



Financial Statements – Regulatory Basis
And Reports Required by Uniform Guidance
June 30, 2023

Santa Fe South Schools No. G-021

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying combined fund type and account group financial statements – regulatory basis of Santa Fe South Schools No G-021 (the School) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effect of the matter described in the Basis for Qualified Opinion on Regulatory Basis of Accounting section of our report, the accompanying 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, 2023, and the revenues it received and expenditures it paid and encumbered and the budgetary comparison for the general fund for the year then ended in conformity with the basis of accounting described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinions

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

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 1, the financial statements referred to in the first paragraph 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.

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

As described more fully in Note 1 of the financial statements, the financial statements are prepared by the School 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 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 and pervasive.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's financial statements. The combining statement of changes in assets and liabilities – regulatory basis – all agency funds and the schedule of expenditures of federal awards as listed in the accompanying table contents are presented for purpose of additional analysis and are not a required part of the basic financial statements.

The accompanying Schedule of Expenditures of Federal Awards is presented for the 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 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 statement of changes in asset 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the statement of statutory and honest bonds and the schedule of accountant's professional liability insurance affidavit but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2024 on our consideration of the Santa Fe South Schools No G-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 the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

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

Oklahoma City, Oklahoma
March 25, 2024

OKC Charter
Santa Fe South Schools No G-021
Combined Statement of Assets, Liabilities, and Fund Balances
Regulatory Basis – All Fund Types
June 30, 2023

	Governmental Fund Types		Fiduciary Fund Types	Totals (Memorandum Only)
	General Fund	Building Fund	Student Agency Funds	
Assets				
Cash and investments	\$ 5,766,066	\$ 434,011	\$ 646,648	\$ 6,846,725
	<u>\$ 5,766,066</u>	<u>\$ 434,011</u>	<u>\$ 646,648</u>	<u>\$ 6,846,725</u>
Liabilities and Fund Balances				
Liabilities				
Warrants payable	\$ 330,620	\$ -	\$ 37,697	\$ 368,317
Encumbrances	1,662,436	-	-	1,662,436
Funds held for school organizations	-	-	608,951	608,951
Reserves	<u>-</u>	<u>70,050</u>	<u>-</u>	<u>70,050</u>
Total Liabilities	<u>1,993,056</u>	<u>70,050</u>	<u>646,648</u>	<u>2,709,754</u>
Fund Balances:				
Restricted	-	363,961	-	363,961
Unassigned	<u>3,773,010</u>	<u>-</u>	<u>-</u>	<u>3,773,010</u>
Fund Balances, End of Year	<u>3,773,010</u>	<u>363,961</u>	<u>-</u>	<u>4,136,971</u>
Total Liabilities and Fund Balances	<u>\$ 5,766,066</u>	<u>\$ 434,011</u>	<u>\$ 646,648</u>	<u>\$ 6,846,725</u>

OKC Charter
Santa Fe South Schools No G-021
 Combined Statement of Revenues, Expenditures and Changes in
 Fund Balances – Regulatory Basis – All Governmental Types
 For the Year Ended June 30, 2023

	Governmental Fund Types		Totals (Memorandum Only)
	General Fund	Building Fund	
Revenues:			
Local sources	\$ 3,283,575	\$ -	\$ 3,283,575
State sources	28,738,662	1,342,857	30,081,519
Federal sources	7,952,101	-	7,952,101
Total Revenues	39,974,338	1,342,857	41,317,195
Expenditures			
Instruction	17,983,126	-	17,983,126
Support Services	20,062,769	978,896	21,041,665
Non-Instruction Services	1,695,449	-	1,695,449
Other Outlays	318,263	-	318,263
Total Expenditures	40,059,607	978,896	41,038,503
Excess (Deficiency) of Revenues over (under) Expenditures	(85,269)	363,961	278,692
Adjustments to Prior year Encumbrances	36,414	-	36,414
Net Change in Fund Balance	(48,855)	363,961	315,106
Beginning Fund Balance	3,821,865	-	3,821,865
Ending Fund Balances	\$ 3,773,010	\$ 363,961	\$ 4,136,971

OKC Charter
Santa Fe South Schools No G-021
 Combined Statement of Revenues, Expenditures, and Changes in
 Fund Balances – Budget and Actual – Regulatory Basis – General Fund
 June 30, 2023

	General Fund		
	Original Budget	Final Budget	Actual
Revenues:			
Local sources	\$ 2,917,200	\$ 2,917,200	\$ 3,283,575
State sources	28,726,022	28,726,022	28,738,662
Federal sources	10,379,671	10,379,671	7,952,101
Total Revenues	42,022,893	42,022,893	39,974,338
Expenditures			
Instruction	19,000,000	19,000,000	17,983,126
Support Services	20,565,200	20,565,200	20,062,769
Non-Instruction Services	1,620,000	1,620,000	1,695,449
Other Outlays	744,250	744,250	318,263
Total Expenditures	41,929,450	41,929,450	40,059,607
Excess (Deficiency) of Revenues over (under) Expenditures	93,443	93,443	(85,269)
Adjustments to Prior year Encumbrances	-	-	36,414
Net Change in Fund Balance	93,443	93,443	(48,855)
Beginning Fund Balance	5,121,468	5,121,468	3,821,865
Ending Fund Balances	\$ 5,214,911	\$ 5,214,911	\$ 3,773,010

Note 1 - Summary of Significant Accounting Policies

The accompanying financial statements of OKC Charter Santa Fe South Schools No G-021 (the “School” or “SFS”) conform to the regulatory basis of accounting, which is another 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 No G-021, Inc., an Oklahoma not-for-profit corporation, was formed for the benefit of the School. Effective July 1, 2021, the School entered into a five-year charter contract with Oklahoma City Community College (OCCC). The SFS Board believes OCCC is a better fit as the school’s authorizer to meet its long-term goals. Along with the cost savings under this new contract, many SFS students may take concurrent courses at OCCC and the SFS Pathways Middle College is housed on OCCC’s campus.

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 No G-021, Inc. Santa Fe South Schools No G-021, 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, 2023.

Although Santa Fe South Schools No G-021, 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 types:

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.

Building Fund - The Building Fund is used to account for revenues and expenditures related to authorized construction and other capital asset acquisitions.

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.

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. There were no such funds in 2023.

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. The District has classified school constructions and building maintenance expenditures as being restricted because their use is restricted by state statute or legislation regarding use of expenditures.

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, 2023.

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, 2023.

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 their 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

The School maintains its cash in bank deposit accounts which periodically exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. The School's cash deposits are partially covered by 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. At June 30, 2023, the School had approximately \$647,000 in excess of FDIC-insured limits that were not 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, 2023.

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

Note Payable

The School entered into a debt agreement with Charter Schools Development Corporation (CSDC) in the amount of \$2,000,000 with an interest rate of 6.5% 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 remaining balance in the form of a balloon payment was paid on January 19, 2023. There were no amounts due as of June 30, 2023.

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, 2023. Further, DevCorp made direct donations of approximately \$1.5 million to the School during the year ended June 30, 2023.

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, 2023, the School did not reduce insurance coverage from coverage levels in place as of June 30, 2022. No settlements have exceeded coverage levels in place during 2023.

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 G-021

Other Supplementary Information
June 30, 2023

OKC Charter
Santa Fe South Schools No G-021
Combining Statement of Changes in Assets and
Liabilities – Regulatory Basis – All Agency Funds
June 30, 2023

	Ending Balance as of June 30, 2022	Total Receipts	Total Adjustments	Total Disbursements	Ending Balance as of June 30, 2023
ASSETS					
ASSETS HELD FOR STUDENT GROUPS	\$ 683,276	\$ 41,545	\$ -	\$ 78,173	\$ 646,648
TOTAL ASSETS	\$ 683,276	\$ 41,545	\$ -	\$ 78,173	\$ 646,648
LIABILITIES					
WARRANTS PAYABLE	\$ 47,838	\$ -	\$ (10,141)	\$ -	\$ 37,697
HIGH SCHOOL ACTIVITIES					
BAND	\$ 4,273	\$ 23,732	\$ -	\$ 19,133	\$ 8,872
AMBROSIOUS HOUSE	219	2,021	(250)	146	1,844
ATHLETICS	5,545	43,659	-	43,912	5,292
PRINCIPAL FRONT DESK	3,479	2,785	2,545	3,721	5,088
ALPHA SENIORS	588	11,865	-	8,709	3,744
VOLLEYBALL	3,307	9,463	-	6,733	6,037
SOFTBALL	1,109	11,733	-	737	12,105
BASKETBALL BOYS	610	658	-	102	1,166
RENDON TEAM	1,373	-	(1,373)	-	-
CHOIR	1,253	12,543	-	10,683	3,113
CAPITAL CAMPAIGN	98,820	7,949	-	1,500	105,269
SOCCER	5,734	12,777	100	12,908	5,703
COMMUNITY ASSISTANCE FUND	1,673	3,029	(2,100)	-	2,602
ALPHA	1,687	380	-	933	1,134
ROWING	337	-	-	-	337
BASKETBALL GIRLS	489	294	-	721	62
WRESTLING	4,059	37,336	-	3,900	37,495
TRACK	511	-	-	132	379
INGE TEAM	921	-	(921)	-	-
NEWBERG'S TEAM	337	-	-	-	337
COBB'S TEAM	18	-	-	-	18
BASEBALL	903	12,228	-	9,216	3,915
PEREZ TEAM	162	-	(162)	-	-
STUDENT COUNCIL/LEADERS	11,454	30,152	2,100	38,922	4,784
SENIORS 2021	27	49,228	(11,696)	19,799	17,760
PTW - CHOIR	175	2,298	-	1,831	642
DANCE	2,917	26,885	-	26,075	3,727
JEWELRY AND METALS	-	137	-	-	137
NICOSTRATUS HOUSE	148	402	(250)	96	204
FACILITIES RENTAL	23,288	11,802	-	-	35,090
RENNIE BERRY SCHOLARSHIP	300	-	-	-	300
YEARBOOK	-	13,060	6,776	1,449	18,387
SPED STORE	1,465	1,792	-	2,655	602
PICKUP'S TEAM	49	-	-	-	49
GAME CLUB	18	-	(18)	-	-
SALGADO'S TEAM	9	120	-	-	129
SPECIAL OLYMPICS	1,600	1,716	-	843	2,473
HOOVERS' TEAM	-	181	-	131	50
VALERIUS HOUSE	2,084	1,307	(250)	1,786	1,355
BALDERAS' TEAM	64	1,495	-	920	639
PROM ACCOUNT	4,349	5,720	4,920	3,500	11,489
GUZMAN'S TEAM	-	120	-	-	120
SAPIENTIA HOUSE	413	51	(250)	47	167
VARA'S TEAM	-	360	-	336	24
PUCCIARELLIS' TEAM	362	53	-	-	415
SCHERSCHLIGTHS TEAM	7	-	-	-	7
RIEDEL'S TEAM	1,908	925	-	203	2,630
PTW-STUDENTS UNIFORMS	160	-	-	-	160
PTW- NHS	1,730	1,052	-	1,067	1,715
PTW-YEARBOOK	329	-	-	-	329

(continued on next page)

OKC Charter
Santa Fe South Schools No G-021
Combining Statement of Changes in Assets and
Liabilities – Regulatory Basis – All Agency Funds
June 30, 2023

Activities	Ending Balance as of June 30, 2022	Total Receipts	Total Adjustments	Total Disbursements	Ending Balance as of June 30, 2023
HIGH SCHOOL ACTIVITIES (Continued)					
TUTORING	\$ -	\$ 5,000	\$ -	\$ -	\$ 5,000
CROSS COUNTRY	53	2,804	-	1,303	1,554
CHEERLEADING	1,679	12,530	(100)	7,689	6,420
GENERAL ACTIVITY	191	200	-	46	345
PATHWAYS GENERAL ACCT	6,234	6,483	1,000	6,931	6,786
RENTERIA'S TEAM	2,041	-	-	1,008	1,033
GLENN'S TEAM	118	-	-	-	118
BREWSTER SCHOLARSHIP	1,568	1,500	-	1,500	1,568
BECK TEAM	36	-	(36)	-	-
ART	458	-	-	-	458
E-SPORTS TEAM	-	-	18	-	18
DELGADO TEAM	51	-	(50)	-	1
MAYFLOWER DONATION	2,954	-	-	-	2,954
HITCHCOCKS TEAM	168	-	-	-	168
NATIONAL MATH HONOR SOC	428	-	-	-	428
PATHWAYS 2021	6,467	16,311	(1,400)	10,809	10,569
PATHWAYS 2017	50	-	-	-	50
PATHWAYS PROM	1,214	4,705	1,400	4,482	2,837
P. CRITTENDEN SCHOLARSHIP	500	-	-	-	500
GO BLUE HAT FOUNDATION	1	-	-	-	1
STONE'S TEAM	2	-	(2)	-	-
YAN'S TEAM	1	-	(1)	-	-
GREENWOOD'S TEAM	218	-	-	-	218
DISTRICT GENERAL ACTIVITY	4,642	17,861	-	21,105	1,398
PTW-STP	-	1,327	-	15	1,312
PATHWAY SCHOLARSHIP	2,896	880	-	-	3,776
FONT'S TEAM	525	-	-	-	525
JIMENEZ TEAM	170	-	-	-	170
DRAMA	964	-	-	-	964
PHOTOGRAPHY CLUB	745	-	-	-	745
SFS RESILIENCE SCHOLARSHIP	21,445	-	-	-	21,445
FACULTY SCHOLARSHIP	1,361	-	-	-	1,361
PTW - HOPE CLUB	993	2,298	-	187	3,104
PTW-STEAM	534	-	-	100	434
PTW S/T/P	22	-	-	-	22
FUDGE FAMILY DONATION	240	-	-	-	240
TOTAL HIGH SCHOOL ACTIVITIES	<u>249,232</u>	<u>413,207</u>	<u>-</u>	<u>278,021</u>	<u>384,418</u>

(continued on next page)

OKC Charter
Santa Fe South Schools No G-021
Combining Statement of Changes in Assets and
Liabilities – Regulatory Basis – All Agency Funds
June 30, 2023

Activities	Ending Balance as of June 30, 2022	Total Receipts	Total Adjustments	Total Disbursements	Ending Balance as of June 30, 2023
MIDDLE SCHOOL ACTIVITIES					
GENERAL ACTIVITY	932	5,572	636	2,623	4,517
CHEERLEADING	1,670	2,461	-	2,908	1,223
JANZ'S TEAM	75	154	(75)	-	154
STUDENT COUNCIL	6,779	2,883	-	3,168	6,494
QUIZ BOWL	548	-	-	-	548
VOLLEYBALL	316	-	-	-	316
DOW'S TEAM	79	196	-	198	77
CONCESSIONS	2,483	-	-	1,416	1,067
SFS FAMILIA	321	-	-	-	321
NARSINGARI'S TEAM	284	-	-	-	284
BOYS BASKETBALL	2,199	-	-	-	2,199
WHITE'S 'S TEAM	243	163	-	340	66
BASEBALL	3,100	539	-	1,550	2,089
MORRISON'S TEAM	361	230	-	231	360
GOMEZ-PEREZ'S TEAM	84	408	-	391	101
SOFTBALL	430	2,917	-	453	2,894
OUTDOOR ED	17,697	11,432	-	19,623	9,506
DC TRIP	-	25	-	-	25
YEARBOOK	1,685	3,036	-	75	4,646
LANG'S TEAM	489	-	-	-	489
M MANN'S TEAM	680	520	-	521	679
LIBRARY ACCOUNT	308	474	335	-	1,117
BARKER'S TEAM	178	-	-	-	178
SOCCER	935	1,190	-	1,050	1,075
CROSS COUNTRY	2,098	-	-	-	2,098
TRACK	488	-	-	-	488
HARGROVE'S TEAM	13	-	-	-	13
RUDEK'S TEAM	-	180	(180)	-	-
JOHNSON TEAM	36	90	-	-	126
E BENNETT'S TEAM	158	-	-	-	158
LAKE TEAM	83	-	(83)	-	-
WILSON' TEAM	140	-	-	-	140
ORTEGA'S TEAM	21	369	-	348	42
SMITH'S TEAM	1,009	-	-	-	1,009
CAMP GODDARD	9,625	7,610	-	9,216	8,019
STAFF HOSPITALITY	1,406	-	-	-	1,406
DICUS' TEAM	44	1	-	-	45
PAULSON TEAM	29	-	-	-	29
BENNETTS TEAM	-	30	-	-	30
CELL PHONE	9	-	-	-	9
MCCOURRY TEAM	540	-	-	-	540
K MANN TEAM	101	-	-	-	101
GIRLS BASKETBALL	686	-	-	-	686
6TH GRADE LIBRARY	335	-	(335)	-	-
REDMAN TEAM	131	460	-	588	3
GORDON TEAM	24	-	-	-	24
SPELLS TEAM	316	-	-	-	316
FACULTY SCHOLARSHIP	100	-	-	-	100
MISHRA'S TEAM	47	60	-	-	107
MENDEZ TEAM	69	480	-	448	101
GONZALEZ'S TEAM	46	365	(46)	355	10
IBARRA'S TEAM	26	336	(26)	330	6
RIOS' TEAM	-	352	-	341	11
BUSTO'S TEAM	169	677	(169)	416	261
HICK'S TEAM	88	286	(88)	286	-
BURRIS' TEAM	150	252	(150)	252	-
TOTAL MIDDLE SCHOOL ACTIVITIES	59,863	43,748	(181)	47,127	56,303

(continued on next page)

OKC Charter
Santa Fe South Schools No G-021
Combining Statement of Changes in Assets and
Liabilities – Regulatory Basis – All Agency Funds
June 30, 2023

Activities	Ending Balance as of June 30, 2022	Total Receipts	Total Adjustments	Total Disbursements	Ending Balance as of June 30, 2023
ELEMENTARY SCHOOL ACTIVITIES					
GENERAL ACTIVITY	\$ 18,392	\$ 7,549	\$ -	\$ 6,384	\$ 19,557
STUDENT/TEACHER/PARENT	26,032	34,377	-	33,933	26,476
SPERO ECC GENERAL ACTIVITY	1,476	3,965	-	2,694	2,747
SPERO ECC STP	6,377	20,626	-	14,147	12,856
ELEMENTARY TRIP	1,215	55	-	-	1,270
ECC GENERAL ACTIVITY	15,908	18,763	-	16,798	17,873
ECC	9,793	3,799	-	3,642	9,950
HILLS GENERAL ACTIVITY	56,773	52,684	-	48,519	60,938
HILLS	7,967	-	-	98	7,869
SPERO GENERAL ACTIVITY	7,134	12,473	-	14,970	4,637
SPERO	5,113	-	-	5,039	74
SIXTH GRADE SCIENCE	38	-	-	-	38
PATHWAYS STUDENT	2,060	1,600	-	1,014	2,646
PATHWAYS BAND	418	987	-	400	1,005
HILLS THE LEARNING CENTER	0	120	180	0	300
TOTAL ELEMENTARY SCHOOL ACTIVITIES	158,696	156,998	180	147,638	168,236
ROUNDING	(2)	(8)	-	(1)	(6)
STUDENT GROUP TOTALS	467,789	613,945	-	472,785	608,951
TOTAL LIABILITIES	<u>\$ 517,105</u>	<u>\$ 613,945</u>	<u>\$ (10,141)</u>	<u>\$ 472,785</u>	<u>\$ 646,648</u>

Note 1- Basis of Presentation

The above schedule and format are 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, 2022 until November 13, 2023.

The School Director of Finance/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, 2022 until November 13, 2023.

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, 2022 until July 28, 2023.

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 until cancelled.

OKC Charter
Santa Fe South Schools No G-021
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Beginning Balance June 30, 2022	Federal Grant Receipts	Federal Grant Expenditures	Ending Balance June 30, 2023
<u>U.S. Department of Agriculture</u>						
Passed through the Oklahoma State Department of Education						
Cash assistance:						
National School Lunch Program (NSLP)	10.555	763	\$ 687,995	\$ 1,639,703	\$ 849,261	\$ 1,478,437
NSLP - Commodity Credit Corporation - Supply Chain	10.555	759	77,354	104,816	77,354	104,816
NSLP - Emergency Operational Cost Reimbursement	10.555	762	71,836	-	71,836	-
School Breakfast Program	10.553	764	200,408	368,303	568,711	-
Total			<u>1,037,593</u>	<u>2,112,822</u>	<u>1,567,162</u>	<u>1,583,253</u>
Non-Cash assistance (Commodities):						
National School Lunch Program	10.555	N/A	-	174,525	174,525	-
Non-Cash Assistance Subtotal			<u>-</u>	<u>174,525</u>	<u>174,525</u>	<u>-</u>
Child Nutrition Cluster			<u>1,037,593</u>	<u>2,287,347</u>	<u>1,741,687</u>	<u>1,583,253</u>
Passed through the Oklahoma State Department of Education						
P-EBT Program	10.649	760	-	3,135	-	3,135
Total U.S. Department of Agriculture			<u>1,037,593</u>	<u>2,290,482</u>	<u>1,741,687</u>	<u>1,586,388</u>
<u>U.S. Department of Education</u>						
Passed through the Oklahoma State Department of Education						
COVID-19 Elementary and Secondary School						
Emergency Relief Fund (ESSER)						
COVID-19 - ESSER II Formula Funds	84.425D	793	-	416,397	520,457	(104,060)
COVID-19 - ESSER II Formula Funds FY21-22	84.425D	793	(413,577)	413,577	-	-
COVID-19 - ESSER III (American Rescue Act)	84.425U	795	-	1,890,980	3,042,842	(1,151,862)
COVID-19 - ESSER III (American Rescue Act) FY21-22	84.425U	795	(845,555)	845,555	-	-
COVID-19 - ESSER III (American Rescue Act) - School						
Counselor Corps Grant	84.425U	722	-	46,176	57,000	(10,824)
COVID-19 - ESSER III (American Rescue Act) - School						
Counselor Corps Grant FY21-22	84.425U	722	(12,500)	12,500	-	-
COVID-19 - ESSER III (American Rescue Act) - Student						
Teaching Stipend	84.425U	725	-	5,247	5,247	-
Total ESSER			<u>(1,271,632)</u>	<u>3,630,432</u>	<u>3,625,546</u>	<u>(1,266,746)</u>

OKC Charter
Santa Fe South Schools No G-021
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Beginning Balance June 30, 2022	Federal Grant Receipts	Federal Grant Expenditures	Ending Balance June 30, 2023
Title I, Part A Improving Basic Programs	84.010	511/785	(700)	1,258,833	1,553,622	(295,489)
Title II, Part A Teacher & Principal Training	84.367	541/785	-	39,193	39,193	-
Title II, Part A Teacher & Principal Training FY21-22	84.367	541/785	(18,530)	18,530	-	-
Total Title I			(18,530)	57,723	39,193	-
Title III, Part A, English Language	84.365	571/785	-	150,713	150,713	-
Title IV- SSAE Grant	84.424A	552/785	-	95,693	95,693	-
Special Education Cluster:						
IDEA - Professional Development - District FY21-22	84.027	613	(1,165)	1,165	-	-
IDEA - Professional Development - District	84.027	615	-	3,480	3,480	-
IDEA - Professional Development - District FY21-22	84.027	615	(5,499)	5,499	-	-
IDEA - Flowthrough	84.027	621	-	360,708	634,425	(273,717)
IDEA - Flowthrough FY21-22	84.027	621	(179,714)	179,714	-	-
IDEA - Preschool	84.173	641	-	4,883	4,883	-
COVID-19- American Rescue Plan -IDEA B Flow Through	84.027X	628	-	11,174	15,350	(4,176)
COVID-19- American Rescue Plan -IDEA B Flow Through FY21-22	84.027X	628	(28,909)	28,909	-	-
COVID-19- American Rescue Plan -IDEA B Preschool	84.027X	643	-	10,018	10,018	-
Total Special Education Cluster			(215,287)	605,550	668,156	(277,893)
Total U.S. Department of Education			(1,506,149)	5,798,944	6,132,923	(1,840,128)
<u>U.S. Department of Health and Human Services</u>						
Passed through the Oklahoma State Department of Education						
Medicaid Cluster	93.778	698	32,633	37,198	3,975	65,856
Total U.S. Health and Human Services			32,633	37,198	3,975	65,856
<u>Other Federal Assistance:</u>						
OPSCR CSP Grant	84.282	770	-	-	620,727	(620,727)
Total Other Federal Assistance			-	-	620,727	(620,727)
Total Federal Financial Assistance			<u>\$ (435,923)</u>	<u>\$ 8,126,624</u>	<u>\$ 8,499,312</u>	<u>\$ (808,611)</u>

Note 1 - 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, 2023. 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 2 - 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. When applicable, 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 3 - Indirect Cost Rate

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

Note 4 - Food Donation

Nonmonetary assistance is reported in this schedule at the fair market value of the commodities received and disbursed. The School had food commodities totaling approximately \$174,500 for the year ended June 30, 2023.



Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Education
OKC Charter Santa Fe South Schools No G-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 (*Government Auditing Standards*), the combined fund type and fixed asset group financial statements – regulatory basis of OKC Charter Santa Fe South Schools No G-021 (the School) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise OKC Charter Santa Fe South Schools No G-021's basic financial statements, and have issued our report thereon dated March 25, 2024. 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 G-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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Santa Fe South Schools No G-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.



Oklahoma City, Oklahoma
March 25, 2024



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 G-021
Oklahoma City, Oklahoma

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited OKC Charter Santa Fe South Schools No G-021's compliance with types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on OKC Charter Santa Fe South Schools No G-021's major federal programs for the year ended June 30, 2023. OKC Charter Santa Fe South Schools No G-021's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, OKC Charter Santa Fe South Schools No G-021 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of OKC Charter Santa Fe South Schools No G-021 (the School) and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of OKC Charter Santa Fe South Schools No G-021's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-002 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the School's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The School's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 25, 2024

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	Yes

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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Identification of Major Programs:

<u>Name of Federal Program</u>	<u>Federal Financial Assistance Listing</u>
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COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D, 84.425U
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Child Nutrition Cluster	10.555, 10.553
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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

2023-001	U.S. Department of Education, COVID-19: Elementary and Secondary School Emergency Relief Funds (ESSER) Assistance Listing Number 84.425D, 84.425U Equipment Management Significant Deficiency in Internal Control over Compliance
Criteria:	Capital expenditures for general and special purpose equipment purchases are subject to prior approval by ED or the pass-through entity. In addition, with prior approval by the ED or the pass-through entity, recipients and subrecipients may also use ESF funds to purchase real property, perform construction or minor remodeling, and for improvements to land, buildings, or equipment that meet the overall purpose of the ESF program, which is “to prevent, prepare for, and respond to” the COVID-19 pandemic.
Condition:	Two inventory items were improperly assigned (entered) in the inventory system for the ESSER funds that should have been charged to the general fund.
Cause:	The District does not appear have formal policies in place for ensuring the accuracy of all inventory purchases.
Effect:	Unallowable property items were assigned to the ESSER funds in the inventory system.
Questioned costs:	None reported.
Context:	Out of our sample of 60 items, 2 items should have been charged to the general fund instead of ESSER. Nonstatistical sampling was used.
Repeat Finding From Prior Year:	No
Recommendation:	The procedures should be updated to ensure that the costs charged to the program meet the requirements established by ESSER and the state department of education.
Views of Responsible Officials:	We agree with the finding.

OKC Charter
Santa Fe South Schools No G-021
Schedule of Accountant's Professional Liability Insurance Affidavit (unaudited)
For the Year Ended June 30, 2023

STATE OF OKLAHOMA

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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 2022-2023.

Eide Bailly, LLP

BY Vanessa M. Butler

Subscribed and sworn to before me on this 25th day of March, 2023.

[Signature]

Notary Public

My commission expires 01/10/2028

