

**OKC CHARTER SANTA FE
SOUTH SCHOOLS NO. E-021
OKLAHOMA COUNTY, OKLAHOMA**

**ANNUAL FINANCIAL STATEMENTS –
REGULATORY BASIS
AND INDEPENDENT AUDITOR’S REPORT
AS OF AND FOR THE YEAR ENDED
JUNE 30, 2019**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying combined fund type and fixed asset account group financial statements-regulatory basis of OKC Charter Santa Fe South Schools No. E-021, Oklahoma County, Oklahoma (the "School") as of and for the year ended June 30, 2019, and the related notes to the 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 the financial reporting provisions of the Oklahoma State Department of Education, as described in Note 1. 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.

Auditor's Responsibility

Our responsibility is to express an opinion 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 opinion.

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

As described in Note 1, the financial statements are prepared on the basis of the financial reporting provisions of 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 meet 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 above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the OKC Charter Santa Fe South Schools No. E-021, as of June 30, 2019, or changes in net position, or cash flows thereof 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.

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” paragraph, the financial statements referred to above 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, 2019, 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.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the School’s basic financial statements. The combining agency fund statement – regulatory basis, listed in the accompanying table of contents, is presented for purposes of additional analysis, and is not a required part of the basic financial statements. The schedule of expenditures of federal awards, and related notes, is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining agency fund statement – regulatory basis and the schedule of expenditures of federal awards and related notes, 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 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, the combining agency fund statement – regulatory basis and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole on the regulatory basis of accounting described in Note 1.

Emphasis of Matter

This report has been revised to reflect a correction made to the schedule of expenditures of federal awards and related notes. The schedule of expenditures of federal awards and related notes has been revised to include the value of non-monetary assistance received in the form of commodities which had previously been omitted.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2020 on our consideration of the School’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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School’s internal control over financial reporting and compliance.



January 27, 2020

Except for the paragraph under “*Emphasis of Matter*” above, which is dated March 11, 2020

**COMBINED FINANCIAL STATEMENTS –
REGULATORY BASIS**

OKC CHARTER SANTA FE
SOUTH SCHOOLS NO. E-021
OKLAHOMA COUNTY, OKLAHOMA
COMBINED STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
REGULATORY BASIS - ALL FUND TYPES
JUNE 30, 2019

| | Governmental Fund Types | | Fiduciary Fund Types | | Totals (Memo Only) |
|---|-------------------------|------------------|---------------------------------------|----------------|-----------------------|
| | General | | Cafeteria and Student Agency Funds | | |
| ASSETS: | | | | | |
| Cash and investments | \$ | 6,126,403 | \$ | 461,078 | \$ 6,587,481 |
| Total assets | \$ | <u>6,126,403</u> | \$ | <u>461,078</u> | <u>\$ 6,587,481</u> |
| LIABILITIES AND FUND BALANCES: | | | | | |
| Liabilities: | | | | | |
| Warrants payable | \$ | 786,707 | \$ | 16,356 | \$ 803,063 |
| Encumbrances | | 218,228 | | - | 218,228 |
| Funds held for school organizations | | - | | 439,983 | 439,983 |
| Funds held for employee health benefits | | - | | 4,739 | 4,739 |
| Total liabilities | | <u>1,004,935</u> | | <u>461,078</u> | <u>1,466,013</u> |
| Fund Balances: | | | | | |
| Unassigned | | <u>5,121,468</u> | | - | <u>5,121,468</u> |
| Total fund balances | | <u>5,121,468</u> | | - | <u>5,121,468</u> |
| Total liabilities and fund balances | \$ | <u>6,126,403</u> | \$ | <u>461,078</u> | <u>\$ 6,587,481</u> |

See accompanying notes to the financial statements.

OKC CHARTER SANTA FE
SOUTH SCHOOLS NO. E-021
OKLAHOMA COUNTY, OKLAHOMA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES REGULATORY BASIS - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2019

| | Governmental Fund Types |
|--|-------------------------|
| | General |
| Revenues: | |
| Local sources | \$ 430,981 |
| State sources | 21,755,190 |
| Federal sources | 3,726,434 |
| Other sources | - |
| Total revenues | 25,912,605 |
| Expenditures: | |
| Instruction | 12,366,384 |
| Support services | 10,176,838 |
| Non-instructional services | 1,589,762 |
| Other outlays | 595,781 |
| Total expenditures | 24,728,765 |
| Excess of revenue over (under) expenditures | 1,183,840 |
| Other financing sources (uses) | |
| Adjustments to prior year encumbrances | 122,436 |
| Excess of revenue and other financing sources over (under) expenditures | 1,306,276 |
| Beginning fund balances | 3,815,192 |
| Ending fund balances | \$ 5,121,468 |

See accompanying notes to the financial statements.

OKC CHARTER SANTA FE
SOUTH SCHOOLS NO. E-021
OKLAHOMA COUNTY, OKLAHOMA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - REGULATORY BASIS - BUDGETED GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

| | General Fund | | |
|---|---------------------|---------------------|---------------------|
| | Original Budget | Final Budget | Actual |
| REVENUES: | | | |
| Local sources | \$ 275,235 | \$ 275,235 | \$ 430,981 |
| State sources | 21,710,236 | 21,710,236 | 21,755,190 |
| Federal sources | 3,436,366 | 3,436,366 | 3,726,434 |
| Other sources | - | - | - |
| Total revenues | <u>25,421,837</u> | <u>25,421,837</u> | <u>25,912,605</u> |
| EXPENDITURES: | | | |
| Instruction | 13,500,000 | 13,500,000 | 12,366,384 |
| Support services | 10,309,000 | 10,309,000 | 10,176,838 |
| Non-instructional services | 1,400,000 | 1,400,000 | 1,589,762 |
| Other outlays | 38,385 | 38,385 | 595,781 |
| Total expenditures | <u>25,247,385</u> | <u>25,247,385</u> | <u>24,728,765</u> |
| Excess of revenue over (under) expenditures | 174,452 | 174,452 | 1,183,840 |
| Other financing sources (uses) | | | |
| Adjustments to prior year encumbrances | <u>-</u> | <u>-</u> | <u>122,436</u> |
| Excess of revenue and other financing sources over (under) expenditures | 174,452 | 174,452 | 1,306,276 |
| Beginning fund balance | <u>3,925,542</u> | <u>3,925,542</u> | <u>3,815,192</u> |
| Ending fund balance | <u>\$ 4,099,994</u> | <u>\$ 4,099,994</u> | <u>\$ 5,121,468</u> |

See accompanying notes to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS –
REGULATORY BASIS**

OKC CHARTER SANTA FE
SOUTH SCHOOLS NO. E-021
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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.

A. 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 District. 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, 2019.

OKC CHARTER SANTA FE
SOUTH SCHOOLS NO. E-021
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

1. Summary of Significant Accounting Policies, (Continued)

Reporting Entity, (Continued)

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.

OKC CHARTER SANTA FE
SOUTH SCHOOLS NO. E-021
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

1. Summary of Significant Accounting Policies, (Continued)

B. 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.

OKC CHARTER SANTA FE
SOUTH SCHOOLS NO. E-021
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

1. Summary of Significant Accounting Policies, (Continued)

Measurement Focus, (Continued)

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 type:

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 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.

OKC CHARTER SANTA FE
SOUTH SCHOOLS NO. E-021
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

1. Summary of Significant Accounting Policies, (Continued)

C. 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.

D. 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.

OKC CHARTER SANTA FE
SOUTH SCHOOLS NO. E-021
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

1. Summary of Significant Accounting Policies, (Continued)

Assets, Liabilities and Fund Equity, (Continued)

Interfund transactions - Interfund 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. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers.

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.

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

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.

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.

OKC CHARTER SANTA FE
SOUTH SCHOOLS NO. E-021
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

1. Summary of Significant Accounting Policies, (Continued)

Assets, Liabilities and Fund Equity, (Continued)

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.

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.

E. 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 districts.

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

OKC CHARTER SANTA FE
SOUTH SCHOOLS NO. E-021
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

1. Summary of Significant Accounting Policies, (Continued)

Revenue, Expenses and Expenditures, (Continued)

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.

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.

OKC CHARTER SANTA FE
SOUTH SCHOOLS NO. E-021
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

2. Stewardship, Compliance and Accountability, (Continued)

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.

3. Deposits

At June 30, 2019, the School held deposits of \$6,587,481, net of reconciling items, 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.

4. Other Information

A. 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. Interest income on investments totaled \$2,135 for the year ended June 30, 2019.

B. 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
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

4. Other Information, (Continued)

C. 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.

D. Contingencies

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.

E. 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% vested with their first contribution. 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.

OKC CHARTER SANTA FE
SOUTH SCHOOLS NO. E-021
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

4. Other Information, (Continued)

F. Surety Bonds

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, 2018 until November 13, 2019. 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, 2018 until November 13, 2019. 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, 2018 until July 28, 2019. The School has a public official dishonesty bond with RLI Insurance Company for the Assistant Principal, bond number LSM0927322, which covers Alex Souza for the penal sum of \$100,000 from September 9, 2018 until September 9, 2019. In addition, the School has bonded all General and Activity Fund Custodians with RLI Insurance Company for the penal sum of \$1,000 each.

OTHER INFORMATION – REGULATORY BASIS

OKC CHARTER SANTA FE
SOUTH SCHOOLS NO. E-021
OKLAHOMA COUNTY, OKLAHOMA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
REGULATORY BASIS - ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

| | Beginning Balance As of July 1, 2018 | Total Receipts | Total Adjustments | Total Disbursements | Ending Balance As of June 30, 2019 |
|------------------------------------|--|-------------------|----------------------|------------------------|--|
| ASSETS: | | | | | |
| ASSETS HELD FOR EMPLOYEE BENEFITS | \$ - | \$ 19,747 | \$ 2,018 | \$ 17,026 | \$ 4,739 |
| ASSETS HELD FOR STUDENT GROUPS | 426,234 | 570,628 | 340 | 557,219 | 439,983 |
| TOTAL ASSETS | \$ 426,234 | \$ 570,628 | \$ 340 | \$ 557,219 | \$ 439,983 |
| LIABILITIES: | | | | | |
| EMPLOYEE BENEFIT ACTIVITIES | \$ - | \$ 19,747 | \$ 2,018 | \$ 17,026 | \$ 4,739 |
| HIGH SCHOOL ACTIVITIES: | | | | | |
| BAND | 3,907 | \$ 1,650 | \$ - | \$ 1,650 | 3,907 |
| AMBROSIOS HOUSE | 3,286 | 2,403 | (2,000) | 1,038 | 2,651 |
| ALPHA REWARD | - | 1,755 | - | 150 | 1,605 |
| ACADEMIC TEAM | 995 | - | (995) | - | - |
| SEERIGHT FRONT DESK | 193 | - | (193) | - | - |
| PHOTOGRAPHY CLUB | - | 109 | - | - | 109 |
| VOLLEYBALL | 2,646 | 5,146 | - | 5,833 | 1,959 |
| SOFTBALL | 296 | 1,803 | - | 1,576 | 523 |
| BASKETBALL BOYS | 2,409 | 5,585 | - | 6,313 | 1,681 |
| HARDING TEAM | 369 | - | - | - | 369 |
| CHOIR | 3,195 | 294 | - | 1,747 | 1,742 |
| CAPITAL CAMPAIGN | 57,871 | 47,328 | - | 35,833 | 69,366 |
| SOCCER | 2,324 | 12,367 | - | 11,797 | 2,894 |
| ARGOT'S TEAM | 405 | - | - | - | 405 |
| S/T/P | - | 29 | - | - | 29 |
| ALPHA | 1,710 | 5,227 | - | 4,759 | 2,178 |
| ROWING | 188 | - | - | - | 188 |
| BASKETBALL GIRLS | 400 | 214 | - | - | 614 |
| SENIORS 2019 | - | 65,945 | (12,747) | 40,890 | 12,308 |
| TRACK | 1,016 | 3,872 | - | 3,909 | 979 |
| CHINESE | 214 | 2,549 | - | 2,400 | 363 |
| LIBRARY | 402 | - | (402) | - | - |
| FEAR'S TEAM | 18 | - | - | - | 18 |
| BASEBALL | 3,016 | 2,167 | - | 4,640 | 543 |
| WILLIAMS TEAM | 194 | - | (194) | - | - |
| STUDENT COUNCIL/LEADERS | 1,817 | 9,523 | - | 11,260 | 80 |
| SENIORS 2017 | 4,983 | - | (4,983) | - | - |
| PTW CHOIR | 319 | - | - | - | 319 |
| SPECTRUM | - | 371 | - | - | 371 |
| SEVERSON'S TEAM | 526 | - | - | - | 526 |
| HOUSE | 614 | 538 | - | 716 | 436 |
| FACILITIES RENTAL | 38,750 | 9,067 | - | 36,904 | 10,913 |
| RENNIE BERRY SCHOLARSHIP | 300 | - | - | - | 300 |
| YEARBOOK | 3,854 | 10,035 | 14,701 | 21,472 | 7,118 |
| FUDGE FAMILY DONATION | - | 240 | - | - | 240 |
| YEAGER'S TEAM | 167 | 624 | - | 679 | 112 |
| GAME CLUB | 268 | 49 | - | 299 | 18 |
| SALGADO'S TEAM | 9 | 575 | - | 575 | 9 |
| VALERIUS HOUSE | 1,970 | 1,175 | - | 1,216 | 1,929 |
| PROM ACCOUNT | 6,982 | 7,254 | 5,101 | 10,751 | 8,586 |
| AGUIRRE'S TEAM | 260 | 330 | - | 84 | 506 |
| SAPIENTIA | 42 | 347 | 291 | 340 | 340 |
| TAYLOR'S TEAM | 33 | - | - | - | 33 |
| GORE'S TEAM | 235 | - | - | - | 235 |
| VANGILDER TEAM | 359 | 50 | - | 235 | 174 |
| WOOD'S TEAM | - | 425 | - | 425 | - |
| PTW STUDENTS UNIFORMS | 160 | - | - | - | 160 |
| PATHWAYS NHS | 1,851 | - | - | 385 | 1,466 |
| PATHWAYS YEARBOOK | 588 | 40 | - | - | 628 |
| PENKO'S TEAM | 174 | - | - | - | 174 |
| SENIOR TRIP | 1,100 | 2,454 | - | - | 3,554 |
| CROSS COUNTRY | 205 | - | - | - | 205 |

OKC CHARTER SANTA FE
SOUTH SCHOOLS NO. E-021
OKLAHOMA COUNTY, OKLAHOMA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
REGULATORY BASIS - ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

| | Beginning Balance As of July 1, 2018 | Total Receipts | Total Adjustments | Total Disbursements | Ending Balance As of June 30, 2019 |
|--|--|-------------------|----------------------|------------------------|--|
| LIABILITIES (Continued): | | | | | |
| HIGH SCHOOL ACTIVITIES (Continued): | | | | | |
| CHEERLEADING | \$ 2,854 | \$ 6,910 | \$ - | \$ 8,150 | \$ 1,614 |
| GENERAL ACTIVITY | 3,979 | 11,332 | 1,999 | 11,621 | 5,689 |
| T ANDERSON'S TEAM | 122 | - | (122) | - | - |
| PATHWAYS GENERAL ACCT | 6,272 | 988 | - | 3,053 | 4,207 |
| O'ROURKE'S TEAM | - | 252 | - | 252 | - |
| MCKINNEY'S TEAM | - | 245 | - | 242 | 3 |
| EPP'S TEAM | - | 88 | - | - | 88 |
| GLENN'S TEAM | 343 | 180 | - | 405 | 118 |
| FERGUSON'S TEAM | 83 | 462 | - | 301 | 244 |
| GUTHERY'S TEAM | - | 450 | - | 450 | - |
| STAHL'S TEAM | 75 | - | (75) | - | - |
| BREWSTER SCHOLARSHIP | 708 | 860 | - | 1,000 | 568 |
| BOEING SCHOLARSHIP | 2,500 | 3,500 | - | 5,000 | 1,000 |
| MARIN'S TEAM | - | 635 | - | 599 | 36 |
| ART | 458 | - | - | - | 458 |
| CARTER'S TEAM | 260 | - | (260) | - | - |
| CUSACK'S TEAM | 321 | 160 | - | 194 | 287 |
| NEWSPAPER | 1,572 | - | - | 424 | 1,148 |
| ROSS' TEAM | 150 | 33 | - | - | 183 |
| MOORE'S TEAM | 1,803 | - | (1,803) | - | - |
| EDWARD'S TEAM | 49 | 360 | - | 388 | 21 |
| NATIONAL MATH HONOR SOC | 428 | - | - | - | 428 |
| PATHWAYS 2019 | 7,116 | 16,067 | (1,397) | 18,564 | 3,222 |
| PATHWAYS SENIOR TRIP | - | 3,531 | 1,444 | - | 4,975 |
| PATHWAYS 2017 | - | 50 | - | - | 50 |
| PATHWAYS PROM | 3,017 | 4,451 | 2,000 | 7,710 | 1,758 |
| P. CRITTENDEN SCHOLARSHIP | 500 | - | - | - | 500 |
| GO BLUE HAT FOUNDATION | 1 | - | - | - | 1 |
| BLESSING'S TEAM | - | 132 | - | - | 132 |
| YAN'S TEAM | 114 | - | - | 113 | 1 |
| DUPUIS'S TEAM | - | 191 | - | 121 | 70 |
| YUMIKO AKIBA | 822 | - | - | - | 822 |
| PATHWAY SCHOLARSHIP | 3,497 | 775 | - | - | 4,272 |
| FONT'S TEAM | 1 | 918 | - | 811 | 108 |
| STONE'S TEAM | 77 | 414 | - | 491 | - |
| IBARRA'S TEAM | 5 | - | - | - | 5 |
| SHOAF'S TEAM | 701 | 117 | - | - | 818 |
| GORE'S TEAM | - | 33 | 260 | 289 | 4 |
| MILLER'S TEAM | - | 112 | - | - | 112 |
| ELIZONDO'S TEAM | - | - | - | - | - |
| CELL PHONE | 285 | - | (285) | - | - |
| STROUD'S TEAM | - | 256 | - | 256 | - |
| PATHWAYS STUDENT COUNCIL | 872 | 294 | - | - | 1,166 |
| PATHWAYS BAND | 455 | - | - | - | 455 |
| RESILIENCE SCHOLARSHIP | 49,175 | - | - | 13,730 | 35,445 |
| PTW-HOPE | 1,542 | 849 | - | 241 | 2,150 |
| PTW-STEAM | 534 | - | - | - | 534 |
| FACULTY SCHOLARSHIP | 8,973 | - | - | 150 | 8,823 |
| TOTAL HIGH SCHOOL ACTIVITIES | 250,284 | 256,185 | 340 | 282,431 | 224,378 |
| MIDDLE SCHOOL ACTIVITIES: | | | | | |
| SIXTH GRADE SCIENCE | 95 | 184 | - | - | 279 |
| GENERAL ACTIVITY | 3,815 | 304 | - | 2,057 | 2,062 |
| CHEERLEADING | 1,992 | 5,852 | - | 6,249 | 1,595 |
| STUDENT ACTIVITES FUNDRAISE | 268 | 2,693 | - | 2,936 | 25 |
| STUDENT COUNCIL | 2,867 | 5,074 | - | 2,764 | 5,177 |
| DRAMA | 118 | - | - | - | 118 |
| VOLLEYBALL | - | 413 | - | - | 413 |
| CONCESSIONS | 2,484 | - | - | - | 2,484 |
| SFS FAMILIA | 321 | - | - | - | 321 |
| WRESTLING | 6,101 | 120 | - | 1,551 | 4,670 |
| ZENG'S TEAM | 16 | 513 | - | 486 | 43 |

OKC CHARTER SANTA FE
SOUTH SCHOOLS NO. E-021
OKLAHOMA COUNTY, OKLAHOMA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
REGULATORY BASIS - ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

| | Beginning Balance As of July 1, 2018 | Total Receipts | Total Adjustments | Total Disbursements | Ending Balance As of June 30, 2019 |
|--|--|-------------------|----------------------|------------------------|--|
| LIABILITIES (Continued): | | | | | |
| MIDDLE SCHOOL ACTIVITIES (Continued): | | | | | |
| BASKETBALL | 833 | 6,081 | - | 3,621 | 3,293 |
| BASEBALL | 623 | 675 | - | 1,010 | 288 |
| HALE'S TEAM | 130 | 777 | - | 374 | 533 |
| SAVAGE'S TEAM | 27 | 880 | - | 875 | 32 |
| WELCH'S TEAM | \$ 20 | \$ 230 | \$ - | \$ - | 250 |
| SOFTBALL | 393 | 39 | - | - | 432 |
| OUTDOOR ED | 13,594 | 1,385 | 30 | 8,431 | 6,578 |
| DC TRIP | 405 | - | - | - | 405 |
| YEARBOOK | 1 | 5,681 | - | 4,902 | 780 |
| LANG'S TEAM | 1 | 846 | - | 588 | 259 |
| KELLER'S TEAM | 42 | - | - | - | 42 |
| LIBRARY ACCOUNT | - | 3,116 | - | 3,055 | 61 |
| PADDOCK'S TEAM | 173 | 472 | - | 527 | 118 |
| SOCCER | 1,586 | 8,354 | - | 6,568 | 3,372 |
| CROSS COUNTRY | 192 | 847 | - | 751 | 288 |
| TRACK | 1 | 1,697 | - | 1,410 | 288 |
| MANN TEAM | 253 | 701 | - | 662 | 292 |
| UNDERLANDERS | - | 667 | - | 650 | 17 |
| RUDEK TEAM | 52 | - | (52) | - | - |
| JOHNSON TEAM | 217 | 342 | - | 322 | 237 |
| CHOIR | 26 | 75 | - | - | 101 |
| WILKINS TEAM | 292 | 420 | - | 225 | 487 |
| LAKE TEAM | 314 | 469 | - | 421 | 362 |
| BARKER'S TEAM | 160 | 715 | - | 720 | 155 |
| JONE'S TEAM | 236 | 582 | - | 660 | 158 |
| BASKETBALL CONCESSIONS | 105 | - | - | - | 105 |
| MULLAN'S TEAM | 20 | 20 | - | - | 40 |
| KING'S TEAM | 25 | 75 | - | 75 | 25 |
| CAMP GODDARD | 6,672 | 13,587 | 58 | 981 | 19,336 |
| STAFF HOSPITALITY | 288 | 911 | - | 245 | 954 |
| DICUS' TEAM | 113 | 1,625 | - | 759 | 979 |
| CHESS CLUB | 42 | - | - | - | 42 |
| COMMUNITY GARDEN | 199 | - | - | - | 199 |
| NEW CONCESSION STAND | 3,932 | - | - | - | 3,932 |
| RITCHIE'S TEAM | 9 | 552 | - | 532 | 29 |
| CELL PHONE | 349 | - | - | - | 349 |
| R. STROUD'S TEAM | 212 | - | - | - | 212 |
| COWEN TEAM | 343 | 1,088 | - | 857 | 574 |
| SPANISH DEPT. | 30 | - | (30) | - | - |
| GIRLS BASKETBALL | 1,276 | - | - | - | 1,276 |
| HONEY BEES | 1,472 | - | - | - | 1,472 |
| 6TH GRADE LIBRARY | 276 | 59 | - | - | 335 |
| REDMAN TEAM | 505 | 380 | - | 411 | 474 |
| GORDON TEAM | - | 551 | - | 485 | 66 |
| SMITH TEAM | 6 | - | (6) | - | - |
| FACULTY SCHOLARSHIP | 100 | - | - | - | 100 |
| PRY TEAM | 82 | 221 | - | 230 | 73 |
| BOWEN | 25 | 886 | - | 704 | 207 |
| GONZALEZ'S TEAM | 8 | 350 | - | 273 | 85 |
| LAGUNES | 4 | 462 | - | 330 | 136 |
| STAHLMAN'S TEAM | 107 | 841 | - | 170 | 778 |
| LEDZEMA'S TEAM | 30 | 300 | - | 234 | 96 |
| STAHL'S TEAM | 352 | 533 | - | 273 | 612 |
| BALDEERA'S TEAM | 23 | 455 | - | 417 | 61 |
| DOAN | 156 | 725 | - | 740 | 141 |
| SIXTH GRADE SCIENCE | 38 | - | - | - | 38 |
| TOTAL MIDDLE SCHOOL ACTIVITIES | 54,447 | 73,825 | - | 59,531 | 68,741 |

OKC CHARTER SANTA FE
SOUTH SCHOOLS NO. E-021
OKLAHOMA COUNTY, OKLAHOMA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
REGULATORY BASIS - ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

| | Beginning Balance As of July 1, 2018 | Total Receipts | Total Adjustments | Total Disbursements | Ending Balance As of June 30, 2019 |
|---|--|-------------------|----------------------|------------------------|--|
| ELEMENTARY SCHOOL ACTIVITIES: | | | | | |
| GENERAL ACTIVITY | \$ 10,245 | \$ 7,612 | \$ - | \$ 12,640 | \$ 5,217 |
| STUDENT/TEACHER/PARENT | 40,021 | 37,905 | - | 36,787 | 41,139 |
| FIRST GRADE | 80 | - | - | - | 80 |
| ELEMENTARY TRIP | 3,312 | 43,062 | - | 45,239 | 1,135 |
| ECC GENERAL ACTIVITY | 5,832 | 16,724 | - | 7,680 | 14,876 |
| ECC STUDENT/TEACHER/PARENT | 14,774 | 13,098 | - | 19,222 | 8,650 |
| HILLS GENERAL ACTIVITY | 17,588 | 11,118 | - | 11,081 | 17,625 |
| HILLS STUDENT/TEACHER/PARENT | 21,272 | 58,520 | - | 42,598 | 37,194 |
| SPERO GENERAL ACTIVITY | 5,706 | 19,909 | - | 18,226 | 7,389 |
| SPERO STUDENT/TEACHER/PARENT | 2,673 | 32,670 | - | 21,784 | 13,559 |
| TOTAL ELEMENTARY SCHOOL ACTIVITIES | 121,503 | 240,618 | - | 215,257 | 146,864 |
| TOTAL LIABILITIES | \$ 426,234 | \$ 590,375 | \$ 2,358 | \$ 574,245 | \$ 444,722 |

See independent auditor's report.

OKC CHARTER SANTA FE
SOUTH SCHOOLS NO. E-021
OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

| Federal Grantor/Pass Through Grantor/Program Title | Federal CFDA Number | Grantor's Project Number | Beginning Balance 1-Jul-18 | Revenue Collected | Total Expenditures | Ending Balance 30-Jun-19 |
|--|---------------------------|--------------------------------|----------------------------------|----------------------|-----------------------|--------------------------------|
| U.S. Department of Agriculture: | | | | | | |
| Passed through Oklahoma Department of Education: | | | | | | |
| Child Nutrition Cluster: | | | | | | |
| School Breakfast Program | 10.553 | 764 | \$ - | \$ 305,203 | \$ 305,203 | \$ - |
| National School Lunch Program | 10.555 | 763 | - | 1,239,099 | 1,239,099 | - |
| Sub-total-Cash Assistance | | | - | 1,544,302 | 1,544,302 | - |
| Passed through Oklahoma Department of Human Services: | | | | | | |
| Non-cash Assistance (Commodities) | 10.555 | NA | - | 83,563 | 83,563 | - |
| Total Child Nutrition Cluster | | | | 1,627,865 | 1,627,865 | |
| Fresh Fruit/Vegetable Program | 10.582 | 768 | - | - | - | - |
| Total U.S. Department of Agriculture | | | - | 1,627,865 | 1,627,865 | - |
| U.S. Department of Education: | | | | | | |
| Passed through Oklahoma Department of Education: | | | | | | |
| Title I | 84.010 | 511 | - | 1,037,178 | 1,093,628 | (56,450) |
| Title I 2017-18 | 84.010 | 511 | (274,097) | 274,097 | - | - |
| Title I, School Support | 84.010 | 515 | - | 433 | 433 | - |
| Title I, School Support 2017-18 | 84.010 | 515 | (9,683) | 9,683 | - | - |
| Total Title I Program | | | (283,780) | 1,321,391 | 1,094,061 | (56,450) |
| Title II, Part A Improve Teachers | 84.367 | 541 | - | - | 165,479 | (165,479) |
| Title II, PartA Improve Teachers 2017-18 | 84.367 | 541 | (161,549) | 161,549 | - | - |
| Total for Title II Program | | | (161,549) | 161,549 | 165,479 | (165,479) |
| Title III, Part A, English Language | 84.365 | 572 | - | 75,601 | 136,824 | (61,223) |
| Title III, Part A, English Language 2017-18 | 84.365 | 572 | (15,823) | 15,823 | - | - |
| Total Title II Program | | | (15,823) | 91,424 | 136,824 | (61,223) |
| Special Education Cluster: | | | | | | |
| IDEA-B, Professional Development - District | 84.027 | 613 | - | 337 | 337 | - |
| IDEA-B, Professional Development - District | 84.027 | 615 | - | 3,744 | 3,876 | (132) |
| IDEA-B, Flowthrough | 84.027 | 621 | - | 558,433 | 564,198 | (5,765) |
| IDEA-B, Preschool | 84.173 | 641 | - | 3,540 | 4,077 | (537) |
| Total Special Education Cluster | | | - | 566,054 | 572,488 | (6,434) |
| Twenty-First Century Community Learning Centers 2017-18 | 84.287 | 553 | (41,716) | 41,716 | - | - |
| Total Twenty-First Century Program | | | (41,716) | 41,716 | - | - |
| Total U.S. Department of Education | | | (502,868) | 2,182,134 | 1,968,852 | (289,586) |
| Total Expenditures of Federal Awards | | | \$ (502,868) | \$ 3,809,999 | \$ 3,596,717 | \$ (289,586) |

The accompanying notes are an integral part of this schedule

OKC CHARTER SANTA FE
SOUTH SCHOOLS NO. E-021
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE A--BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of OKC Charter Santa Fe South Schools No. E-021 (the "School") under programs of the federal government for the year ended June 30, 2019. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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, changes in net assets, or cash flows of the School.

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on 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. The School has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE C--SUBRECIPIENTS

During the year ended June 30, 2019, the School did not provide any federal awards to subrecipients.

NOTE D—NON-MONETARY ASSISTANCE

Commodities received by the School in the amount of \$83,563 were of a non-monetary nature and therefore the total revenue does not agree with the financial statement by this amount. These commodities are reported at fair market value.

**REPORTS REQUIRED BY *GOVERNMENT AUDITING*
*STANDARDS AND UNIFORM GUIDANCE***



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
OKC Charter Santa Fe South Schools District No. E-021
Oklahoma County, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the combined fund type and fixed asset account group financial statements – regulatory basis of OKC Charter Santa Fe South Schools No. E-021, Oklahoma County, Oklahoma (the “School”), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School’s basic financial statements and have issued our report thereon dated January 27, 2020, 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 and did not conform to the presentation requirements of the Governmental Accounting Standards Board. In addition, 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.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 the School'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 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 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 School'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 School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Arledge & Associates, P.C." The signature is written in a cursive, flowing style.

January 27, 2020



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

The Honorable Board of Education
OKC Charter Santa Fe South Schools District No. E-021
Oklahoma County, Oklahoma

Report on Compliance for Each Major Federal Program

We have audited OKC Charter Santa Fe South Schools No. E-021, Oklahoma County, Oklahoma's (the "School"), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2019. The School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the School 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, 2019.

Report on Internal Control over Compliance

Management of 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 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 a material weakness. 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.



January 27, 2020

OKC CHARTER SANTA FE
SOUTH SCHOOLS NO. E-021
OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

Section I--Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements were in accordance with GAAP: *Adverse.*

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes none reported

Type of auditor's report issued on compliance for major federal programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes no

Identification of major federal programs:

| <u>Program</u> | <u>CFDA Number</u> |
|-------------------------|--------------------|
| Child Nutrition Cluster | * |
| Title I | 84.010 |

*Refer to the Schedule of Expenditures of Federal Awards for CFDA numbers related to these programs.

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? yes no

OKC CHARTER SANTA FE
SOUTH SCHOOLS NO. E-021
OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2019

Section II--Findings Required to be Reported in Accordance with *Government Auditing Standards*:

None to report for the June 30, 2019 period.

Section III--Finding Required to be Reported in Accordance with the Uniform Guidance:

None to report for the June 30, 2019 period.

OKC CHARTER SANTA FE
SOUTH SCHOOLS NO. E-021
OKLAHOMA COUNTY, OKLAHOMA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019

Finding 2018-001: Deposit Requirement – Activity Fund Deposit

Oklahoma Statute: Title 70 Section 5-129

Criteria: The School is required to deposit all funds and revenues, as defined in Title 70 Section 5-129, on hand by the end of the next business day if the deposit is over \$100. However, if the deposit for the day is less than \$100, a school district may accumulate monies required to be deposited into the fund on a daily basis until the total accumulated balance of deposits equals or exceeds \$100.

Condition: In our testing, two out of the fifteen receipts tested were noted as being over \$100 and were not deposited by the end of the next business day as required by Oklahoma Statute Title 70 Section 5-129.

Cause: The School does not track when funds are received. In our testing, we were able to view the date the checks were written but were not able to verify when the checks were received.

Effect: The checks that are received in the mail do not appear to meet the deposit requirement since there is no record of when the checks are received.

Recommendation: We recommend the School keep record of when all funds are received.

Management's response: Santa Fe South Schools created an Excel spreadsheet to record each check we receive. It will record the following: name of the person who wrote the check, name of the person who received the check, check number, amount of the check, date received, how we received it (mail or in person), and deposit date. All Activity Fund Custodians have received a copy of the spreadsheet and it will form part of the deposit supporting documentation.

Current year status: This finding has been corrected in the current period.

Finding 2018-002: Proper Documentation – Activity Fund Receipts

Oklahoma Cost Accounting System – OAC 210:25-5-13 (l) School Activity Fund

Criteria: The School Activity Fund Custodian is required to issue receipts for collections. Reconciliation documents should be filed in date order as part of the documentation for the School Activity Fund.

Condition: In our testing, one out of the fifteen receipts tested did not have proper supporting documentation.

OKC CHARTER SANTA FE
SOUTH SCHOOLS NO. E-021
OKLAHOMA COUNTY, OKLAHOMA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019

Finding 2018-002: Proper Documentation – Activity Fund Receipts (Cont’d)

Cause: The School did not keep a copy of the receipt issued.

Effect: We were not able to verify a receipt was issued by the School Activity Fund Custodian.

Recommendation: We recommend the School keep a copy of each receipt issued.

Management’s response: Santa Fe South Schools Activity Fund Custodians are required to issue receipts for collections. We do wish to note that only one of the fifteen receipts tested did not have proper supporting documentation. In this case the custodian deposited \$31.00 more than the receipt she made. It appears the Custodian simply forgot to update the receipt. Unfortunately, the Custodian resigned before the audit, so we were not able to verify this isolated case. By policy, all school’s activity fund custodians who collect money have receipt books and are required to use them properly. We have continued to provide ongoing training in this area.

Current year status: This finding has been corrected in the current period.

Finding 2018-003: Inclusion of Activity in All Funds

Criteria: The School is required to include financial data on all Fund groups in their annual financial statements.

Condition: After the original approval of the financial statements, it was determined that funds received and expended in the Gift Fund were not provided during the audit process and were not included in the original approved annual financial statements for the year ending June 30, 2018.

Cause: The design of the School’s internal control system was not sufficient to monitor and detect whether all Fund groups were provided for audit and included in the annual financial statements.

Effect: Activity of a material amount was not captured in the Gift Fund in the originally issued annual financial statements.

Recommendation: We recommend the School develop a checklist and process for the annual financial audit to assess and monitor that all documents are properly provided for the audit and all activity is accurately reflected in the approved annual financial statements.

Management’s response: Santa Fe South Schools, Inc. has developed a checklist and process for the annual financial audit review.

Current year status: This finding has been corrected in the current period.

OKC CHARTER SANTA FE
SOUTH SCHOOLS NO. E-021
OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL
LIABILITY INSURANCE AFFIDAVIT
JULY 1, 2018 TO JUNE 30, 2019

State of Oklahoma)

County of Oklahoma)

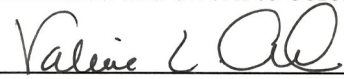
The undersigned auditing firm, representative of lawful age, being first duly sworn on oath, says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with OKC Charter Santa Fe South Schools No. E- 021 for the audit year 2018-2019.

Arledge and Associates, P.C.
Certified Public Accountants

Auditing Firm

By 
Authorized Agent

Subscribed and sworn to before me on this 17th day of Feb, 2019.


Notary Public

