



Financial Statements – Regulatory Basis
And Reports Required by Uniform Guidance
June 30, 2021

Santa Fe South Schools No. E-021

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Independent Auditor's Report

To the Honorable Board of Education,
Santa Fe South Schools No E-021
Oklahoma County, Oklahoma

Report on the Financial Statements

We have audited the accompanying combined fund type and account group financial statements – regulatory basis of Santa Fe South Schools No. E-021, Oklahoma County, Oklahoma (the School) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed by the Oklahoma State Department of Education; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

As described more fully in Note 1, Santa Fe South Schools No. E-021 has prepared these financial statements using accounting practices prescribed 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, to comply with the requirements of the Oklahoma State Department of Education. 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.

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 paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Santa Fe South Schools No. E-021, as of June 30, 2021, or changes in financial position for the year then ended.

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 by the Oklahoma State Department of Education. The amount that should be recorded in the General Fixed Asset Account Group is not known.

Opinions 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” paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash and unencumbered cash balances arising from regulatory basis transactions of each fund type and account group of the School as of June 30, 2021, and the revenues it received and expenditures it paid and encumbered for the year then ended, in conformity with the basis of accounting described in Note 1.

Other Matters*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Santa Fe South Schools No. E-021’s financial statements. The combining statement of changes in assets and liabilities – regulatory basis – all agency funds, statement of statutory and honesty bonds, schedule of expenditures of federal awards, and schedule of accountant’s professional liability insurance affidavit as listed in the accompanying table of contents are presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the financial statements.

The combining statement of changes in assets and liabilities – regulatory basis – all agency funds and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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, combining statement of changes in assets and liabilities – regulatory basis – all agency funds and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The statement of statutory and honesty bonds and the schedule of accountant’s professional liability insurance affidavit have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2022 on our consideration of Santa Fe South Schools No. E-021’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 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 Santa Fe South Schools No. E-021’s internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Oklahoma City, Oklahoma
March 18, 2022

OKC Charter
Santa Fe South Schools No E-021
Combined Statement of Assets, Liabilities, and Fund Balances
Regulatory Basis – All Fund Types
June 30, 2021

	Governmental Fund Types <u>General Fund</u>	Fiduciary Fund Types <u>Cafeteria and Student Agency Funds</u>	Account Groups <u>General Long- Term Debt</u>	Totals (Memorandum Only)
Assets				
Cash and investments	\$ 4,546,358	\$ 518,463	\$ -	\$ 5,064,821
Due from Activity Fund	40	-	-	40
Amounts to be provided for retirement of long-term debt	-	-	1,835,123	1,835,123
	<u>\$ 4,546,398</u>	<u>\$ 518,463</u>	<u>\$ 1,835,123</u>	<u>\$ 6,899,984</u>
Liabilities and Fund Balances				
Liabilities				
Warrants payable	\$ 989,214	\$ 20,245	\$ -	\$ 1,009,459
Encumbrances	336,663	-	-	336,663
Funds held for school organizations	-	496,700	-	496,700
Funds held for employee health benefits	-	1,478	-	1,478
Due to General Fund	-	40	-	40
Long-term debt: Note payable	-	-	1,835,123	1,835,123
Total Liabilities	<u>1,325,877</u>	<u>518,463</u>	<u>1,835,123</u>	<u>3,679,463</u>
Fund Balances:				
Unassigned	<u>3,220,521</u>	<u>-</u>	<u>-</u>	<u>3,220,521</u>
Fund Balances, End of Year	<u>3,220,521</u>	<u>-</u>	<u>-</u>	<u>3,220,521</u>
Total Liabilities and Fund Balances	<u>\$ 4,546,398</u>	<u>\$ 518,463</u>	<u>\$ 1,835,123</u>	<u>\$ 6,899,984</u>

OKC Charter
 Santa Fe South Schools No E-021
 Combined Statement of Revenues, Expenditures and Changes in
 Fund Balances – Regulatory Basis – All Governmental Types
 For the Year Ended June 30, 2021

	Governmental Fund Types
	General Fund
Revenues:	
Local sources	\$ 1,076,959
State sources	24,299,869
Federal sources	4,383,011
Total Revenues	29,759,839
Expenditures	
Instruction	15,148,927
Support Services	16,188,049
Non-Instruction Services	996,554
Other Outlays	733,667
Total Expenditures	33,067,197
Excess (Deficiency) of Revenues over (under) Expenditures	(3,307,358)
Adjustments to Prior year Encumbrances	601,270
Net Change in Fund Balance	(2,706,088)
Beginning Fund Balance	5,926,609
Ending Fund Balances	\$ 3,220,521

OKC Charter
Santa Fe South Schools No E-021
 Combined Statement of Revenues, Expenditures, and Changes in
 Fund Balances – Budget and Actual – Regulatory Basis – General Fund
 June 30, 2021

	General Fund		
	Original Budget	Final Budget	Actual
Revenues:			
Local sources	\$ 3,311,200	\$ 3,311,200	\$ 1,076,959
State sources	24,253,262	24,253,262	24,299,869
Federal sources	3,991,366	3,991,366	4,383,011
Total Revenues	31,555,828	31,555,828	29,759,839
Expenditures			
Instruction	15,130,000	15,130,000	15,148,927
Support Services	14,592,600	14,592,600	16,188,049
Non-Instruction Services	1,400,000	1,400,000	996,554
Capital Outlay	100,000	100,000	-
Other Outlays	864,087	864,087	733,667
Total Expenditures	32,086,687	32,086,687	33,067,197
Excess (Deficiency) of Revenues over (under) Expenditures	(530,859)	(530,859)	(3,307,358)
Adjustments to Prior year Encumbrances	-	-	601,270
Net Change in Fund Balance	(530,859)	(530,859)	(2,706,088)
Beginning Fund Balance	5,121,468	5,121,468	5,926,609
Ending Fund Balances	\$ 4,590,609	\$ 4,590,609	\$ 3,220,521

Note 1 - Summary of Significant Accounting Policies

The accompanying financial statements of OKC Charter Santa Fe South Schools No. E- 021 (the “School”) conform to the regulatory basis of accounting, which is an other comprehensive basis of accounting prescribed by the Oklahoma State Department of Education and conforms to the system of accounting authorized by the State of Oklahoma. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America. The School’s accounting policies are described in the following notes that are an integral part of the School’s financial statements.

The Reporting Entity

Santa Fe South Schools, Inc., an Oklahoma not-for-profit corporation, was formed for the benefit of the School. Independent School District No. 89 of Oklahoma County, Oklahoma, also known as the Oklahoma City Public Schools (the "District"), has contracted with Santa Fe South Schools, Inc. for the operation of the School, a charter school under the Oklahoma Charter School Act.

The School is governed by its Board of Education composed of appointed members. The Board has governance responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the School. The School receives funding from local, state, and federal government sources and must comply with the applicable requirements of these funding source entities. However, the School 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.

The School's activities are reported for federal and Oklahoma tax purposes by Santa Fe South Schools, Inc. Santa Fe South Schools, Inc. is an organization described in Internal Revenue Code Section 501(c)(3) and as such, the income of the School is subject to income taxes only to the extent it generates income from unrelated activities. The School had no unrelated income in the year ended June 30, 2021.

Although Santa Fe South Schools, Inc. is a not-for-profit entity that would normally follow the presentation requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification, the School is considered a quasi-governmental entity subject to the reporting requirements of the Oklahoma State Department of Education. Therefore, the School 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 and the Oklahoma Charter Schools Act.

In evaluating how to define the School, 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 whether the activity benefits the School and/or its citizens, or whether the activity is conducted within the geographic boundaries of the School 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 School is able to exercise oversight responsibilities. Based upon the application of these criteria, there are no potential component units included in the School's reporting entity.

Measurement Focus

The School 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 school 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.

Governmental Fund Types

Governmental Funds are used to account for all or most of a government's general activities. 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 (Statutory) basis of accounting. All revenues from all sources, including entitlements, grants, and shared revenues are recognized when they are received rather than earned. Expenditures are generally recognized when encumbered or reserved rather than at the time the related liability is incurred. These practices differ from generally accepted accounting principles.

Governmental funds include the following fund type:

General Fund - The General Fund is the general operating fund of the School. It is used to account for all financial transactions except those required to be accounted for in another fund. This is a budgeted fund, and any fund balances are considered as resources available for use. Major revenue sources include federal and state funding. Expenditures include all costs associated with the daily operations of the School except for programs funded for building repairs and maintenance, school construction and debt service on bonds and other long-term debt. The General Fund also accounts for federal and state financed programs where restricted monies must be expended for specific programs.

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 School. Agency funds generally are used to account for assets that the School holds on behalf of others as their agent and do not involve measurement of results of operations.

Fiduciary funds include the following fund types:

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

Cafeteria Fund - The Cafeteria Fund is used to account for monies collected from employees to be remitted for employee insurance and other benefits. The administration is responsible, under the authority of the Board, for collecting, disbursing and accounting for these activity funds.

Account Group

Account groups are not funds and consist of a self-balancing set of accounts used only to establish accounting control over fixed assets. Account groups include the following group type:

General Long-Term Debt Account Group - This account group was established to account for all long-term debt of the School, which is offset by amount to be provided in future years to complete retirement of the debt principal.

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 School does not have information necessary to include this group in its financial statements.

Memorandum Only - Total Column

The total column on the financial statements is captioned "memo only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Basis of Accounting

The School 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. This format differs significantly from that required by GASB Statement No. 34.

The financial statements are essentially prepared on a 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 assets.
- Warrants payable are recorded as liabilities when issued.
- Long term debt is recorded when incurred.
- Compensated absences are recorded as expenditures when paid and not recorded as a liability.

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.

Assets, Liabilities and Fund Equity

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

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

Encumbrances - Encumbrances represented by purchase orders, contracts, and other commitments for the expenditure of monies and are recorded as expenditures when approved. The excess of encumbrances issued in the prior year over amounts subsequently paid is shown as an adjustment of prior year encumbrances in the general fund financial statements.

Fixed Assets and Property, Plant and Equipment - The General Fixed Asset Account Group is not presented.

Long-Term Debt - Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated 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 - 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. There were no such fund balances at June 30, 2021.

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. There were no such fund balances at June 30, 2021.

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 includes 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 purpose in accordance with the provisions of the standard. There were no such fund balances at June 30, 2021.

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

Revenue, Expenses and Expenditures

Local Revenues - Revenue from local sources is the money generated from within the boundaries of the School and available to the School for its use. Local sources of revenues for the School include contributions, interest income, supplies and materials sold, commissions, and reimbursements.

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 Schools.

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

The School 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 pass-through from another government, such as the State.

Other Sources - Non-revenue receipts represent receipts deposited into a fund that are not considered new revenues to the School, but rather the return of assets that also includes miscellaneous receipts.

Resource Use Policy

It is in the School's policy for all funds that when an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources are available, the School considers restricted amounts to be spent first before any unrestricted amounts are used.

Note 2 - Stewardship, Compliance, and Accountability

The School is required by state law to prepare an annual budget. Under current Oklahoma Statutes, a formal Estimate of Needs (Budget) is required for all funds except for trust and agency funds. Budgets are presented for all funds that include the originally approved budgeted appropriations for expenditures and final budgeted appropriations as adjusted for supplemental appropriations and approved transfers between budget categories. The annual Estimate of Needs, when approved by the Board, and subsequently filed with the County Clerk and approved by the County Excise Board, becomes the legal budget. Supplemental appropriations, if required, are made during the year and are reflected on the budget vs. actual presentations shown as original budget and final budget.

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 School. Purchase orders or contracts document encumbrance for goods or purchased services. Under Oklahoma law, unencumbered appropriations lapse at year-end.

Note 3 - Deposits

At June 30, 2021, the School held deposits of \$5,028,185 at financial institutions. The School 's cash deposits are entirely covered by Federal Depository Insurance (FDIC) or direct obligation of the U.S. government insured or collateralized with securities held by the School or by its agent in the School 's name.

Note 4 - Investment Income

Investment income deposits to the General Fund account are receipted as allocated by the School Treasurer. School Funds are required to be invested in accordance with Title 70 of the Oklahoma Statutes, Article 5, Section 115. There was no interest income on investments for the year ended June 30, 2021.

Note 5 - Health Care Coverage

Medical insurance is paid for employees in the amount of the full premium for full time eligible employees and partial payment consistent with the amount of preauthorized work for part time eligible employees. Part time employees are eligible if they work at least 20 hours per week. The School pays the applicable percentage of the premiums in relation to full time rates.

Note 6 - Employee Benefit Plan

The School participates in a defined contribution salary deferral plan which covers substantially all employees. Under the plan the School contributes 7% of an employee's monthly gross wages. Employee contributions to the plan are voluntary and may be made up to the maximum permitted by law (IRS).

School employees are 100% after five years. Employees vest 20% each year. The School has no control over the fund, and employees may remove what they have contributed at any time, but must leave the School's contribution in the plan until termination of employment.

Upon termination, the employee has the option to (1) remove all funds contributed by him or her or on their behalf, (2) leave the employee and employer contributions made on his or her behalf in the plan and continue to draw interest, or (3) roll the funds over into another qualified plan.

Note 7 - Long-term Liabilities

Paycheck Protection Program

The School was granted a loan under the Paycheck Protection Program (PPP) administered by a Small Business Administration (SBA) approved partner in the amount of \$3,214,300 in the year ended June 30, 2020. The loan was uncollateralized and fully guaranteed by the Federal Government. During 2021, the loan was formally forgiven.

Note Payable

The School entered into a debt agreement with Charter Schools Development Corporation (CSDC) in the amount of \$2,000,000 in fiscal year ended June 30, 2020, to be used for the renovation of certain property for specified schools of Santa Fe South Charter School. The note has an interest rate of 6.5% and has monthly debt payments of \$17,422. The remaining balance in the form of a balloon payment is due on December 20, 2022.

The annual requirements to amortize the note payable as of June 30, 2021 including principal and interest payments are as follows:

<u>Period Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ 92,545	\$ 116,519	\$ 209,064
2023	<u>1,742,578</u>	<u>61,664</u>	<u>1,804,242</u>
	<u>\$ 1,835,123</u>	<u>\$ 178,183</u>	<u>\$ 2,013,306</u>

Note 8 - Related Parties

SFS Development, Inc. (DevCorp), is a 501(c)(3) nonprofit and is a functionally-integrated supporting organization which supports the School. DevCorp owns all of the real property and leases it to the School. Certain members of School management also serve as officers and/or management of DevCorp. The School made \$4.8 million in lease payments to DevCorp during the year ended June 30, 2021. Further, DevCorp made direct donations of approximately \$511,000 to the School during the year ended June 30, 2021.

Note 9 - Contingencies and Commitments

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

During the year ended June 30, 2021, the School did not reduce insurance coverage from coverage levels in place as of June 30, 2020. No settlements have exceeded coverage levels in place during 2021.

Note 10 - Risk Management

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School purchases commercial insurance to cover these risks of loss, including general and auto liability, property damage, and public official’s liability. Management believes such coverage is sufficient to preclude any significant uninsured losses to the School. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.



OKC Charter

Santa Fe South Schools No E-021

Other Supplementary Information

June 30, 2021

OKC Charter
Santa Fe South Schools No E-021
Combining Statement of Changes in Assets and
Liabilities – Regulatory Basis – All Agency Funds
June 30, 2021

	Ending Balance as of June 30, 2020	Total Receipts	Total Adjustments	Total Disbursements	Ending Balance as of June 30, 2021
ASSETS					
ASSETS HELD FOR EMPLOYEE BENEFITS	\$ 1,155	\$ 71,965	\$ (5,984)	\$ 65,658	\$ 1,478
ASSETS HELD FOR STUDENT GROUPS	486,617	258,180	12,942	240,794	516,945
TOTAL ASSETS	<u>\$ 487,772</u>	<u>\$ 330,145</u>	<u>\$ 6,958</u>	<u>\$ 306,452</u>	<u>\$ 518,423</u>
LIABILITIES					
EMPLOYEE BENEFIT ACTIVITIES	\$ 1,155	\$ 71,965	\$ (5,984)	\$ 65,658	\$ 1,478
WARRANTS PAYABLE	\$ 8,052	\$ -	\$ 12,193	\$ -	\$ 20,245
HIGH SCHOOL ACTIVITIES					
BAND	\$ 3,280	\$ 1,410	\$ -	\$ -	\$ 4,690
AMBROSIOS HOUSE	2,672	1,063	-	1,193	2,542
ATHLETICS	-	30,733	2,500	11,607	21,626
PRINCIPAL FRONT DESK	1,970	2,345	-	2,763	1,552
ALPHA REWARD ACCOUNT	876	320	-	229	967
VOLLEYBALL	1,950	660	-	1,576	1,034
SOFTBALL	967	1,480	1	744	1,704
BASKETBALL BOYS	797	-	-	-	797
HARDING TEAM	1,373	-	-	-	1,373
CHOIR	1,772	-	-	427	1,345
CAPITAL CAMPAIGN	81,518	1,566	-	-	83,084
SOCCER	3,827	7,982	-	8,187	3,622
ARGOT'S TEAM	59	133	-	-	192
COMMUNITY ASSISTANCE FUND	555	-	-	-	555
ALPHA	773	3,550	-	2,770	1,553
ROWING	188	-	-	-	188
BASKETBALL GIRLS	530	812	-	-	1,342
WRESTLING	-	2,548	-	2,200	348
TRACK	1,434	-	-	-	1,434
CHINESE	1,019	-	300	-	1,319
NEWBERG'S TEAM	337	-	-	-	337
FEAR'S TEAM	18	-	-	-	18
BASEBALL	1,197	207	-	1,008	396
MEJIAS-SHAVERS TEAM	-	162	-	-	162
STUDENT COUNCIL/LEADERS	6,648	7,532	-	11,018	3,162
SENIORS 2021	1,713	55,627	(17,925)	34,123	5,292
PTW - CHOIR	319	-	-	144	175
DANCE	-	2,138	-	1,973	165
SEVERSON'S TEAM	26	-	-	-	26
NICOSTRATUS HOUSE	487	530	1	509	509
FACILITIES RENTAL	22,983	3,200	(5,000)	-	21,183
RENNIE BERRY SCHOLARSHIP	300	-	-	-	300
YEARBOOK	591	10,805	13,200	394	24,202
PICKUP'S TEAM	-	130	-	86	44
GAME CLUB	18	-	-	-	18
SALGADO'S TEAM	9	-	-	-	9
MILLS' TEAM	27	-	-	-	27
VALERIUS HOUSE	2,448	1,000	-	955	2,493
BALDERAS' TEAM	155	84	-	239	-
PROM ACCOUNT	7,835	4,125	5,500	4,495	12,965
AGUIRRE'S TEAM	-	-	42	-	42
SAPIENTIA HOUSE	530	-	-	-	530
TAYLOR'S TEAM	34	-	-	-	34
FRANCIS' TEAM	362	-	-	-	362
REGAN'S TEAM	-	295	-	288	7
PTW-STUDENTS UNIFORMS	160	-	-	-	160
PTW- NHS	1,466	-	-	-	1,466
PTW-YEARBOOK	329	-	-	-	329
PENKO'S TEAM	465	-	-	-	465
SENIOR TRIP	1,694	-	-	-	1,694

(continued on next page)

OKC Charter
Santa Fe South Schools No E-021
Combining Statement of Changes in Assets and
Liabilities – Regulatory Basis – All Agency Funds
June 30, 2021

Activities	Ending Balance as of June 30, 2020	Total Receipts	Total Adjustments	Total Disbursements	Ending Balance as of June 30, 2021
HIGH SCHOOL ACTIVITIES (Continued)					
CROSS COUNTRY	\$ 649	\$ -	\$ -	\$ -	\$ 649
CHEERLEADING	3,701	2,446	-	4,687	1,460
GENERAL ACTIVITY	3,897	2,612	(2,284)	3,461	764
T ANDERSON'S TEAM	-	40	-	-	40
PATHWAYS GENERAL ACCT	6,407	872	-	435	6,844
AMBROSIO'S TEAM	190	-	-	-	190
MCKINNEY'S TEAM	254	-	-	-	254
EPP'S TEAM	100	-	-	-	100
GLENN'S TEAM	118	-	-	-	118
WYNCOTT'S TEAM	244	-	-	-	244
BREWSTER SCHOLARSHIP	68	1,500	-	500	1,068
MARIN'S TEAM	36	-	-	-	36
ART	458	-	-	-	458
LAYNE'S TEAM	548	-	-	-	548
NEWSPAPER	1,147	-	-	-	1,147
ROSS' TEAM	87	237	-	273	51
MAYFLOWER DONATION	-	5,000	-	2,046	2,954
EDWARDS'S TEAM	21	147	-	-	168
NATIONAL MATH HONOR SOC	428	-	-	-	428
PATHWAYS 2021	3,342	11,507	50	14,849	50
PTW-SENIOR TRIP	1,075	20	-	-	1,095
PATHWAYS 2017	50	-	-	-	50
PATHWAYS PROM	3,073	874	-	2,223	1,724
P. CRITTENDEN SCHOLARSHIP	500	-	-	-	500
GO BLUE HAT FOUNDATION	1	-	-	-	1
BLESSING'S TEAM	2	-	-	-	2
YAN'S TEAM	1	-	-	-	1
DUPUIS'S TEAM	70	-	-	-	70
DISTRICT GENERAL ACTIVITY	-	-	5,000	330	4,670
PATHWAY SCHOLARSHIP	2,384	302	-	-	2,686
FONT'S TEAM	406	-	-	-	406
SHOAF'S TEAM	698	-	-	-	698
ELIZONDO'S TEAM	8	-	-	-	8
MILLER'S TEAM	112	-	-	-	112
DRAMA	964	-	-	-	964
PHOTOGRAPHY CLUB	745	-	-	-	745
SFS RESILIENCE SCHOLARSHIP	29,445	-	-	6,000	23,445
PATHWAYS STUDENT COUNCIL	1,791	-	-	-	1,791
PATHWAYS BAND	455	-	-	362	93
FACULTY SCHOLARSHIP	8,823	-	-	5,350	3,473
PTW - HOPE CLUB	1,494	-	-	500	994
PTW-STEAM	534	-	-	-	534
S/T/P	29	-	-	7	22
FUDGE FAMILY DONATION	240	-	-	-	240
TOTAL HIGH SCHOOL ACTIVITIES	<u>230,306</u>	<u>165,994</u>	<u>1,385</u>	<u>127,951</u>	<u>269,734</u>

(continued on next page)

OKC Charter
Santa Fe South Schools No E-021
Combining Statement of Changes in Assets and
Liabilities – Regulatory Basis – All Agency Funds
June 30, 2021

Activities	Ending Balance as of June 30, 2020	Total Receipts	Total Adjustments	Total Disbursements	Ending Balance as of June 30, 2021
MIDDLE SCHOOL ACTIVITIES					
S.E.S. (SIXTH GRADE SCIENCE)	\$ 280	\$ -	\$ -	\$ -	\$ 280
GENERAL ACTIVITY	4,335	2,470	(930)	3,391	2,484
CHEERLEADING	2,432	860	(60)	1,087	2,145
BOTHE'S TEAM	280	72	(15)	262	75
COMMUNITY FUNDRAISING	10	-	-	-	10
STUDENT COUNCIL	5,435	1,025	980	1,238	6,202
QUIZ BOWL	548	-	-	-	548
VOLLEYBALL	874	-	-	558	316
MALDONADO TEAM	55	-	20	-	75
CHAVEZ TEAM	233	368	-	598	3
CONCESSIONS	2,483	-	-	-	2,483
SFS FAMILIA	321	-	-	-	321
WRESTLING	4,121	-	(1)	1,076	3,044
ZENG'S TEAM	302	534	-	552	284
BOYS BASKETBALL	2,199	-	-	-	2,199
BARR'S TEAM	410	-	-	293	117
BASEBALL	784	4,242	-	2,217	2,809
HALE'S TEAM	278	-	-	-	278
AGUIRRE'S TEAM	84	-	-	-	84
SOFTBALL	432	-	-	-	432
OUTDOOR ED	14,249	5,980	-	351	19,878
DC TRIP	405	-	-	-	405
YEARBOOK	962	2,076	-	-	3,038
LANG'S TEAM	399	225	-	-	624
LIBRARY ACCOUNT	737	-	-	-	737
BARKER'S TEAM	323	540	-	490	373
SOCCER	2,908	-	-	2,133	775
CROSS COUNTRY	391	1,671	(1)	-	2,061
TRACK	488	-	-	-	488
KINDLE'S TEAM	245	-	-	245	-
CHOIR	101	-	-	-	101
WILKINS TEAM	321	255	-	418	158
LAKE TEAM	47	-	-	-	47
WILSON' TEAM	-	380	-	240	140
ORTEGA'S TEAM	527	20	-	276	271
KING'S TEAM	349	645	15	-	1,009
CAMP GODDARD	20,712	-	-	8,086	12,626
STAFF HOSPITALITY	955	-	-	-	955
DICUS' TEAM	270	-	-	242	28
PAULSON TEAM	36	366	-	373	29
CELL PHONE	499	-	-	-	499
COWEN TEAM	216	446	-	247	415
LEWIS TEAM	24	39	-	-	63
GIRLS BASKETBALL	1,276	430	1	490	1,217
6TH GRADE LIBRARY	335	-	-	-	335
REDMAN TEAM	25	-	-	-	25
GORDON TEAM	142	362	-	480	24
SPELLS TEAM	499	-	-	230	269
FACULTY SCHOLARSHIP	100	-	-	-	100
PRY TEAM	47	-	-	-	47
ST CLAIR'S TEAM	69	-	-	-	69
GONZALEZ'S TEAM	46	-	-	-	46
IBARRA'S TEAM	-	336	-	336	-
SANDOVAL'S TEAM	388	-	-	386	2
STAHL'S TEAM	522	-	-	353	169
POLLARD'S TEAM	89	439	-	440	88
BRAUN'S TEAM	121	739	15	725	150
TOTAL MIDDLE SCHOOL ACTIVITIES	<u>74,719</u>	<u>24,520</u>	<u>24</u>	<u>27,813</u>	<u>71,450</u>

(continued on next page)

OKC Charter
Santa Fe South Schools No E-021
Combining Statement of Changes in Assets and
Liabilities – Regulatory Basis – All Agency Funds
June 30, 2021

Activities	Ending Balance as of June 30, 2020	Total Receipts	Total Adjustments	Total Disbursements	Ending Balance as of June 30, 2021
ELEMENTARY SCHOOL ACTIVITIES					
GENERAL ACTIVITY	12,997	8,249	-	-	21,246
STUDENT/TEACHER/PARENT	38,598	11,888	(174)	25,146	25,166
SPERO ECC GENERAL ACTIVITY	-	1,677	4,248	2,328	3,597
SPERO ECC STP	-	1,893	9,148	2,473	8,568
ELEMENTARY TRIP	1,215	-	-	-	1,215
ECC GENERAL ACTIVITY	16,706	14,490	(766)	15,927	14,503
ECC STUDENT/TEACHER/PARENT	10,521	6,264	(0)	5,499	11,286
HILLS GENERAL ACTIVITY	48,598	6,563	253	9,690	45,724
HILLS STUDENT/TEACHER/PAREN	11,721	2,062	1	4,664	9,120
SPERO GENERAL ACTIVITY	10,551	5,280	(4,214)	7,291	4,326
SPERO STUDENT/TEACHER/PARENT	22,595	9,300	(9,147)	12,013	10,735
SIXTH GRADE SCIENCE	38	-	-	-	38
TOTAL ELEMENTARY SCHOOL ACTIVITIES	<u>173,540</u>	<u>67,666</u>	<u>(652)</u>	<u>85,030</u>	<u>155,524</u>
ROUNDING	-	-	(8)	-	(8)
STUDENT GROUP TOTALS	<u>478,565</u>	<u>258,180</u>	<u>749</u>	<u>240,794</u>	<u>496,700</u>
TOTAL LIABILITIES	<u>\$ 487,772</u>	<u>\$ 330,145</u>	<u>\$ 6,958</u>	<u>\$ 306,452</u>	<u>\$ 518,423</u>

Note 1- Basis of Presentation

The above schedule and format is required by the Oklahoma State Department of Education and is not intended to represent a financial statement in accordance with accounting principles prescribed by the Oklahoma State Department of Education.

The School Superintendent has a public official dishonesty bond with RLI Insurance Company, bond number LSM0606268, which covers Christopher Brewster for the penal sum of \$100,000 from November 13, 2020 until November 13, 2021.

The School Business Manager/Encumbrance Clerk has a public official dishonesty bond with RLI Insurance Company, bond number LSM0606269, which covers Maritza Santiago-Resto for the penal sum of \$100,000 from November 13, 2020 until November 13, 2021.

The School has a public official dishonesty bond with RLI Insurance Company for the School Treasurer, bond number LSM0745231, which covers Jack H. Jenkins for the penal sum of \$100,000 from July 28, 2020 until July 28, 2021.

In addition, the School has bonded all General and Activity Fund Custodians and the Assistant Business Manager with RLI Insurance Company for the penal sum of \$1,000 each.

OKC Charter
 Santa Fe South Schools No E-021
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2021

Through Grantor/ Program Title	Federal Financial Assistance/ Federal CFDA #	Pass-Through Grantor's Project Number	Beginning Balance June 30, 2020	Federal Grant Receipts	Federal Grant Expenditures	Ending Balance June 30, 2021
U.S. Department of Agriculture						
Passed through the Oklahoma State Department of Education						
Cash assistance:						
National School Lunch Program	10.555	763	\$ 157,447	\$ 773,916	\$ 630,498	\$ 300,865
School Breakfast Program	10.553	764	96,639	281,231	281,231	96,639
Cash Assistance Subtotal			<u>254,086</u>	<u>1,055,147</u>	<u>911,729</u>	<u>397,504</u>
Non-Cash assistance (Commodities):						
National School Lunch Program	10.555	N/A	-	119,703	119,703	-
Non-Cash Assistance Subtotal			<u>-</u>	<u>119,703</u>	<u>119,703</u>	<u>-</u>
Child Nutrition Cluster			254,086	1,174,850	1,031,432	397,504
Total U.S. Department of Agriculture			<u>254,086</u>	<u>1,174,850</u>	<u>1,031,432</u>	<u>397,504</u>
U.S. Department of Education						
Passed through the Oklahoma State Department of Education						
COVID-19 Elementary and Secondary School						
Emergency Relief Fund (ESSER)	84.425D	788	-	589,540	589,715	(175)
Emergency Relief Fund (ESSER) 2019-20	84.425D	788	(353,818)	353,818	-	-
ESSER II Formula Funds	84.425D	789	-	-	886,591	(886,591)
Total ESSER			<u>(353,818)</u>	<u>943,358</u>	<u>1,476,306</u>	<u>(886,766)</u>
Title I, Part A Improving Basic Programs	84.010	511/785	-	1,510,383	1,510,383	-
Title I, Part A Improving Basic Programs 2019-20	84.010	511/785	(2,400)	2,400	-	-
Total Title I			<u>(2,400)</u>	<u>1,512,783</u>	<u>1,510,383</u>	<u>-</u>
Title II, Part A Teacher & Principal Training	84.367	541/785	-	179,398	216,775	(37,377)
Title III, Part A, English Language	84.365	571/785	-	56,114	56,114	-
Title III, Part A, English Language 2019-20	84.365	572/785	(72,783)	72,783	-	-
Total Title III			<u>(72,783)</u>	<u>128,897</u>	<u>56,114</u>	<u>-</u>
Special Education Cluster:						
IDEA - Professional Development - District	84.027	613	-	540	540	-
IDEA - Professional Development - District	84.027	615	-	190	190	-
IDEA - Covid Assistance	84.027	617	-	11,081	21,680	(10,599)
IDEA - Flowthrough	84.027	621	-	546,534	546,534	-
IDEA - Preschool	84.173	641	-	5,084	5,377	(293)
Total Special Education Cluster			<u>-</u>	<u>563,429</u>	<u>574,321</u>	<u>(10,892)</u>
Total U.S. Department of Education			<u>(429,001)</u>	<u>3,327,865</u>	<u>3,833,899</u>	<u>(935,035)</u>
Total Expenditures of Federal Awards			<u>\$ (174,915)</u>	<u>\$ 4,502,715</u>	<u>\$ 4,865,331</u>	<u>\$ (537,531)</u>

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the (the School) under programs of the federal government for the year ended June 30, 2021. The 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 School, it is not intended to and does not present the financial position or the changes in net position or fund balance of the School.

Note B – Significant Accounting Policies

Expenditures reported in the schedule are reported on the regulatory basis of accounting consistent with the preparation of the combined financial statements. Such 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. No federal assistance has been provided to a subrecipient.

Note C — Indirect Cost Rate

The School has not elected to use the 10% de minimis cost rate.

Note D — Food Donation

Nonmonetary assistance is reported in this schedule at the fair market value of the commodities received and disbursed. At June 30, 2021, the School had food commodities totaling approximately \$120,000 in inventory.



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*

To the Board of Education
OKC Charter Santa Fe South Schools No E-021
Oklahoma City, 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 combined fund type and fixed asset group financial statements – regulatory basis of OKC Charter Santa Fe South Schools No E-021 (the School) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise OKC Charter Santa Fe South Schools No E-021’s basic financial statements, and have issued our report thereon dated March 18, 2022. Our opinions were modified because the School prepares its financial statements on a prescribed regulatory basis of accounting. Further, our opinion was qualified because the omission of the General Fixed Assets Account Group results in an incomplete presentation with respect to the financial statements being prepared following the regulatory basis of the financial reporting provisions of the Oklahoma State Department of Education.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered OKC Charter Santa Fe South Schools No E-021’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School’s internal control. Accordingly, we do not express an opinion on the effectiveness of the School’s internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Santa Fe South Schools No E-021's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in dark ink and is positioned above the typed name and date.

Oklahoma City, Oklahoma
March 18, 2022



Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Education
OKC Charter Santa Fe South Schools No E-021
Oklahoma City, Oklahoma

Report on Compliance for Each Major Federal Program

We have audited OKC Charter Santa Fe South Schools No E-021's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of OKC Charter Santa Fe South Schools No E-021's major federal programs for the year ended June 30, 2021. OKC Charter Santa Fe South Schools No E-021's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of OKC Charter Santa Fe South Schools No E-021's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America and 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about OKC Charter Santa Fe South Schools No E-021's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of OKC Charter Santa Fe South Schools No E-021's compliance.

What inspires you, inspires us. | eidebailly.com

Opinion on Each Major Federal Program

In our opinion, OKC Charter Santa Fe South Schools No E-021's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of OKC Charter Santa Fe South Schools No E-021 (the School) is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Oklahoma City, Oklahoma
March 18, 2022

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor's report issued	Modified-Adverse on GAAP due to regulatory basis Modified - Qualified on regulatory basis
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Internal control over financial reporting: Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported

Noncompliance material to financial statements noted	No
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Federal Awards

Internal control over major programs: Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported

Type of auditor's report issued on compliance for major programs	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance CFR 200.516:	No
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<u>Identification of Major Programs</u>	<u>CFDA number</u>
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Title I	84.010
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COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D
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Dollar threshold used to distinguish between Type A and Type B programs	\$ 750,000
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Auditee qualified as low-risk auditee	No
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Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None.

OKC Charter
Santa Fe South Schools No E-021
Schedule of Accountant's Professional Liability Insurance Affidavit (unaudited)
For the Year Ended June 30, 2021

STATE OF OKLAHOMA)
) ss
County of Oklahoma)

The undersigned auditing firm of lawful age, being first duly sworn on oath, says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit law" at the time of audit contract and during the entire audit engagement with for the audit year 2020-2021.

Eide Bailly, LLP

BY *Vanessa M. Dutton*

Subscribed and sworn to before me on this 18th day of March, 2022.

Jo Carroll
Notary Public

My commission expires 7-21-23

