,903,679)	(2,041,610)	(4,527,933)
Cash fund balance, beginning of year	<u>6,903,679</u>	<u>6,903,679</u>	<u>6,903,679</u>	<u>11,431,612</u>
Cash fund balance, end of year	<u>\$ 0</u>	<u>0</u>	<u>4,862,069</u>	<u>6,903,679</u>

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

MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
 COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND
 CHANGES IN CASH FUND BALANCES - BUDGETED GOVERNMENTAL FUND TYPES - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2022

	SPECIAL REVENUE FUNDS			
	Original Budget	Final Budget	Actual	Prior Year (Memorandum Only)
Revenues Collected:				
Local sources	\$ 3,099,900	3,099,900	3,727,528	3,595,267
State sources	524,564	524,564	1,032,278	582,137
Federal sources	3,655,611	5,872,090	6,299,329	3,848,012
Interest earnings			953	333
Non-revenue receipts			7,832	13,069
Total revenues collected	<u>7,280,075</u>	<u>9,496,554</u>	<u>11,067,920</u>	<u>8,038,818</u>
Expenditures:				
Support services	3,000,000	3,000,000	2,840,561	2,885,970
Operation of non-instructional services	3,883,521	6,100,000	6,245,677	4,625,313
Facilities acquisition & construction services			59,750	
Other outlays:				
Reimbursement			7,832	1,465
Correcting entry				7,647
Unbudgeted	<u>2,055,086</u>	<u>2,055,086</u>		<u>2,055,086</u>
Total expenditures	<u>8,938,607</u>	<u>11,155,086</u>	<u>9,153,820</u>	<u>9,575,481</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	(1,658,532)	(1,658,532)	1,914,100	(1,536,663)
Other financing sources (uses):				
Adjustments to prior year encumbrances	<u>0</u>	<u>0</u>	<u>1,144</u>	<u>813</u>
Excess of revenues collected over (under) expenditures	(1,658,532)	(1,658,532)	1,915,244	(1,535,850)
Cash fund balances, beginning of year	<u>1,658,532</u>	<u>1,658,532</u>	<u>1,658,532</u>	<u>1,139,296</u>
Cash fund balances, end of year	<u>\$ 0</u>	<u>0</u>	<u>3,573,776</u>	<u>(396,554)</u>

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

MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
 COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND
 CHANGES IN CASH FUND BALANCES - BUDGETED GOVERNMENTAL FUND TYPES - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2022

	DEBT SERVICE FUND		
	Original/Final Budget	Actual	Prior Year (Memorandum Only)
Revenues Collected:			
Local sources	\$ 15,980,472	16,516,203	16,319,861
Intermediate Sources			2
Non-revenue receipts		500,223	563,267
Total revenues collected	15,980,472	17,016,426	16,883,130
Requirements:			
Bonds	15,994,000	15,925,000	14,445,000
Coupons	1,129,316	1,158,107	1,364,807
Total requirements	17,123,316	17,083,107	15,809,807
Excess of revenue collected over (under) expenditures	(1,142,844)	(66,681)	1,073,323
Cash fund balance, beginning of year	9,602,717	9,602,717	8,529,394
Cash fund balance, end of year	\$ 8,459,873	9,536,036	9,602,717

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

MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Mustang Public Schools Independent District, No. 69 (the “District”), have been prepared in conformity with another comprehensive basis of accounting prescribed by the Oklahoma State Department of Education as authorized by Oklahoma Statutes. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with the accounting principles generally accepted in the United States of America. The District’s accounting policies are described in the following notes that are an integral part of the District’s financial statements.

A. Reporting Entity

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

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

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

MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

A. Reporting Entity – cont'd

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

B. Measurement Focus

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

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

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

Governmental Fund Types

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

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

MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

B. Measurement Focus - cont'd

Special Revenue Funds – Special revenue funds account for revenue sources that are restricted to expenditures for specific purposes. The special revenue funds typically include the building fund, co-op fund and child nutrition fund.

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

Co-op Fund – The co-op fund is established when the boards of education of two or more school districts enter into cooperative agreements and maintain joint programs. The revenues necessary to operate a cooperative program can come from federal, state, or local sources, including the individual contributions of participating school districts. The expenditures for this fund would consist of those necessary to operate and maintain the joint programs. The District did not use the co-op fund in 2021-22.

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

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

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

MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

B. Measurement Focus – cont'd

Fiduciary Fund Types

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

Expendable Trust Funds – Expendable trust funds typically include the gifts and endowments fund. The District did not maintain any expendable trust funds during the 2021-22 fiscal year.

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

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

Account Groups

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

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

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

MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

B. Measurement Focus – cont'd

Memorandum Only - Total Column

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

C. Basis of Accounting and Presentation

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

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

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

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

MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

C. Basis of Accounting and Presentation – cont'd

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

D. Budgets and Budgetary Accounting

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

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

The 2021-22 Estimate of Needs was amended by the following supplemental appropriations during the fiscal year:

<u>Fund</u>	<u>Amount</u>
General	\$ 4,786,886
Child Nutrition	2,216,479

This amendment was approved by the county excise board.

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

MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

E. Assets, Liabilities and Fund Equity

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

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

Inventories – The value of consumable inventories at June 30, 2022, is not material to the combined financial statements.

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

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

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

Compensated Absences – The District provides vacation and sick leave benefits in accordance with Title 70 of the Oklahoma Statutes, Article 6-104, which provides for annual sick leave and personal business days. District policy allows certified employees to accumulate sick days to a maximum number of 100 days, at \$25 to \$50.00 per day, depending on years of employment. Also, unused vacation leave will be compensated to support employees who retire or terminate employment at the employee's daily rate of pay up to a maximum of 30 days. The financial statements do not include any liability for any rights to receive vacation, sick leave, or other employee benefits.

MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

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

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

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

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

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

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

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

MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

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

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

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

F. Revenue and Expenditures

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

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

MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

F. Revenue and Expenditures – cont'd

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

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

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

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

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

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

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

MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

F. Revenue and Expenditures – cont'd

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

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

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

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

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

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

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

MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

F. Revenue and Expenditures – cont'd

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

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. During the 2021-22 fiscal year, there were no transfers made between funds.

2. CASH AND INVESTMENTS

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to the District. The District's cash deposits and investments at June 30, 2022, were \$55,586,615, at financial institutions, and were completely insured or collateralized by federal depository insurance, direct obligations of the U.S. Government, or securities held by the District or by its agent in the District's name.

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

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

- Direct obligations of the U.S. Government, its agencies and instrument to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
- With certain limitation, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper and repurchase agreements with certain limitations.

MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

2. CASH AND INVESTMENTS – cont'd

- County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.
- Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
- Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous bullet items.

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

3. INTERFUND RECEIVABLES AND PAYABLES

There were no interfund receivables or payables at June 30, 2022.

4. GENERAL LONG-TERM DEBT

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

General long-term debt of the District consists of building bonds payable and capital leases. Debt service requirements for bonds and judgments are paid solely from the fund balance and the 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, 2022:

	<u>Payable</u>
Balance, July 1, 2021	\$ 58,085,000
Additions	19,340,000
Retirements	<u>(15,925,000)</u>
Balance, June 30, 2022	<u>\$ 61,500,000</u>

MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

4. GENERAL LONG-TERM DEBT – cont'd

A brief description of the outstanding long-term debt at June 30, 2022, is set forth below:

	<u>Amount Outstanding</u>
<u>General Obligation Bonds:</u>	
Combined Purpose Bonds, Series 2018, original issue \$10,900,000, interest rate of 2.25% to 3.00%, due in annual installments of \$2,725,000, and a final payment of due on 06-01-23	2,725,000
Building Bonds, Series 2018, original issue \$920,000, interest rate of 3.00% to 3.25%, due in annual installments of \$230,000, and a final payment of due on 06-01-23	230,000
Combined Purpose Bonds, Series 2019, original issue \$17,000,000, interest rate of 2.00%, due in annual installments of \$4,250,000, and final payment due on 06-01-24	8,500,000
Building Bonds, Series 2019, original issue \$820,000, interest rate of 2.25% to 2.85%, due in annual installments of \$205,000, and a final payment due on 06-01-24	410,000
Building Bonds, Series 2020, original issue \$5,675,000, interest rate of 1.25%, due in annual installments of \$1,415,000, final payment of \$1,430,000 due on 06-1-25	4,260,000
Combined Purpose Bonds, Series 2020, original issue \$13,040,000, interest rate of 2.00%, due in annual installments of \$3,260,000, final payment of \$3,260,000 due on 06-1-25	9,780,000
Combined Purpose Bonds, Series 2021, original issue \$9,705,000, interest rate of 1.50 to 2.00%, due in annual installments of \$2,425,000, final payment due on 06-1-26	9,705,000
Combined Purpose Bonds, Series 2021, original issue \$6,550,000, interest rate of 1.50 due in annual installments of \$1,635,000, final payment due on 06-1-26	6,550,000

MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

4. GENERAL LONG-TERM DEBT – cont'd

Combined Purpose Bonds, Series 2022, original issue \$13,260,000, interest rate of 4.00%, due in annual installments of \$3,315,000, final payment due on 06-1-27	13,260,000
Building Bonds, Series 2022, original issue \$6,080,000, interest rate of 3.25 to 3.5%, due in annual installments of \$1,520,000, final payment of \$1,645,000 due on 06-1-27	<u>6,080,000</u>
Total	<u>\$ 61,500,000</u>

The annual debt service requirements for the retirement of the bonds and capital leases, including the payment of principal and interest are as follows:

Year Ending June 30	Principal	Interest	Total
2023	\$ 16,145,000	1,518,097	17,663,097
2024	18,025,000	1,195,062	19,220,062
2025	13,585,000	774,632	14,359,632
2026	8,910,000	439,555	9,349,555
2027	<u>4,835,000</u>	<u>182,000</u>	<u>5,017,000</u>
Total	<u>\$ 61,500,000</u>	<u>4,109,346</u>	<u>65,609,346</u>

Interest paid on general long-term debt during the 2021-22 fiscal year totaled \$1,1580,107.

5. LEASE REVENUE BONDS

Pursuant to the issuance of series bonds in the amount of \$97,300,000, passed by electors on April 3, 2012, on July 1, 2012, the Canadian County Educational Facilities Authority issued \$64,195,000 of Educational Facilities Lease Revenue Bonds (Mustang Public Schools Project) Series 2012, to provide funds for the constructing, equipping, repairing and remodeling of school buildings, acquiring furniture, fixtures and equipment and acquiring and improving school sites for the benefit of Mustang School District. Also on July 1, 2012, the District, as lessor, entered into a ground lease agreement, for certain district property, with the Canadian County Educational Facilities Authority. In addition, the District entered into a sublease, as lessee, with the Canadian County Educational Facilities Authority. The sublease calls for eleven (11) annual payments starting September 1, 2013. These payments will be made out of bond funds. Mustang Public Schools will gain ownership to the capital improvements incrementally as each payment is made. These bonds are shown as general

MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

5. LEASE REVENUE BONDS – cont'd

long-term debt on the combined statement assets, liabilities, and fund equity under bonds payable as each series of bonds is sold.

Pursuant to the issuance of series bonds in the amount of \$180,800,000, passed by electors on February 14, 2017, in May 2017, the Canadian County Educational Facilities Authority issued \$138,300,000 of Educational Facilities Lease Revenue Bonds (Mustang Public Schools Project) Series 2017, to provide funds for the constructing, equipping, repairing and remodeling of school buildings, acquiring furniture, fixtures and equipment and acquiring and improving school sites for the benefit of Mustang School District. Also on February 14, 2017, the District, as lessor, entered into a ground lease agreement, for certain district property, with the Canadian County Educational Facilities Authority. In addition, the District entered into a sublease, as lessee, with the Canadian County Educational Facilities Authority. The sublease calls for twelve (12) annual payments starting September 1, 2018. These payments will be made out of bond funds. Mustang Public Schools will gain ownership to the capital improvements incrementally as each payment is made. These bonds are shown as general long-term debt on the combined statement assets, liabilities, and fund equity under bonds payable as each series of bonds is sold.

6. EMPLOYEE RETIREMENT SYSTEM

Description of Plan

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

Basis of Accounting

The System's financial statements are prepared using the cash basis of accounting, except for accruals of interest income. Plan member contributions are recognized in the period in which the contributions are made. Benefits and refunds are recognized when paid. The pension benefit obligation is a standardized disclosure measure of the present value of pension benefits. This pension valuation method reflects the present value of estimated pension

MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

6. EMPLOYEE RETIREMENT SYSTEM – cont'd

Basis of Accounting – cont'd

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

Funding Policy

The District, the State of Oklahoma, and the participating employee make contributions. The contribution rates for the District and its employees are established by and may be amended by Oklahoma Statutes. The rates are not actuarially determined. The rates are applied to the employee's earnings plus employer-paid fringe benefits. The required contribution for the participating members is 7.0% of compensation. Contributions received by the System from the State of Oklahoma are used to offset required employer contributions by the local school district. For the 2021-22 fiscal year, the District contributed 9.5% and the State of Oklahoma contributed the remaining amount during the year. The District is allowed by Oklahoma Teachers' Retirement System to make the required contributions on behalf of the participating members. In addition, if a member's salary is paid in part by federal or private funds, the contribution on that portion of the salary paid by those funds must be matched by the District at 7.70%.

Annual Pension Cost

The District's total contributions for 2022, 2021 and 2020 were \$11,516,314, \$10,291,353, and \$10,091,305 respectively. Ten-year historical trend information is presented in the Teacher's Retirement System of Oklahoma Annual Report for the year ended June 30, 2022. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due. Please visit www.ok.gov/TRS for all plan information.

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

MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

7. RISK MANAGEMENT

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

The District participates in a risk pool for Workers' Compensation coverage in which there is a transfer or pooling of risks among the participants of that pool. In accordance with GASB No. 10, the District reports the required contribution to the pool, net of refunds, as insurance expense. The risk pool is the Oklahoma School Assurance Group (OSAG), an organization formed for the purpose of providing workers' compensation coverage to participating schools in the State of Oklahoma. In that capacity, OSAG is responsible for providing loss control services and certain fiscal activities, including obtaining contract arrangements for the underwriting, excess insurance agreements, claims processing, and legal defense for any and all claims submitted to it during the plan year. As a member of OSAG, the District is required to pay fees set by OSAG according to an established payment schedule. A portion of the fees paid by the District goes into a loss fund for the District. The fee for the loss fund is calculated by projecting losses based on the school's losses for the last five years. OSAG provides coverage in excess of the Loss Fund so the District's liability for claim loss is limited to the balance of the loss fund. If the District does not use its loss fund in three years, it is returned to the District with no interest.

The District is also a member of the Oklahoma State School Boards Association (OSSBA) Employment Services program, which helps to cover the cost of unemployment claims. Depending on the level of membership the District elects, the District makes a deposit into an account administered by OSSBA or will make payments periodically as needed. The money contributed by each District earns interest and is fully insured. If the District has claims in excess of the amount in its account, it will be liable for the excess.

8. CONTINGENCIES

Federal Grants

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

MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

8. CONTINGENCIES – cont'd

Schedule of Expenditure of Federal Awards

The schedule shows the federal awards received and expended by the District during the 2021-22 fiscal year. The revised Uniform Guidance Audits of States, Local Governments and Non-Profit Organizations, established uniform audit requirements for nonfederal entities which expended more than \$750,000 in federal awards.

Litigation

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, the District believes the resolution of these matters will not have a material adverse effect on the financial condition of the District. Should a judgment be awarded against the District, it would be levied through the District's sinking fund over a three-year period pursuant to state law.

STATE OF NEW YORK
 COUNTY OF ALBANY
 JAMES H. ...
 ...

TOTAL	CHARGE TO FUND	CHARGE TO FUND	TOTAL
4,100.00	1,000.00	3,100.00	4,100.00
300.00	100.00	200.00	300.00
1,000.00	300.00	700.00	1,000.00
4,100.00	1,000.00	3,100.00	4,100.00
4,100.00	1,000.00	3,100.00	4,100.00

SUPPLEMENTARY INFORMATION

MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -
 ALL SPECIAL REVENUE FUNDS - REGULATORY BASIS
 JUNE 30, 2022

	BUILDING FUND	CHILD NUTRITION FUND	TOTAL
<u>ASSETS</u>			
Cash	\$ 2,237,940	1,900,076	4,138,016
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Warrants payable	\$ 4,130	201,027	205,157
Encumbrances	11,997	347,086	359,083
Total liabilities	16,127	548,113	564,240
Fund Balance:			
Restricted	2,221,813	1,351,963	3,573,776
Total Liabilities and Fund Balance	\$ 2,237,940	1,900,076	4,138,016

MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND CHANGES
IN CASH FUND BALANCES - ALL SPECIAL REVENUE FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

	BUILDING FUND	CHILD NUTRITION FUND	TOTAL
Revenues Collected:			
Local sources	\$ 3,299,097	428,431	3,727,528
State sources	416,155	616,123	1,032,278
Federal sources		6,299,329	6,299,329
Interest earnings		953	953
Non-revenue receipts		7,832	7,832
Total revenues collected	<u>3,715,252</u>	<u>7,352,668</u>	<u>11,067,920</u>
Expenditures:			
Support services	2,840,561		2,840,561
Operation of non-instructional services		6,245,677	6,245,677
Facilities acquisition & construction services	59,750		59,750
Other outlays:			
Reimbursement		7,832	7,832
Total expenditures	<u>2,900,311</u>	<u>6,253,509</u>	<u>9,153,820</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	814,941	1,099,159	1,914,100
Other financing sources (uses):			
Adjustments to prior year encumbrances	<u>0</u>	<u>1,144</u>	<u>1,144</u>
Excess of revenues collected over (under) expenditures	814,941	1,100,303	1,915,244
Cash fund balances, beginning of year	<u>1,406,872</u>	<u>251,660</u>	<u>1,658,532</u>
Cash fund balances, end of year	<u>\$ 2,221,813</u>	<u>1,351,963</u>	<u>3,573,776</u>

MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
 COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND CHANGES
 IN CASH FUND BALANCES - BUDGET AND ACTUAL COMPARISON
 ALL SPECIAL REVENUE FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2022

	BUILDING FUND			CHILD NUTRITION FUND		
	ORIGINAL BUDGET	FINAL BUDGET	Actual	ORIGINAL BUDGET	FINAL BUDGET	Actual
Revenues Collected:						
Local sources	\$ 3,048,214	3,048,214	3,299,097	\$ 51,686	51,686	428,431
State sources			416,155	524,564	524,564	616,123
Federal sources				3,655,611	5,872,090	6,299,329
Interest earnings						953
Non-revenue receipts						7,832
Total revenues collected	<u>3,048,214</u>	<u>3,048,214</u>	<u>3,715,252</u>	<u>4,231,861</u>	<u>6,448,340</u>	<u>7,352,668</u>
Expenditures:						
Support services	3,000,000	3,000,000	2,840,561			
Operation of non-instructional services	100,000	100,000		3,783,521	6,000,000	6,245,677
Facilities acquisition & construction svcs			59,750			
Other outlays:						
Reimbursement						7,832
Unbudgeted	1,355,086	1,355,086		700,000	700,000	
Total expenditures	<u>4,455,086</u>	<u>4,455,086</u>	<u>2,900,311</u>	<u>4,483,521</u>	<u>6,700,000</u>	<u>6,253,509</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	(1,406,872)	(1,406,872)	814,941	(251,660)	(251,660)	1,099,159
Other financing sources (uses):						
Adjustment to prior year encumbrances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,144</u>
Excess of revenues collected over (under) expenditures	(1,406,872)	(1,406,872)	814,941	(251,660)	(251,660)	1,100,303
Cash fund balances, beginning of year	<u>1,406,872</u>	<u>1,406,872</u>	<u>1,406,872</u>	<u>251,660</u>	<u>251,660</u>	<u>251,660</u>
Cash fund balances, end of year	<u>\$ 0</u>	<u>0</u>	<u>2,221,813</u>	<u>\$ 0</u>	<u>0</u>	<u>1,351,963</u>

MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -
ALL CAPITAL PROJECTS FUNDS - REGULATORY BASIS
JUNE 30, 2022

	BOND (31) FUND	BOND (34) FUND	BOND (35) FUND	BOND (38) FUND	BOND (39) FUND	TOTAL
<u>ASSETS</u>						
Cash	\$ 62	19,811,205	30,763	29,532	5	19,871,567
<u>LIABILITIES AND FUND BALANCE</u>						
Liabilities:						
Warrants payable	\$	135,372				135,372
Fund Balance:						
Restricted	62	19,675,833	30,763	29,532	5	19,736,195
Total Liabilities and Fund Balance	\$ 62	19,811,205	30,763	29,532	5	19,871,567

MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND CHANGES
IN CASH FUND BALANCES - ALL CAPITAL PROJECTS FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

	BOND (31) FUND	BOND (34) FUND	BOND (35) FUND	BOND (38) FUND	BOND (39) FUND	TOTAL
Revenues Collected:						
Local sources	\$ 0	22,048	0	0	0	22,048
Expenditures:						
Instruction		622,412				622,412
Support services		2,571,163		232,005	43	2,803,211
Facilities acquisition & construction services		13,984,282				13,984,282
Total expenditures	0	17,177,857	0	232,005	43	17,409,905
Excess of revenues collected over (under) expenditures before other financing sources (uses)	0	(17,155,809)	0	(232,005)	(43)	(17,387,857)
Other financing sources (uses):						
Bond proceeds	0	19,085,000	0	255,000	0	19,340,000
Excess of revenues collected over (under) expenditures	0	1,929,191	0	22,995	(43)	1,952,143
Cash fund balances, beginning of year	62	17,746,642	30,763	6,537	48	17,784,052
Cash fund balances, end of year	\$ 62	19,675,833	30,763	29,532	5	19,736,195

MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -
 ALL FIDUCIARY FUND TYPES - REGULATORY BASIS
 JUNE 30, 2022

	<u>EXPENDABLE TRUST</u>	<u>AGENCY FUNDS</u>	
	<u>INSURANCE</u>	<u>SCHOOL</u>	
	<u>RECOVERY</u>	<u>ACTIVITY</u>	
	<u>FUND</u>	<u>FUNDS</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash	\$ 2,684,210	2,604,282	5,288,492
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Warrants Payable	\$ 97,243		97,243
Funds held for school organizations		2,604,282	2,604,282
Total liabilities	97,243	2,604,282	2,701,525
Fund Balance:			
Restricted	2,586,967	0	2,586,967
Total Liabilities and Fund Balance	\$ 2,684,210	2,604,282	5,288,492

MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
 COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND CHANGES
 IN CASH FUND BALANCES - ALL EXPENDABLE TRUST FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2022

	INSURANCE RECOVERY FUND
Revenues Collected:	
Local sources/reimbursement	<u>\$ 2,945,154</u>
Expenditures:	
Support services	<u>358,187</u>
Excess of revenues collected over (under) expenditures	2,586,967
Cash fund balances, beginning of year	<u>0</u>
Cash fund balances, end of year	<u><u>\$ 2,586,967</u></u>

MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

	BALANCE 7-01-21	ADDITIONS	TRANSFERS	DEDUCTIONS	BALANCE 6-30-22
<u>ASSETS</u>					
Cash and Investments	\$ 3,440,525	5,006,207	-	5,842,450	2,604,282
<u>LIABILITIES</u>					
Funds held for school organizations:					
801 INDUSTRIAL ARTS	\$ 10,942	13,033	-	9,610	14,365
802 MHS YEARBOOK (ANNUAL)	67,260	37,069	-	11,278	93,051
803 MHS ATHLETICS	189,052	448,262	29,600	384,693	282,221
804 DISTRICT BAND	120,880	502,326	48,100	537,119	134,186
805 JROTC BOOSTER CLUB	28,959	16,103	-	11,359	33,703
806 MHS SOFTBALL BOOSTER CLUB	11,595	27,370	-	26,695	12,270
807 CENTENNIAL COUNSELING	4,885	2,930	-	2,002	5,812
808 CENTENNIAL MEDIA	4,629	14,561	-	11,507	7,682
809 PERFORMING ARTS CENTER	-	3,283	10,000	5,707	7,576
810 MUSTANG ELEMENTARY	71,471	28,295	-	43,081	56,685
811 TRAILS PTA	3,000	-	-	3,000	-
812 VALLEY ART	9,653	1,983	-	3,015	8,621
813 CENTENNIAL MUSIC	344	1,422	(305)	1,262	198
814 MHS FFA	23,520	88,008	-	83,369	28,160
815 MHS F.C.C.L.A.	5,004	1,522	-	3,046	3,480
816 MHS FRENCH CLUB	97	-	-	-	97
817 STUDENT NUTRITION ASSIST.	1,680	9	-	24	1,665
818 HIGH SCHOOL GENERAL	125,545	158,510	(29,451)	147,473	107,131
819 RIVERWOOD MAIN ACTIVITY	32,484	80,558	(6,245)	56,514	50,284
820 LEADERSHIP	3,188	1,765	3,000	5,398	2,555
821 RIVERWOOD MEDIA	3,401	4,204	-	2,678	4,927
822 RIVERWOOD ART	2,450	1,865	-	2,055	2,260
823 LAKEHOMA ACTIVITY	64,481	25,827	(656)	49,938	39,714
824 CENTENNIAL ART	2,198	802	305	943	2,362
825 MHS MEDIA	560	278	-	295	543
826 MMS MEDIA	5,431	4,215	-	3,671	5,974
827 MNMS MEDIA	7,071	17,409	-	17,796	6,684
828 MHS KEY CLUB	3,410	10,280	-	11,507	2,183
829 MMS ATHLETICS	26,467	47,522	(450)	27,594	45,944
830 VIRTUAL SCHOOL OPERATIONS	-	-	7,500	788	6,712
831 TECHNOLOGY	-	314	-	35	279
832 MMS FCA	2,230	-	-	-	2,230
833 MMS ACTIVITY	37,385	25,722	(200)	19,574	43,333
834 MMS SKILLS FOR LIVING	2,138	1,160	-	818	2,480

MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
 AGENCY FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2022

	BALANCE 7-01-21	ADDITIONS	TRANSFERS	DEDUCTIONS	BALANCE 6-30-22
835 MMS STRIVE	135	-	-	-	135
838 MMS STUDENT COUNCIL	1,038	10,733	(1,367)	7,393	3,010
839 MMS VOCAL MUSIC	15,752	12,385	-	13,619	14,518
840 MMS YEARBOOK	10,126	9,615	-	5,800	13,940
841 VALLEY ACTIVITY	42,339	23,046	(125)	35,036	30,223
842 MHS NAT'L HONOR SOCIETY	1,779	5,641	-	5,625	1,795
843 CREEK MEDIA	1,810	890	-	284	2,416
844 MNMS ATHLETICS	18,474	50,639	306	36,073	33,346
846 MISC REVENUE	17,009	8,974	29,950	37,681	18,253
847 MNMS ACTIVITY	36,898	17,543	(120)	13,800	40,521
848 RIVERWOOD MUSIC	2,562	1,144	(60)	1,156	2,489
849 MNMS PEP CLUB	116	-	-	-	116
850 MNMS SCIENCE CLUB	4,808	-	-	296	4,513
851 MNMS SPEECH CLUB	1,675	2,823	(965)	420	3,113
852 MNMS STUDENT COUNCIL	790	784	-	1,001	574
853 MNMS VOCAL MUSIC	7,001	8,305	-	7,938	7,367
854 MNMS YEARBOOK	10,172	7,740	-	4,694	13,218
855 MHS JR CLASS	22,487	52,555	50	53,940	21,152
856 MHS SCIENCE/MATH CLUB	20,259	9,691	-	21,235	8,715
857 MHS SR CLASS	58,798	57,483	-	68,748	47,533
858 SPECIAL OLYMPICS	5,155	-	-	2,490	2,665
859 MHS DRAMA	18,041	27,504	-	21,241	24,304
860 MHS STUDENT COUNCIL	14,496	96,076	17,613	94,059	34,125
862 MHS VOCAL MUSIC	11,697	164,725	40	159,737	16,725
863 SCHOLARSHIP FUND	252	1,000	-	-	1,252
864 MHS D.E.C.A.	29,026	99,082	-	58,651	69,456
865 RIVERWOOD P.E.	363	-	-	-	363
866 CANYON RIDGE SIXTH GRADE	3,880	-	3,600	2,789	4,691
867 MBI MAIN ACTIVITY	27,711	39,968	(2,084)	30,912	34,683
868 VALLEY MEDIA	2,573	2,501	-	581	4,493
869 VALLEY COUNSELING	3,325	7,535	-	6,728	4,132
870 TRAILS ACTIVITY	36,102	27,052	(2,000)	36,207	24,946
871 MBI MEDIA	1,077	10,132	-	9,060	2,150
872 MHS MULTICULTURAL CLUB	6	680	-	-	686
873 TRAILS MEDIA	10,722	7,351	-	5,933	12,141
874 MUSTANG ELEMENTARY M.E.A.D.	1,260	1,219	-	1,412	1,067
875 TRAILS DRUG FREE CLUB	1,861	1,840	-	1,725	1,976
876 MBI ART	2,414	867	-	1,133	2,148
877 GIFTED AND TALENTED	760	-	-	-	760
878 TRANSPORTATION	2,340	7,426	-	968	8,798

MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

	BALANCE 7-01-21	ADDITIONS	TRANSFERS	DEDUCTIONS	BALANCE 6-30-22
879 CREEK CHOIR	808	-	-	-	808
880 MBI MUSIC	3,417	8,434	793	12,029	616
881 LAKEHOMA DRUG FREE LEADERS	5,163	3,943	-	3,443	5,663
882 MBI P.E.	767	7,038	-	5,922	1,883
883 MCM ACTIVITY	13,950	29,162	840	27,477	16,475
884 CHISHOLM TRAILS FOOD SERV	1,495	-	-	-	1,495
886 MNMS BUILDER'S CLUB	334	3,326	(1,925)	1,292	443
887 MHS DEBATE CLUB	926	-	-	-	926
888 CREEK ACTIVITY	16,752	29,592	-	24,533	21,811
889 LAKEHOMA MEDIA	4,246	9,074	-	3,736	9,584
890 MMS RENAISSANCE	345	68	-	-	412
892 MNMS RENAISSANCE	217	68	-	227	57
893 MHS RENAISSANCE	1,916	203	-	400	1,719
894 MMS SPECIAL LIFE SKILLS	148	-	-	107	41
895 MUSTANG ELEMENTARY PE	3,760	2,467	1,713	3,008	4,932
896 MUSTANG ELEMENTARY MUSIC	2,784	-	857	3,312	329
897 MHS ART CLUB	15,733	19,308	-	17,224	17,817
898 MHS ATHLETIC TRAINING	24,295	29,160	-	16,820	36,635
899 MNMS TECHNOLOGY STUDENTS	34	-	-	-	34
900 ADMIN USE OF FACILITY	60,932	45,963	(2,909)	35,415	68,571
901 MEC P.A.S.S.	17,082	9,011	-	14,870	11,223
902 CANYON RIDGE ACTIVITY	53,237	71,162	(16,139)	48,762	59,498
903 MHS ADVANCED PLACEMENT	21,445	28,950	-	32,033	18,362
904 MHS GROUNDS IMPROVEMENT	2,209	300	-	-	2,509
905 CANYON RIDGE STAFF	1,014	9,268	-	7,840	2,442
907 VALLEY OUTDOOR CLASSROOM	3,773	1,400	-	1,102	4,071
908 OPEN	380	-	(380)	-	-
909 CANYON RIDGE COUNSELING	6,665	2,845	-	3,721	5,788
910 CANYON RIDGE MEDIA	3,938	10,968	250	11,035	4,121
911 MHS CRAFTS II	50	-	-	-	50
912 CANYON RIDGE VOCAL	10,021	9,767	813	9,954	10,647
913 CANYON RIDGE ART	5,302	1,476	2,400	4,979	4,199
914 CANYON RIDGE PE	10,666	4,635	-	4,468	10,834
915 OPEN	139	-	(139)	-	-
916 CREEK/MNMS OUTDOOR	323	-	-	-	323
918 OPEN	237	-	(237)	-	-
919 PRAIRIE VIEW ACTIVITY	25,622	73,440	(5,000)	70,679	23,383
920 MEC PRE-K	9,211	6,760	-	7,427	8,543
921 PRAIRIE VIEW STAFF	403	7,728	5,000	9,012	4,120
922 MHS SPECIAL EDUCATION	1,691	106	-	697	1,100

MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

	BALANCE 7-01-21	ADDITIONS	TRANSFERS	DEDUCTIONS	BALANCE 6-30-22
923 LAKEHOMA ART	901	4,613	(801)	3,464	1,249
924 MHS MUSICAL	47,539	26,723	-	20,319	53,943
925 MCM MEDIA	1,419	6,726	-	5,312	2,833
926 MHS JROTC	3,246	-	-	-	3,246
927 MHS ATHLETIC STAFF	176,753	170,204	2,250	217,997	131,211
928 CANYON RIDGE READING	4,852	1,092	4,100	1,680	8,364
929 MUSTANG ELEMENTARY STAFF	605	463	-	57	1,011
930 VALLEY STAFF	16,709	53,131	-	11,617	58,222
931 LAKEHOMA STAFF	5,392	4,855	801	1,738	9,310
932 TRAILS STAFF	9,314	-	-	-	9,314
933 CREEK STAFF	5,423	3,434	-	2,866	5,990
934 MMS STAFF	2,907	1,280	-	-	4,187
935 MNMS STAFF	3,569	2,984	-	4,621	1,933
937 MHS STAFF	377	135	-	-	512
938 MEC STAFF	8,010	1,644	-	3,430	6,223
939 ADMINISTRATION	648	48	-	-	695
940 MHS TECHNOLOGY EDUCATION	672	500	(1,000)	-	172
942 MHS BUSINESS PROF. OF AMER.	4,546	1,960	2,195	1,120	7,581
943 CREEK COUNSELING	3,300	1,560	-	1,453	3,407
944 MPS SPECIAL NEEDS	44	-	-	-	44
945 CREEK ART	1,262	1,460	-	903	1,820
946 MHS E.C.O.	398	9	-	201	206
947 LAKEHOMA MUSIC	1,793	2,068	(120)	1,369	2,373
948 TRAILS ART	650	-	-	-	650
949 TRAILS HONOR CHOIR	4,133	-	-	170	3,963
950 CENT GENERAL ACTIVITY	74,814	77,944	-	73,197	79,561
951 TRAILS SPECIAL ED.	2,803	-	-	-	2,803
952 CENTENNIAL STAFF	2,612	1,467	-	2,441	1,638
953 MUSTANG ELEMENTARY ART	2,183	4,920	(2,570)	2,300	2,234
954 MUSTANG ELEMENTARY MEDIA	2,619	9,301	-	6,658	5,262
955 TRAILS READING CARNIVAL	151	-	-	-	151
956 TRAILS STUDENT COUNCIL	1,734	-	-	-	1,734
957 TRAILS P.E.	2,089	2,019	-	4,019	89
958 PRAIRIE VIEW ART	1,348	2,053	-	1,035	2,366
959 MHS SPANISH NAT'L HONOR SOC	711	605	-	643	674
961 MHS VIDEO CLUB	3,175	10	-	1,957	1,228
962 HORIZON P.E.	1,704	575	-	286	1,993
963 DISTRICT OPERATIONS	310	1,731	3,500	3,265	2,276
964 MMS ARCHERY	3,264	2,778	-	4,372	1,669
965 VALLEY STUDENT COUNCIL	2,979	288	-	307	2,959

MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
 AGENCY FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2022

	BALANCE 7-01-21	ADDITIONS	TRANSFERS	DEDUCTIONS	BALANCE 6-30-22
966 CENTENNIAL ROBOTICS	1,431	300	-	42	1,689
967 STUDENTS IN NEED	13,402	2,896	-	-	16,298
968 MCM MUSIC	5,789	13,563	234	12,982	6,604
969 CRI OUTDOOR CLASSROOM	3,937	-	-	-	3,937
970 CRI STUDENT COUNCIL	938	-	-	269	669
971 CRI YEARBOOK	2,544	9,850	-	6,987	5,407
972 CRI COMMUNICATIONS	668	-	200	338	530
973 CRI TECHNOLOGY	255	791	3,300	677	3,668
974 CRI SPANISH	1,000	-	-	-	1,000
975 CRI STEM	2,060	400	1,000	717	2,743
976 MCM ATHLETICS	12,495	29,650	(450)	13,795	27,900
977 MBI SPEC EDUCATION	353	2,069	-	1,357	1,065
978 HORIZON ACTIVITY	23,263	39,859	(1,338)	25,320	36,464
979 HORIZON STAFF ACCT	1,034	2,609	5	2,718	929
980 HORIZON COUNSELING	706	831	-	1,216	321
981 HORIZON MEDIA	5,046	17,294	-	14,886	7,454
982 PRAIRIE VIEW MEDIA	2,332	8,034	-	8,696	1,670
983 HORIZON VOCAL/MUSIC	5,542	4,361	(60)	4,690	5,153
984 HORIZON ART	123	-	-	-	123
985 HS SECURITY	3,829	-	-	-	3,829
988 COMMUNITY ED	1,281,947	1,708,015	(104,219)	2,740,370	145,373
989 TEACHER OF THE YEAR	1,918	-	-	990	928
990 CENTENNIAL PE	1,641	4,186	-	4,313	1,514
991 MHS AVIATION	-	-	1,000	144	856
993 CENTINNIAL ARCHERY	894	605	-	1,305	195
994 PRAIRIE VIEW MUSIC	508	3,648	-	1,714	2,442
995 PRAIRIE VIEW PE	1,218	1,495	-	2,381	332
996 NATIVE AMERICAN CLUB	104	-	-	-	104
997 MHS ARCHERY & FISHING	4,425	-	-	1,525	2,899
998 VALLEY P.E.	4,233	-	-	2,487	1,746
Total Liabilities	\$ 3,440,525	5,006,207	-	5,842,450	2,604,282

[illegible]

MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor / Pass Through Grantor / Program Title	Federal Assistance Listing Number	Total Expenditures
<u>U.S. DEPARTMENT OF EDUCATION:</u>		
<u>Direct Programs:</u>		
Indian Education	84.060	\$ 239,574
<u>Passed Through State Department of Education:</u>		
*Title I, Basic	84.010	1,352,860
Title I, Delinquent	84.010	32,795
Total Title I (84.010)		1,385,655
Title II Part A	84.367	22,828
Title III Part A	84.365	62,759
ARP IDEA-B Flow Through	84.027X	186,642
ARP IDEA-B Preschool	84.027X	4,753
Total ARP IDEA-B (84.027X)		191,395
IDEA-B Flow Through	84.027	2,126,991
IDEA-B Professional Development	84.027	17,698
IDEA-B Pre-school	84.173	23,958
Total IDEA-B Special Education Cluster		2,168,647
Title IV Part A	84.424	1,168
* COVID-19 Education Stabilization Fund:		
CRRSA - ESSER I	84.425D	13,637
CRRSA - ESSER II	84.425D	2,040,558
CRRSA - ESSER II Set Aside	84.425D	3,476,432
ARP - ESSER III	84.425U	29,510
ARP - Student Teacher	84.425U	8,725
ARP - ESSER II Set Aside GEERS	84.425U	84,525
ARP - ESSER Counselor Corps	84.425U	178,000
Total COVID-19 - ESF		5,831,387
<u>Passed Through State Department of Career and Technology Education:</u>		
Carl Perkins	84.048	73,022
<u>U.S. DEPARTMENT OF AGRICULTURE -</u>		
<u>Passed Through State Department of Education:</u>		
<u>Child Nutrition Program Cluster:</u>		
School Breakfast Program	10.553	264,458
National School Lunch Program	10.555	4,502,843
Summer Food Program	10.559	78,061
Emergency Operational Costs	10.555	29,793
Supply Chain Assistance	10.555	259,650
Non-cash assistance - Commodities	10.555	456,683
Total Child Nutrition Program Cluster		5,591,488
<u>Other Child Nutrition Programs:</u>		
P-EBT	10.649	5,814
<u>Other Federal Assistance:</u>		
J.R.O.T.C.	12.357	40,550
Total Federal Assistance		\$ 15,614,287

* Major programs

Note 1 - Basis of Presentation - The accompanying schedule of expenditures of federal awards includes the federal activity of the District for the year ended June 30, 2022. This information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended and does not present the financial position, changes in net assets, or cash flows of the District.

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

Note 3 - Non-Monetary Assistance - Commodities received by the District were of a non-monetary nature and therefore the total revenue does not agree with the financial statements

MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - REGULATORY BASIS
PREPARED FOR THE OKLAHOMA STATE DEPARTMENT OF EDUCATION
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor / Pass Through Grantor / Program Title	Federal Assistance Listing Number	OCAS Project Number	Program or Award Amount	Balance at 7/1/21	Revenue Collected	Total Expenditures	Balance at 6/30/22
U.S. DEPARTMENT OF EDUCATION:							
<u>Direct Programs:</u>							
Indian Education	84.060	561	\$ 239,575		237,217	239,574	2,357
Indian Education 2020-21	84.060	799			58,228		
Sub Total			239,575	0	295,445	239,574	2,357
<u>Passed Through State Department of Education:</u>							
Title I Cluster-							
Title I, Basic	84.010	511	1,398,139		1,349,495	1,352,860	3,365
Title I, Basic 2020-21	84.010	799			21,702		
Title I, Delinquent	84.010	532	38,216		32,795	32,795	
Title II, Part A	84.367	541	35,077		4,792	22,828	18,036
Title III, Part A	84.365	571	1,235		1,230	1,230	
Title III, Part A 2020-21	84.365	799			5,360		
Title III, Part A	84.365	572	67,233		61,529	61,529	
Title III, Part A 2020-21	84.365	799			2,965		
Title IV, Part A	84.424	552	1,168		1,168	1,168	
CARES Special Education 2020-21	84.027	799			12,233		
ARP - IDEA-B Flow Through	84.027X	628	578,849		92,078	186,642	94,564
ARP - IDEA-B Preschool	84.027X	643	32,837		4,753	4,753	
IDEA-B Flowthrough	84.027	621	2,315,419		2,119,457	2,126,991	7,534
IDEA-B Flowthrough 2020-21	84.027	799			37,265		
IDEA-B Prof Development	84.027	613	1,250		1,150	1,150	
IDEA-B Prof Development	84.027	615	27,008		16,548	16,548	
IDEA-B Preschool	84.173	641	52,718		23,958	23,958	
IDEA-B Preschool 2020-21	84.173	799			4,000		
COVID-19 ESSERF / CARES Act:							
ESSER I / CARES Act	84.425D	788	13,637		13,637	13,637	
ESSER I / CARES Act 2020-21	84.425D	799			6,582		
ESSER II / CARES Act	84.425D	793	2,312,418		2,033,733	2,040,558	6,825
ESSER II Set Aside	84.425D	794	4,481,684		2,928,688	3,476,432	547,744
ARP ESSER III	84.425U	795	5,197,065		29,510	29,510	
ARP Student Teacher	84.425U	725	8,725		8,725	8,725	
ESSER II Set Aside GEERS	84.425U	721	152,525		84,525	84,525	
ARP - ESSER Counselor Corps	84.425U	722	178,000		178,000	178,000	
Total Covid-19			12,344,054	0	5,283,400	5,831,387	554,569
Sub Total			16,893,203	0	9,075,878	9,663,839	678,068
<u>Passed Through State Department of Career and Technology Education:</u>							
Carl Perkins	84.048	421	73,022		53,578	73,022	19,444
Sub Total			73,022	0	53,578	73,022	19,444
U.S. DEPARTMENT OF AGRICULTURE:							
<u>Passed Through State Department of Education:</u>							
Child Nutrition Programs							
School Breakfast Program	10.553	764			1,238,222	264,458	
National School Lunch Program	10.555	763			4,687,788	4,502,843	
Summer Food Program	10.559	766			78,061	78,061	
Emergency Operational Costs	10.555	762			29,793	29,793	
P=EBT	10.649	760			5,814	5,814	
Supply Chain Assistance	10.555	759			259,650	259,650	
<u>Passed Through Dept of Human Services</u>							
Non-cash assistance - commodities	10.555	n/a			456,683	456,683	
Total Program Cluster					6,756,011	5,597,302	
<u>Other Federal Assistance:</u>							
JROTC	12.357	779	40,550		40,550	40,550	0
Total Federal Assistance			\$ 17,246,350	0	16,221,462	15,614,287	699,869

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

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

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

MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
STATEMENT OF STATUTORY, FIDELITY AND HONESTY BONDS
FOR THE YEAR ENDED JUNE 30, 2022

BONDING COMPANY	POSITION COVERED	BOND NUMBER	COVERAGE AMOUNT	EFFECTIVE DATES
Advantage Insurance Group - Liberty Mutual Surety	Asst. Treasurer	601096232	\$ 1,000,000	7/1/21 - 7/1/22
	Superintendent	601096232	100,000	7/1/21 - 7/1/22
	Activity Fund Custodian	601096232	10,000	7/1/21 - 7/1/22
	Encumbrance Clerk	601096232	10,000	7/1/21 - 7/1/22
	Asst. Encumbrance Clerk	601096232	10,000	7/1/21 - 7/1/22
	Minutes Clerk	601096232	10,000	7/1/21 - 7/1/22
	Courier	601096232	10,000	7/1/21 - 7/1/22
	Courier	601096232	10,000	7/1/21 - 7/1/22
	Secretary to Athletic Director	601096232	10,000	7/1/21 - 7/1/22
	PE / Health	601096232	10,000	7/1/21 - 7/1/22
	PE / Health	601096232	10,000	7/1/21 - 7/1/22
	Athletic Facilitator	601096232	10,000	7/1/21 - 7/1/22
	Asst. Athletic Director	601096232	10,000	7/1/21 - 7/1/22
	Site Cashiers, Managers, Secretaries, & Gate Workers (61 total workers for \$3,000 each)	601096232	181,000	7/1/21 - 7/1/22
State Farm Insurance Group -	CFO (General Liability)	96-B5-J4405-3 F	1,000,000	12/13/21 - 12/13/22

MUSTANG INDEPENDENT SCHOOL DISTRICT NO. 69, CANADIAN COUNTY
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE

AFFIDAVIT

JULY 1, 2021 TO JUNE 30, 2022

State of Oklahoma)
) ss
County of Tulsa)

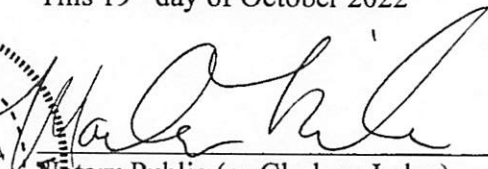
The undersigned auditing firm of lawful ages, being first duly sworn on oath says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with Mustang Public Schools for the audit year 2021-22.

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

By _____
Authorized Agent

Subscribed and sworn to before me
This 19th day of October 2022





Notary Public (or Clerk or Judge)

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



BLEDSON, HEWETT & GULLEKSON
CERTIFIED PUBLIC ACCOUNTANTS, PLLLP

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

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

October 19, 2022

Mr. Charles Bradley, Supt.
Mustang Public Schools
12400 SW 15th St.
Yukon, Oklahoma 73099

Dear Mr. Charles Bradley,

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

The following section contains the observations relayed to management that are control deficiencies, which we feel need to be communicated to you so appropriate action may be taken to correct these deficiencies. These items are not included in your audit report, as they are not material. They are observations of minor findings that could evolve into material findings if not addressed.

Payroll

We observed during the audit of payroll that an administrator was paid for vacation leave for which other 12 months employees did not receive, and car allowance and annuity payments were 'grossed up' in the payment calculation. While this practice is not illegal, we recommend that the intent of the contract wording be clear concerning the agreement between the employee and the Board.

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

Sincerely,

Jeff Hewett

For
Bledsoe, Hewett & Gullekson
Certified Public Accountants, PLLLP



Mustang Public Schools

Jeff M. Landes
Chief Financial Officer

12400 SW 15th Street
Yukon, OK 73099
(405) 376-7356 office
landesj@mustangps.org

Mustang Public School District I-001 Canadian County #69

Audit Findings Corrective Action Plan Audit Year 2022-2023

Audit Finding Reference #: Management Letter

Description of Finding: An administrator was paid for unused vacation leave for which other employees did not receive, and certain payments to the administrator were 'grossed up' to cause the net payment to match the contracted amount.

Contact Person: Jeff Landes, Treasurer / CFO

Steps Implemented: Once the district was notified that this practice was inconsistent with other employees in the same category, the district ceased the practice immediately. The district will no longer pay for unused vacation leave unless the employee is leaving the district. Additionally, the process of 'grossing up' payroll has been ceased.

Completion Date: Effective Immediately