



Financial Statements and  
Reports Required by Uniform Guidance

# Norman Independent School District No. 29

June 30, 2021

Norman Independent School District No. 29

Cleveland County, Oklahoma

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June 30, 2021

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## Independent Auditor's Report

To the Board of Education  
Norman Independent School District No. 29  
Norman, Oklahoma

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Norman Independent School District No. 29 (the District) as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

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

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## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Norman Independent School District No. 29, as of June 30, 2021, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule – General Fund, the schedule of District's proportionate share of the net pension liability, the schedule of District's contributions - pension, the schedule of District's proportionate share of the net OPEB liability (asset), and the schedule of District's contributions - OPEB on pages 4 through 11 and 42 through 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining nonmajor fund financial statements; the budgetary comparison schedule – Building Fund; the budgetary comparison schedule – Child Nutrition Fund; the combining schedule of changes in assets and liabilities – all activity funds; the schedule of statutory, fidelity, and honesty bonds; and the schedule of accountants' professional liability insurance affidavit are presented for purposes 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 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 financial statements.

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

The budgetary comparison schedule – Building Fund; budgetary comparison schedule – Child Nutrition Fund; the schedule of statutory, fidelity and honesty bonds; and the schedule of accountants’ professional liability insurance affidavit have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2021 on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control over financial reporting and compliance.

The image shows a handwritten signature in black ink that reads "Eide Sully LLP". The signature is written in a cursive, flowing style.

Oklahoma City, Oklahoma  
December 3, 2021

This section of Norman Independent School District's (NISD or the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2021. Please read it in conjunction with the District's financial statements, which immediately follow this section.

These statements reflect the implementation of GASB statements 68 and 71 all addressing the accounting and presentation of pension plans which impacts the district-wide financial statements but not the fund financial statements for both years presented. For the District, this includes the District's portion of the unfunded liability of the Oklahoma Teachers Retirement System (OTRS) to the district-wide financial statements. While the implementation of these standards have had a significant impact on the statements by decreasing net position, management does not believe that it indicates a true negative impact on the financial condition of the institution.

### FINANCIAL HIGHLIGHTS

- The District's financial status decreased by approximately \$4.6 million from last year. Total net position decreased approximately 5 percent over the course of the year.
  - Overall revenues were \$172.7 million and overall expenses were \$177.3 million in FY2021. This is compared to FY2020 revenues of \$173.2 million and expenses of \$155.9 million.
  - The District's portion of the net pension liability increased by \$61.3 million to \$157.3 million due to a larger overall pension liability percentage for Oklahoma Teachers Retirement System for the District.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

	<u>District-wide Statements</u>	<u>Fund Financial Statements Governmental Funds</u>
<b>Scope</b>	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building Maintenance
<b>Required financial statements</b>	1) Statement of net position 2) Statement of activities	1) Balance Sheet 2) Statement of revenues, expenditures, and changes in fund balances
<b>Accounting basis and measurement focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
<b>Type of asset/liability information</b>	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included
<b>Type of inflow/outflow information</b>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable

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

### **District-wide Statements**

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the District's assets and liabilities. It also includes deferred inflows and deferred outflows related to the District. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. As stated above, the district-wide statements were significantly impacted by the implementation of new standards related to recording the District's portion of the net pension liability.

The two district-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources – is one way to measure the District's financial health or *position*.

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

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

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

### **Fund Financial Statements**

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

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

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

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

**Table A-1**  
**Norman Public School's Net Position**  
 (in millions of dollars)

	FY2021	FY2020
Assets		
Current and other assets	\$ 69.8	\$ 78.0
Capital assets	345.6	356.0
Total assets	415.4	434.0
Deferred outflows of resources - pensions/OPEB	71.7	35.4
Liabilities		
Current and other liabilities	9.9	11.1
Long term debt, including current maturities	209.1	238.5
Net pension liability	157.3	96.0
Total liabilities	376.3	345.6
Deferred inflows of resources - pensions/OPEB	25.7	34.1
Net position		
Net investment in capital assets	153.8	133.7
Restricted	29.6	37.1
Unrestricted	(98.3)	(81.1)
	\$ 85.1	\$ 89.7

**Net Position.**

As a result of the pension standards reflected in both fiscal years presented, the District's unrestricted net position is in a deficit position, increasing the deficit by \$17.2 million in FY21 (See Table A-1). Again, management does not believe that this indicates a true negative impact on the financial condition of the institution.

The District's change in financial position is the product of many factors. A growth during the year in Federal and state grants and in taxes had a favorable impact on net position, but that was offset by the decrease in State entitlement payments.

**Table A-2**  
**Changes in Norman Public School's Net Position**  
 (in millions of dollars)

	FY2021	FY2020
Revenues		
Program Revenues		
Charges for services	\$ 4.5	\$ 5.7
Federal and state grants	20.6	18.4
General revenues		
Property taxes	75.4	71.6
Other taxes	13.8	13.4
State entitlement	57.0	62.8
Other	1.4	1.3
Total revenues	172.7	173.2
Expenses		
Program expenses		
Instruction	100.8	82.3
Support services	57.3	53.5
Non-instruction	4.5	5.9
Interest on long-term debt	3.5	3.6
Depreciation - unallocated	11.2	10.6
Total expenses	177.3	155.9
Increase (Decrease) in net position	\$ (4.6)	\$ 17.3

**Changes in net position.** The District's total revenues decreased \$500,000 to \$172.7 million. (See Table A-2) Property taxes and state entitlement funds accounted for most of the District's revenue, with each contributing about 77 cents of every dollar raised. Another 11.9 percent came from state and federal aid for specific programs, and the remainder from fees charged for services and miscellaneous sources. Total expenses surpassed revenues, decreasing net position by \$4.6 million.

The total cost of all programs and services increased by \$21.4 million between the two years due to the increases in expenses and decrease in revenues. The District's expenses are predominantly related to educating and caring for students (80-90 percent). The purely administrative activities of the District accounted for less than 1 percent of total costs.

The most significant contributors to the fluctuation in net position were the funds used to purchase or build capital assets, and also the funds necessary for repayment of principal on long-term debt issues. Repayments on long-term debt this year were more than debt issued in FY21. The net pension liability and the related deferred inflows and outflows of resources also created significant fluctuations largely due to actuarial factors related to the liability.

### **FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

As the District completed the year, its governmental funds reported *combined* fund balances of \$54.6 million, compared to last year's ending fund balances of \$61.5 million. In comparison to FY20's net increase in fund balance of \$9.5 million, this year's decrease was \$7.0 million largely due an increase in capital outlays.

#### **General Fund Budgetary Highlights**

At the beginning of the 2021 fiscal year, the District's State Entitlement funds (the State Aid Formula funds) were decreased by approximately \$2,000,000 from the previous fiscal year. This was due to a decrease in state funding and an increase in statewide WADM. This initial allocation in State Aid was decreased by \$4,000,000 in January, when the mid-term adjustments were made by the State Department of Education. Our district experienced 6.6% local growth in assessed valuation, but due to the COVID-19 pandemic's impact, our District's first nine weeks student enrollment decreased by 1,870 students from the prior year. With no enrollment growth to offset the ad valorem chargeable increase, the district experienced the large reduction in State Aid.

- Actual revenues were higher than expected at mid-year, due largely to a high collection rate of property tax revenues. Also, County 4-mill ad valorem revenue, mortgage tax, and motor vehicle collections revenue increased.
- The actual expenditures were below budget, due primarily to continued reductions in non-salary administrative budget areas, and by expenditure budgets that remained unspent at June 30, 2021.

### **OTHER FUNDS**

Debt service fund activity was consistent with FY20 with revenues of \$31.2 million in FY21 and \$29.9 in FY20. Expenditures were \$39.2 million in FY21 and \$24.5 million in FY20.

The 2021 Bond Fund was a new capital project fund in FY21 related to the debt issuance of \$28.9 million in FY21. This compares to the 2020 Bond Fund that was a major fund in FY20 to present the use of the FY20 debt issuance of \$21.4 million.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

By the end of 2021, the District had invested \$48 million in a broad range of capital assets, including site renovations/improvements, HVAC systems, furniture and equipment, and vehicles.

The District anticipates spending approximately \$53 million for capital projects in 2022, with some of the major projects as follows:

- \$13 million for middle school and high school site improvements
- \$27 million for elementary school improvements
- \$3 million for performing arts center improvements
- \$5 million for technology and equipment

See additional information regarding Capital Assets in Note 3 to the Notes to the Financial Statements.

### **Long-term Debt**

At year-end the District had \$209.1 million in total long-term debt outstanding (including compensated absences). This is a decrease from last year's amount of \$238.5 million.

In February 2019, the District patrons voted on and approved a six-year bond issue. This issue, for \$186 million, is funded with lease revenue bonds. General obligation bonds will be sold for six years, to make the annual lease revenue payments required. The bond election called for an increase in the targeted sinking fund millage rate from 26 to 30 mills, and this was communicated to the district patrons prior to the vote. The bonds will be issued in a timely manner over six years to meet the projected millage rates to assure citizens will not face any additional taxes beyond the anticipated increase.

FY21 activity included:

- The District continued to pay down its debt, retiring \$58.4 million of outstanding bonds and capital lease payable.
- \$29 million in new bond debt was issued during the year.

See additional information regarding Long-term Debt in Note 4 to the Notes to the Financial Statements.

## **FACTORS BEARING ON THE DISTRICT'S FUTURE**

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its financial health in the future:

- The COVID-19 pandemic has impacted schools across the nation. School leaders have faced steep challenges and high costs in serving students at home and in the classroom.
- The Federal government has provided financial aid to assist with expenditures related to preventing, preparing for, and responding to COVID-19.
- Norman Public Schools' share from these federal CARES, ESSER, and ARP relief funds is over \$29 million. This COVID-19 federal stimulus funding will provide much needed financial assistance to fill anticipated budget gaps, meet student needs, retain employees and cover pandemic-related costs.
- These funds expire in 2024 so thoughtful planning must take place now to maximize this financial aid.
- Since the learning loss of students will extend beyond 2024, the district will need to maintain big investments in learning recovery and social-emotional-health supports for years to come.
- Although the pandemic has been difficult, there is a brighter and better era ahead for Oklahoma schools. With renewed hope, strong community support and available federal relief funding, it's clear we have an opportunity to do more than just recover from the pandemic. The time is right to transform learning for students.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designated to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Chief Financial Officer's Office, Norman Public School District, 131 South Flood, Norman, OK 73069.

Norman Independent School District No. 29  
Cleveland County, Oklahoma  
Statement of Net Position  
June 30, 2021

	Governmental Activities
<b>Assets</b>	
Cash	\$ 57,813,459
Property taxes receivable	6,136,362
Due from other governments	4,063,394
Other receivables	1,502,252
Inventories	227,842
Net OPEB asset	164,217
Nondepreciated capital assets	125,244,901
Depreciated capital assets, net of depreciation	220,307,271
Total Assets	415,459,698
<b>Deferred Outflows of Resources</b>	
Deferred outflows related to OPEB	851,552
Deferred outflows related to pensions	70,843,594
Total Deferred Outflows of Resources	71,695,146
<b>Liabilities</b>	
Accounts payable and other current liabilities	9,686,322
Unavailable revenue	242,943
Long-term obligations	
Due within one year	56,901,299
Due beyond one year - net pension liability	157,313,491
Due beyond one year - other	152,213,677
Total Liabilities	376,357,732
<b>Deferred Inflows of Resources</b>	
Deferred inflows related to OPEB	428,190
Deferred inflows related to pensions	25,226,511
Total Deferred Outflows of Resources	25,654,701
<b>Net Position (Deficit)</b>	
Net investment in capital assets	153,803,831
Restricted for:	
Debt service	22,161,989
School organizations	2,400,328
Child nutrition	1,807,201
Buildings	947,240
OPEB	587,579
Other	1,693,061
Unrestricted (deficit)	(98,258,818)
Total Net Position	\$ 85,142,411

Norman Independent School District No. 29  
Cleveland County, Oklahoma  
Statement of Activities  
Year Ended June 30, 2021

		Program Revenues		Net (Expense) Changes in Net Position
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Total Governmental Activities
Governmental Activities:				
Instruction	\$ 100,762,643	\$ 189,216	\$ 10,993,841	\$ (89,579,586)
Support services	57,279,384	1,205,450	4,605,501	(51,468,433)
Non-instruction services	4,479,501	3,106,818	4,971,102	3,598,419
Interest on long-term debt	3,505,636	-	-	(3,505,636)
Depreciation - unallocated	11,229,001	-	-	(11,229,001)
Total school district	\$ 177,256,165	\$ 4,501,484	\$ 20,570,444	\$ (152,184,237)
General Revenues:				
Taxes				
Property taxes, levied for general purposes				39,268,297
Property taxes, levied for building purposes				5,603,835
Property taxes, levied for debt service				30,543,457
General taxes				13,780,951
State aid - formula grants				57,002,250
Investment earnings				1,385,773
Total General Revenues				147,584,563
		Change in net position		(4,599,674)
Net position - beginning				89,742,085
Net position - ending				\$ 85,142,411

# Norman Independent School District No. 29

Cleveland County, Oklahoma

## Balance Sheet – Governmental Funds and Reconciliation to Statement of Net Position

June 30, 2021

Assets	General Fund	Debt Service Fund	2021 Bond Fund	Other Governmental Funds	Total Governmental Funds
Pooled Cash and Investments	\$ 12,951,636	\$ 21,917,774	\$ 7,456,030	\$ 15,488,019	\$ 57,813,459
Property Taxes Receivable	2,636,100	3,227,062	-	369,298	6,232,460
Due from Other Governments	3,755,006	-	-	116,313	3,871,319
Other Receivables	1,398,072	-	-	200,156	1,598,228
Inventories - Supplies, Materials	227,841	-	-	-	227,841
<b>Total Assets</b>	<b>\$ 20,968,655</b>	<b>\$ 25,144,836</b>	<b>\$ 7,456,030</b>	<b>\$ 16,173,786</b>	<b>\$ 69,743,307</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable and Accrued Liabilities	\$ 8,335,586	\$ -	\$ 750	\$ 638,236	\$ 8,974,572
Unearned Revenue	64,292	1,224	-	357,987	423,503
<b>Total Liabilities</b>	<b>8,399,878</b>	<b>1,224</b>	<b>750</b>	<b>996,223</b>	<b>9,398,075</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue - taxes	2,465,469	2,981,623	-	340,634	5,787,726
<b>Total Deferred Inflows of Resources</b>	<b>2,465,469</b>	<b>2,981,623</b>	<b>-</b>	<b>340,634</b>	<b>5,787,726</b>
<b>Fund Balances</b>					
Nonspendable	227,842	-	-	-	227,842
Restricted	955,958	22,161,989	7,455,280	14,836,929	45,410,156
Committed	172,977	-	-	-	172,977
Unassigned	8,746,531	-	-	-	8,746,531
<b>Fund Balances, End of Year</b>	<b>10,103,308</b>	<b>22,161,989</b>	<b>7,455,280</b>	<b>14,836,929</b>	<b>54,557,506</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 20,968,655</b>	<b>\$ 25,144,836</b>	<b>\$ 7,456,030</b>	<b>\$ 16,173,786</b>	
Amounts reported for governmental activities in the statement of net position are different because:					
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$483,411,179 and the accumulated depreciation is \$137,859,007.					345,552,172
Property taxes receivable will be collected next year, but are not available soon enough to pay for the current period's expenditures, and therefore are not reported in the funds.					5,787,726
Grant revenues that will be collected next year, but are not available soon enough to pay for the current period's expenditures, and therefore are not reported in the funds.					180,562
Deferred outflows/inflows of resources related to the net pension liability and other postemployment benefit (OPEB) asset are not are not current financial resources and are not recorded in the fund financial statements but are recorded in the governmental activities.					
		Deferred outflows of resources		\$ 71,695,146	
		Deferred inflows of resources		(25,654,701)	46,040,445
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:					
		Bonds Payable (including premiums)		\$ 101,573,980	
		Long-term Capital Lease Payable		5,032,442	
		Long-term Revenue Lease Payable		100,830,506	
		Net Pension Liability		157,313,491	
		Net OPEB Asset		(164,217)	
		Accrued Interest on Bonds		711,750	
		Compensated Absences		1,678,048	(366,976,000)
<b>Total Net Position - Governmental Activities</b>					<b>\$ 85,142,411</b>

Norman Independent School District No. 29  
Cleveland County, Oklahoma

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds  
Year Ended June 30, 2021

	General Fund	Debt Service Fund	2021 Bond Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Property Taxes	\$ 39,062,700	\$ 30,384,787	\$ -	\$ 5,574,610	\$ 75,022,097
Interest	16,135	39,738	26,993	27,155	110,021
County Revenue	4,772,272	-	-	-	4,772,272
State Revenue	66,893,056	-	-	55,691	66,948,747
Federal Revenue	9,179,042	-	-	4,863,280	14,042,322
Other	2,699,354	5,702	-	1,725,686	4,430,742
<b>Total Revenues</b>	<b>122,622,559</b>	<b>30,430,227</b>	<b>26,993</b>	<b>12,246,422</b>	<b>165,326,201</b>
<b>Expenditures</b>					
Instruction	80,066,448	-	1,085	3,738,589	83,806,122
Support services	42,466,485	-	55,628	10,182,132	52,704,245
Non-instruction services	31,712	-	-	4,436,685	4,468,397
Capital Outlays	27,385	-	21,455,000	229,767	21,712,152
Other Outlays	138,343	-	-	-	138,343
Debt Service					
Interest paid	-	2,663,925	-	-	2,663,925
Principal retirement	-	36,500,000	-	-	36,500,000
<b>Total Expenditures</b>	<b>122,730,373</b>	<b>39,163,925</b>	<b>21,511,713</b>	<b>18,587,173</b>	<b>201,993,184</b>
Excess (Deficiency) of Revenues over (under) Expenditures	(107,814)	(8,733,698)	(21,484,720)	(6,340,751)	(36,666,983)
<b>Other Financing Sources (Uses)</b>					
Transfers In	3,594	-	-	91,262	94,856
Transfers Out	(51,524)	(39,738)	-	(3,594)	(94,856)
Premium on Bonds	-	772,498	-	-	772,498
Proceeds from Bonds	-	-	28,940,000	-	28,940,000
<b>Total Other Financing Sources (Uses)</b>	<b>(47,930)</b>	<b>732,760</b>	<b>28,940,000</b>	<b>87,668</b>	<b>29,712,498</b>
<b>Net Change in Fund Balances</b>	<b>(155,744)</b>	<b>(8,000,938)</b>	<b>7,455,280</b>	<b>(6,253,083)</b>	<b>(6,954,485)</b>
Beginning Fund Balances	10,259,052	30,162,927	-	21,090,012	61,511,991
Ending Fund Balances	<u>\$ 10,103,308</u>	<u>\$ 22,161,989</u>	<u>\$ 7,455,280</u>	<u>\$ 14,836,929</u>	<u>\$ 54,557,506</u>

# Norman Independent School District No. 29

Cleveland County, Oklahoma

## Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds Year Ended June 30, 2021

Total net changes in fund balances - governmental funds \$ (6,954,485)

The change in net position reported in the statement of activities is different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which depreciation exceeds capital outlays during the period.

	Capital asset additions	\$ 710,290	
	Depreciation	<u>(11,229,001)</u>	(10,518,711)

Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds and are, instead counted as unavailable revenues. They are, however, recorded as revenues in the statement of activities.

393,494

Because some grant revenues will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds and are, instead counted as unavailable revenues. They are, however, recorded as revenues in the statement of activities.

180,561

In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amounts actually paid). This year, vacation and sick leave used exceeded amounts earned.

(1,926)

Long term debt, such as bond proceeds, are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, however issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.

	Bond proceeds	\$ (28,940,000)	
	Principal repayments	<u>58,305,431</u>	29,365,431

Changes in net pension liabilities and related deferrals are not recorded in the fund financial statements but is recorded in the statement of activities.

(17,204,630)

Changes in net OPEB asset and related deferrals are not recorded in the fund financial statements but is recorded in the statement of activities.

(1,499)

Bond premiums are shown as a liability on the statement of net position and as revenue in the governmental fund. The bond premium is amortized against interest expense using the effective interest method.

(27,479)

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources when paid. In the statement of activities, however, interest expense is recognized as the interest accrued, regardless of when it is due.

169,570

Change in net position of governmental activities

\$ (4,599,674)

**Note 1 - Summary of Significant Accounting Policies**

The Norman Independent School District No. 29 (the District) is a corporate body for public purposes created under Title 70 of the Oklahoma Statutes and accordingly is a separate entity for operating and financial reporting purposes. The District is part of the public school system of Oklahoma under the general direction and control of the State Board of Education and is financially dependent on the State of Oklahoma for support. The general operating authority for the public school system is the Oklahoma School Code contained in Title 70 of the Oklahoma Statutes.

The District's financial statements are prepared in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB).

**The Reporting Entity** - The governing body of the District is the Board of Education composed of elected members. The appointed superintendent is the executive officer of the District. There are no component units included within the reporting entity.

**Basic Financial Statements – Government-Wide Statements** - The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type activities. Governmental Activities include programs primarily supported by taxes, State aid, grants and other intergovernmental revenue.

In the government-wide Statement of Net Position, the District's governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. These statements also recognize deferred outflows of resources and deferred inflows of resources. The District's net position are reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's programs and functions. The functions are also supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Direct expenses are those that are clearly identifiable with a specific function. Program revenues must be directly associated with the function. Charges for services include charges and fees to students, or customers who purchase, use or directly benefit from the goods, services, or privileges provided by a given function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

All interfund transactions are eliminated in the district-wide statements.

The net costs are normally covered by general revenue (property taxes, State and Federal aid, other taxes etc.).

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities. Major individual governmental funds are reported in separate columns in the fund financial statements.

**Basic Financial Statements – Fund Financial Statements** - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities, deferred inflows of resources, and fund balances are included on the balance sheet. The fund financial statements provide reports on the financial condition and results of operations of governmental fund categories.

The District reports the following major governmental funds:

- **General Fund** is the primary operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.
- **Debt Service Fund** is used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt.
- **2021 Bond Fund** is used to account for the financial resources to be used for the acquisition or construction of major capital facilities as approved by the voters for the 2021 bond issue.

Additionally, the District reports the following fund types included in the Other Governmental Funds column:

**Governmental Funds:**

1. **Special Revenue Funds** – The District accounts for resources restricted for specific purposes by the District or a grantor in a special revenue fund.
2. **Capital Project Funds** – The proceeds from long-term financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in a capital projects fund.

**Basis of Accounting** - Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

**Accrual:** The government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred. Property taxes are recognized as revenue in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**Modified Accrual:** The funds' financial statements are presented on the modified accrual basis of accounting. Under modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e. both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

**Inventories** - Inventories in the general fund consist of expendable supplies held for the District’s use and are carried at cost using the first-in, first-out method. Inventories are accounted for using the consumption method where materials and supplies are recorded as an expenditure when used rather than when purchased.

On the government-wide financial statements, United States Department of Agriculture (USDA) food commodities are recorded as revenue at fair value at the date of receipt and as an expense when used. USDA food commodities are not reported in the governmental funds.

**Capital Assets** - Capital assets purchased with an original cost of \$5,000 or more are reported at historical cost or acquisition value on the date of donation if acquired by gift. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

School Buildings	50 years
Site Improvements	20 years
Portable Classrooms	25 years
Kitchen Equipment	15 years
Business Machines and Computers	5 years
Licensed Vehicles	8 years
Audio Visual Equipment, Musical Instruments	10 years

**Compensated Absences** - Certified District employees earn sick leave starting the first day of the school year, as defined for each individual. Support personnel are eligible for paid sick leave benefits on their start date. Sick leave is accrued at different rates depending on number of contract days worked. Unused sick leave is cumulative up to 185 days. Upon termination, resignation, retirement or death, unused sick leave is reimbursable up to a maximum of 120 days at rates varying from \$5 per day for the first 30 days to \$25 per day for the last 20 days. Vacation days accrue by month only after the completion of the full month. The rate of accrual is based on the number of contract days an employee works. Vacation may be accumulated and reimbursed for up to 80 days for employees hired before August 1, 2019. Those hired on or after August 1, 2019, may accumulate up to 80 days, but only be reimbursed for up to 20 days. Unused vacation days beyond the 20 maximum will be applied toward the 120 days available under the reimbursement provisions for unused sick leave. Reimbursement for unused vacation is paid at 100% of the employee's current rate of pay.

**Deferred Outflows/Inflows of Resources** - Deferred outflows represent a consumption of net position that applies to a future period(s) and so they will not be recognized as an outflow of resources (expense) until then. The District’s deferred outflows of resources were comprised of statutorily required pension contributions, changes in actuarial assumptions, differences between expected and actual experience, difference between projected differences in pension contributions during the measurement period, and actual earnings on pension plan investments, and changes in proportion that are applicable to future reporting periods. Also reported in deferred outflows are OPEB related changes in proportion, projected differences in OPEB contributions during the measurement period, and statutorily required OPEB contributions.

Deferred inflows are the acquisition of net position by the District that is applicable to a future reporting period. The District's deferred inflows of resources were comprised of amounts recognized as receivables but not revenues in the governmental funds because the revenue recognition criteria (availability) has not been met; and at the government-wide level, changes in net pension obligation related to differences between expected and actual experience for pensions, changes of pension assumptions, difference between projected differences in pension contributions during the measurement period, and changes in proportion for pensions that are applicable to future reporting periods. Also reported in deferred inflows at the government-wide level are OPEB related differences between expected and actual experience, actual earnings on OPEB plan investments, changes in proportion, and projected differences in OPEB contributions during the measurement period.

**Budgets and Budgetary Accounting** - The District is required by state law to prepare an annual budget. The District by resolution of the Board of Education has adopted the School District Budget Act. This act requires that within the thirty-day period preceding the beginning of each fiscal year, a budget shall be approved by the governing body. The original budget is to be amended after the June financial activity has been recorded, the annual allocations have been released, and the property tax valuations have been certified for all affected counties within the district.

A budget is legally adopted by the Board of Education for the General Fund and Special Revenue Funds that includes revenues and expenditures.

**Deposits** - The District considers all cash on hand, demand deposits, money market checking and certificates of deposit, held at an individual bank which are subject to early withdrawal penalties no matter what the maturity period, to be cash. All short-term cash surpluses are maintained in a cash pool, the earnings from which are allocated to each fund based on month-end deposit balances. State statutes require collateral for deposits in excess of insured amounts. The collateral's market value must exceed the insured deposit.

**Property Tax Revenues** - The District is authorized by state law to levy property taxes which consist of ad valorem taxes on real and personal property within the District. The County Assessor, upon receipt of the certification of tax levies from the county excise board, extends the tax levies on the tax roll for submission to the county treasurer prior to October 1. The county treasurer must commence tax collection within fifteen days of receipt of the tax rolls. The first half of taxes are due prior to January 1. The second half is due prior to April 1.

If the first payment is not made timely, the entire tax becomes due and payable on January 1. Second half taxes become delinquent on April 1 of the year following the year of assessment. If not paid by the following October 1, the property is offered for sale for the amount of taxes due. The owner has two years to redeem the property by paying the taxes and penalty owed. If at the end of two years the owner has not done so, the purchaser is issued a deed to the property.

Property taxes receivable by the District include uncollected taxes assessed in prior years. Delinquent property tax receivable is recognized as revenue in the government-wide financial statements. Only the portion of the property taxes receivable that meets the revenue recognition criteria is reported as revenue in the fund financial statements. No provision has been made for uncollectible amounts because uncollectible amounts are considered insignificant.

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

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

The District receives revenue from the state to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for these programs be expended only for the programs 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.

**Interfund Transfers** - During the course of normal operations, the District has transactions between funds including expenditures and transfers of resources to provide services, purchase assets and service debt. Transactions that are normal and recurring between funds are recorded as transfers.

**Bond Premium** - Bond premiums are deferred and amortized over the life of the bonds using the effective interest method.

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

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

**Net Position and Fund Balance** - District-Wide Financial Statements – When the District incurs an expense for which it may use either restricted or unrestricted net position, it uses restricted net position first unless unrestricted net position will have to be returned because they were not used.

Net position on the Statement of Net Position includes the following:

Net investment in Capital Assets - The component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unspent proceeds, that is directly attributable to the acquisition, construction or improvement of these capital assets.

Restricted for Debt Service - The component of net position that reports the amount of funds restricted for payment of principal and interest on debt. This amount is restricted by enabling legislation and debt covenants.

Restricted for Buildings - The component of net position that reports the excess of property taxes and other revenue collected in excess of expenses for operation of the District’s buildings. This amount is restricted by enabling legislation.

Restricted for School Organizations - The component of net position that reports the assets restricted for use by student organizations and extracurricular activities. This amount is restricted by regulations of the Oklahoma State Department of Education.

Restricted for Child Nutrition - The component of net position that reports the assets restricted for use by Child Nutrition program.

Restricted for Other – General Fund grants, gifts from donors, and insurance purposes.

Restricted for OPEB – The component of net position that reports the net OPEB asset restricted for other post-employment benefits, and deferred outflows of resources netted against its related deferred inflows of resources.

Unrestricted – The difference between the sum of assets and deferred outflows of resources and the sum of liabilities and deferred inflows of resources that is not reported as restricted for any particular purpose.

**Governmental Fund Reporting** – The District follows Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Types*, which defines how fund balances of the governmental funds are presented in the financial statements. The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District has classified inventory as being nonspendable as these items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified school construction and building maintenance expenditures as being restricted because their use is restricted by state statute or legislation regarding use of expenditures. Debt service resources are to be used for future servicing of the debt and are restricted through debt covenants. Food service resources are to be used for the District's child nutrition program and are restricted through federal and state regulations. The District has classified school program activities, miscellaneous site grants and grant carryover as being restricted because their use is imposed by the Oklahoma State Department of Education or other authority regarding use of expenditures. Other purposes are restricted for insurance purposes and scholarship purposes from contributors.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned: This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to management through the budgetary process. The District has no assigned funds as of June 30, 2021.

Unassigned: This classification includes the residual fund balance for the General Fund. The unassigned classification would also include any negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts. The District has not established a formal stabilization arrangement regarding minimum funding requirements. The Board of Education, however, has made it a goal to achieve and maintain a minimum fund balance of 5% in the general fund of the current year total revenue collections as well as a minimum fund balance in the building fund of 35% of the current year total revenue collections.

Norman Independent School District No. 29  
Cleveland County, Oklahoma  
Notes to Financial Statements  
June 30, 2021

As of June 30, 2021, fund balances are comprised of the following:

	General Fund	Debt Service Fund	2020 Bond Fund	Other Governmental Funds	Total Governmental Funds
Fund balances:					
Nonspendable					
Inventory	\$ 227,842	\$ -	\$ -	\$ -	\$ 227,842
Restricted for:					
School construction	-	-	7,455,280	8,945,056	16,400,336
Building maintenance	-	-	-	947,240	947,240
Debt service reserve	-	22,161,989	-	-	22,161,989
School programs	-	-	-	2,400,371	2,400,371
Food services	-	-	-	1,807,201	1,807,201
Insurance purposes	-	-	-	724,911	724,911
Gifts from donors	-	-	-	12,150	12,150
Miscellaneous site grants and Federal and state grants carryover	955,958	-	-	-	955,958
Total restricted	<u>955,958</u>	<u>22,161,989</u>	<u>7,455,280</u>	<u>14,836,929</u>	<u>45,410,156</u>
Committed to:					
Miscellaneous site	172,977	-	-	-	172,977
Total committed	<u>172,977</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>172,977</u>
Unassigned	8,746,531	-	-	-	8,746,531
Total fund balances	<u>\$ 10,103,308</u>	<u>\$ 22,161,989</u>	<u>\$ 7,455,280</u>	<u>\$ 14,836,929</u>	<u>\$ 54,557,506</u>

The District would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

**Accounting Pronouncement Adopted** - The District has implemented GASB Statement No. 84, *Fiduciary Activities*. GASB 84 improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. There was no significant impact to the District's as a result of the implementation of this standard.

**Note 2 - Cash and Investments**

**Deposits** - At June 30, 2021, the bank balance of deposits and cash pools was \$66,093,391. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require collateral for amounts in excess of federally insured amounts. The deposit policy for custodial credit risk requires compliance with the provisions of state law. The bank balance was completely covered by federal depository insurance and by collateral held by the District's third-party agent in the District's name.

**Interest Rate Risk** – The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses from increasing interest rates.

**Note 3 - Capital Assets**

Capital asset activity for the year ended June 30, 2021, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets not being depreciated:				
Land	\$ 3,329,399	\$ 1,033,796	\$ -	\$ 4,363,195
Construction in Progress	<u>132,432,581</u>	<u>1,175,482</u>	<u>12,726,357</u>	<u>120,881,706</u>
Total capital assets not being depreciated	<u>135,761,980</u>	<u>2,209,278</u>	<u>12,726,357</u>	<u>125,244,901</u>
Capital Assets being depreciated:				
Buildings	111,704,140	8,888,576	-	120,592,716
Improvements	210,255,210	1,263,925	-	211,519,135
Furniture and Equipment	3,978,862	549,934	-	4,528,796
Musical Instruments	295,003	-	-	295,003
Computers	9,057,976	-	-	9,057,976
Vehicles	<u>11,647,718</u>	<u>524,934</u>	<u>-</u>	<u>12,172,652</u>
Total capital assets being depreciated	<u>346,938,909</u>	<u>11,227,369</u>	<u>-</u>	<u>358,166,278</u>
Less accumulated depreciation for:				
Buildings	68,158,516	2,250,093	-	70,408,609
Improvements	46,406,141	6,162,484	-	52,568,625
Furniture and Equipment	2,777,019	223,197	-	3,000,216
Musical Instruments	775,625	16,364	-	791,989
Computers	1,963,804	1,726,950	-	3,690,754
Vehicles	<u>6,548,901</u>	<u>849,913</u>	<u>-</u>	<u>7,398,814</u>
Less total accumulated depreciation	<u>126,630,006</u>	<u>11,229,001</u>	<u>-</u>	<u>137,859,007</u>
Total capital assets being depreciated, net	<u>220,308,903</u>	<u>(1,632)</u>	<u>-</u>	<u>220,307,271</u>
Governmental activity capital assets, net	<u>\$ 356,070,883</u>	<u>\$ 2,207,646</u>	<u>\$ 12,726,357</u>	<u>\$ 345,552,172</u>

Depreciation is not allocated by function in the statement of activities.

**Note 4 - Long-term Liabilities**

The long-term liability balances and activity for the year were as follows:

	Beginning	Additions	Reductions	Ending Balance	Amounts Due Within 1 Year
Bonds Payable	\$ 106,740,000	\$ 28,940,000	\$ (36,500,000)	\$ 99,180,000	\$ 28,410,000
Bond Premium	2,366,501	772,498	(745,019)	2,393,980	752,497
Compensated Absences	1,676,122	642,355	(640,429)	1,678,048	1,678,048
Capital Lease Payable	6,982,510	-	(1,950,068)	5,032,442	2,796,722
2019 Lease Revenue Payable	120,685,869	-	(19,855,363)	100,830,506	23,264,032
Total governmental activity long-term liabilities	<u>\$ 238,451,002</u>	<u>\$ 30,354,853</u>	<u>\$ (59,690,879)</u>	<u>\$ 209,114,976</u>	<u>\$ 56,901,299</u>

General Obligation Bonds

Bonds payable at June 30, 2021 are composed of the following individual general obligation bond issues:

Original Issue Amount	Annual Installment	Issue Date	Final Maturity Date	Interest Rate	Outstanding Amount at June 30, 2020
\$ 25,940,000	\$ 6,485,000	3/1/2017	3/1/2022	2-3%	\$ 6,485,000
29,480,000	7,370,000	3/1/2018	3/1/2023	2-3%	14,740,000
36,820,000	9,205,000	5/1/2019	5/1/2024	2-3%	27,615,000
18,600,000	4,650,000	3/1/2020	3/1/2025	2%	18,600,000
2,800,000	700,000	3/1/2020	3/1/2025	1.5-2.5%	2,800,000
26,540,000	6,635,000	3/1/2021	3/1/2026	1.00%	26,540,000
2,400,000	600,000	3/1/2021	3/1/2026	0.63%	2,400,000
					<u>\$ 99,180,000</u>

Payments on bonds are made by the debt service fund with property taxes. Compensated absences are generally liquidated by the general fund.

The annual requirements to amortize all bond debt outstanding as of June 30, 2021 including interest payments are as follows:

Year Ending June 30	Principal	Interest	Total Debt Service
2022	\$ 28,410,000	\$ 2,142,125	\$ 30,552,125
2023	29,160,000	1,431,875	30,591,875
2024	21,790,000	744,437	22,534,437
2025	12,585,000	277,750	12,862,750
2026	7,235,000	86,688	7,321,688
	<u>\$ 99,180,000</u>	<u>\$ 4,682,875</u>	<u>\$ 103,862,875</u>

Norman Independent School District No. 29

Cleveland County, Oklahoma

Notes to Financial Statements

June 30, 2021

State statutes prohibit the District from becoming indebted in an amount exceeding the revenue to be received for any fiscal year without approval by the District's voters. Bond issues have been approved by the voters and issued by the District for various capital improvements. These bonds are required to be fully paid serially within 25 years from the date of issue. General obligation bonded debt of the District is limited by state law to 10% of the assessed valuation of the District. The legal debt limit for general obligation bonds at June 30, 2021 is approximately \$109.5 million.

Proceeds of general obligation bond issues are recorded in the capital project funds and at least 85% of the proceeds are restricted to the use for which they were approved in the bond elections.

Capital Leases Payable

Capital leases payable entered into by the District contain non-appropriation clauses to comply with the state statutes prohibiting the District from becoming indebted in an amount exceeding the revenue to be received for any fiscal year without approval by the District's voters. The payments on these leases are only made if the governing body appropriates for the payments in each budget year. At June 30, 2021 the capital leases payable for the District consist of the following:

Arvest Bank – lease purchase agreement to purchase Triad land and building in the original amount of \$2,235,720, with an interest rate of 4.3% and maturity date of June 2024; annual payments of interest only for \$97,471 for the first 4 years, with final annual payment made June 2024 for both principal and interest of \$2,333,459	\$ 2,235,720
Apple Financial Services – lease purchase agreement to purchase computer hardware in the original amount of \$8,392,275, with an interest rate of 2.75% and a maturity date of September 2021; two annual payments of \$2,103,731 and \$2,874,608 made in September for the next two years	<u>2,796,722</u>
	<u>\$ 5,032,442</u>

The annual requirements to amortize all capital leases payable outstanding as of June 30, 2021 including interest payments are as follows:

Year Ending June 30	Principal	Interest	Total Debt Service
2022	\$ 2,796,722	\$ 175,358	\$ 2,972,080
2023	-	97,471	97,471
2024	2,235,720	97,738	2,333,458
	<u>\$ 5,032,442</u>	<u>\$ 370,567</u>	<u>\$ 5,403,009</u>

Capital assets purchased with capital leases are as follows:

	Cost	Accumulated Depreciation	Total Debt Service
Land	\$ 222,500	\$ -	\$ 222,500
Buildings	2,013,220	(83,884)	1,929,336
Computers	8,392,275	(3,077,168)	5,315,107
	<u>\$ 10,627,995</u>	<u>\$ (3,161,052)</u>	<u>\$ 7,466,943</u>

Lease Revenue Payable - See discussion of lease revenue payables at Note 12.

**Note 5 - Employee Retirement System**

**Plan Description** - The District contributes to the state-administered Oklahoma Teachers' Retirement System ("the System" or "OTRS"), a cost-sharing, multiple-employer public employee retirement plan (the Plan). The System is administered by a board of trustees. OTRS provides retirement, disability and death benefits to plan members and beneficiaries. Oklahoma State Statute 70, Article 17 assigns the authority to establish and amend benefit provisions to the OTRS Board of Trustees. Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report of the System; which can be located at [www.ok.gov/OTRS](http://www.ok.gov/OTRS).

**Policy** - Under the System, contributions are made by the District, the State of Oklahoma, and the participating employees. Participation is required for all teachers and other certified employees and is optional for all other regular employees of public educational institutions who work at least 20 hours per week.

**Contributions** - The contribution rates for the District and its employees, which are not actuarially determined, are established by statute and applied to the employee's earnings, plus employer-paid fringe benefits. The District was required by statute to contribute 9.5% of applicable compensation for the year ended June 30, 2021. Plan members are required to contribute 7% of their annual covered salary. The District pays full-time employees' contribution as allowed by statute. Contributions to the pension plan from the District were \$8,123,030. The State of Oklahoma also made on-behalf contributions to OTRS, of which \$5,480,483 was recognized by the District; these on-behalf payments did not meet the criteria of a special funding situation.

**Benefits** - Benefit provisions include:

- Members become 100% vested in retirement benefits earned to date after five or seven years (depending on hire date) of credited Oklahoma service. Members who joined the System on June 30, 1992 or prior are eligible to retire at maximum benefits when age and years of creditable service total 80. Members joining the System after June 30, 1992 are eligible for maximum benefits when their age and years of creditable service total 90. Members whose age and service do not equal the eligible limit may receive reduced benefits as early as age 55, and at age 62 receive unreduced benefits based on their years of service. The maximum retirement benefit is equal to 2% of final compensation for each year of credited service.
- Final compensation for members who joined the System prior to July 1, 1992 is defined as the average salary for the three highest years of compensation. Final compensation for members joining the System after June 30, 1992 is defined as the average of the highest five consecutive years of annual compensation in which contributions have been made. The final average compensation is limited for service credit accumulated prior to July 1, 1995 to \$40,000 or \$25,000, depending on the member's election. Monthly benefits are 1/12 of this amount. Service credits accumulated after June 30, 1995 are calculated based on each member's final average compensation, except for certain employees of the two comprehensive universities.
- Upon the death of a member who has not yet retired, the designated beneficiary shall receive the member's total contributions plus 100% of interest earned through the end of the fiscal year, with interest rates varying based on time of service. A surviving spouse of a qualified member may elect to receive, in lieu of the aforementioned benefits, the retirement benefit the member was entitled to at the time of death as provided under the Joint Survivor Benefit Option.
- Upon the death of a retired member, the System will pay \$5,000 to the designated beneficiary, in addition to the benefits provided for the retirement option selected by the member.
- A member is eligible for disability benefits after ten years of credited Oklahoma service. The disability benefit is equal to 2% of final average compensation for the applicable years of credited service.
- Upon separation from OTRS, members' contributions are refundable with interest based on certain restrictions provided in the plan, or by the IRC.
- Members may elect to make additional contributions to a tax-sheltered annuity program up to the exclusion allowance provided under the IRC under Code Section 403(b).

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - At June 30, 2021, the District reported a liability of \$157,313,491 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The District's proportion of the net pension liability was based on the District's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2020. Based upon this information, the District's proportion was 1.6576%, an increase from 1.4502% at June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$30,808,142 in compensation and benefits expense. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 7,658,324	\$ 2,664,397
Changes of assumptions	19,292,521	2,272,794
Net difference between projected and actual earnings on pension plan investments	13,560,480	-
Changes in proportion	21,500,976	19,522,649
Differences between District contributions and proportionate share of contributions	708,263	766,671
District contributions subsequent to the measurement date	<u>8,123,030</u>	<u>-</u>
	<u>\$ 70,843,594</u>	<u>\$ 25,226,511</u>

The \$8,123,030 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022.

The average expected remaining life of the Plan is determined by taking the calculated total future service years of the Plan divided by the number of people in the Plan including retirees. The total future service years of the plan are estimated at 5.30 years at June 30, 2020 and are determined using the mortality, termination, retirement and disability assumptions associated with the Plan. Deferred outflows resulting from the difference between projected and actual investment earnings, will be recognized in pension expense over a period of five years.

Other than contributions provided subsequent to the measurement date, deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2022	\$	7,292,330
2023		9,169,177
2024		9,329,748
2025		9,528,857
2026		2,173,941
	\$	37,494,053

**Actuarial Assumptions** - The total pension liability as of June 30, 2021, was determined based on an actuarial valuation prepared as of June 30, 2020 using the following actuarial assumptions:

- Actuarial Cost Method - Entry Age Normal
- Inflation - 2.25%
- Future Ad Hoc Cost-of-living Increases - None
- Salary Increases - Composed of 2.25 percent wage inflation, plus 0.75 percent productivity increase rate, plus step-rate promotional increases for members with less than 25 years of service
- Investment Rate of Return – 7.00%
- Retirement Age - Experience-based table of rates based on age, service, and gender. Adopted by the Board in July 2020 in conjunction with the five year experience study for the period ending June 30, 2019
- Mortality Rates after Retirement – Males and females: 2020 GRS Southwest Region Teacher Mortality Table. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020
- Mortality Rates for Active Members – Pub-2010 Teachers Active Employee Mortality table. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2010

The actuarial assumptions used in the July 01, 2020, valuation were based on the results of an actuarial experience study for the five year period ending June 30, 2019.

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

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	43.5%	7.5%
International Equity	19.0%	8.5%
Fixed Income	22.0%	2.5%
Real Estate**	9.0%	4.5%
Alternative Assets	6.5%	6.2%
Total	100.0%	

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

**Discount Rate** - A single discount rate of 7.0% was used to measure the total pension liability as of June 30, 2020. Based on the stated assumptions and the projection of cash flows, the pension plan’s fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The projection of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the current statutory levels and remain a level percentage of payrolls. The projection of cash flows also assumed that the State’s contribution plus the matching contributions will remain a constant percent of projected member payroll based on the past five years of actual contributions.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** - The following presents the net pension liability of the employers calculated using the discount rate of 7.0%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	1% decrease 6.0%	Current Discount 7.0%	1% increase 8.0%
Net pension liability	\$ 209,960,083	\$ 157,313,491	\$ 113,730,310

**Pension plan fiduciary net position** - Detailed information about the pension plan’s fiduciary net position is available in the separately issued financial report of the OTRS; which can be located at [www.ok.gov/OTRS](http://www.ok.gov/OTRS).

**Note 6 - Other Post-Employment Benefits (OPEB)**

**Plan description** - The District as the employer, participates in the Supplemental Health Insurance Program—a cost-sharing multiple-employer defined benefit OPEB plan administered by the Oklahoma Teachers Retirement System (OTRS). Title 74 O. S. Sec. 1316.3 defines the health insurance benefits. The authority to establish and amend benefit provisions rests with the State Legislature. OTRS issues a publicly available financial report that can be obtained at [www.ok.gov/OTRS](http://www.ok.gov/OTRS).

**Benefits provided** - OTRS pays a medical insurance supplement to eligible members who elect to continue their employer provided health insurance. The supplement payment is between \$100 and \$105 per month, remitted to the Oklahoma Management Enterprise Services Employees Group Insurance Division, provided the member has ten (10) years of Oklahoma service prior to retirement.

**Contributions** - Employer and employee contributions are made based upon the TRS Plan provisions contained in Title 70, as amended. However, the statutes do not specify or identify any particular contribution source to pay the health insurance subsidy. Based on the contribution requirements of Title 70 employers and employees contribute a single amount based on a single contribution rate as described in Note 5; from this amount OTRS allocates a portion of the contributions to the supplemental health insurance program. The cost of the supplemental health insurance program averages 1.5% of normal cost as determined by an actuarial valuation. Contributions allocated to the OPEB plan from the District were \$15,300.

**OPEB Liabilities (Assets), OPEB Expense (Benefit), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** – At June 30, 2021, the District reported an asset of \$164,217 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2020, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of June 30, 2020. The District's proportion of the net OPEB asset was based on the District's contributions received by the OPEB plan relative to the total contributions received by the OPEB plan for all participating employers as of June 30, 2020. Based upon this information, the District's proportion was 1.6576%, an increase of .20742% from the proportion at June 30, 2019.

For the year ended June 30, 2021, the District recognized OPEB expense of \$16,799. At June 30, 2021 the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 360,764
Changes of assumptions	355,308	-
Net difference between projected and actual earnings on plan investments	358,665	-
Changes in proportion	67,067	67,165
Differences between District contributions and proportionate share of contributions	55,212	261
District contributions subsequent to the measurement date	15,300	-
	\$ 851,552	\$ 428,190

The \$15,300 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2022	\$		(12,790)
2023			88,575
2024			145,573
2025			135,449
2026			42,505
Thereafter			8,750
			\$ 408,062

**Actuarial Assumptions-** The total OPEB liability (asset) as of **June 30, 2020**, was determined based on an actuarial valuation prepared as of **June 30, 2020** using the following actuarial assumptions:

- Actuarial Cost Method - Entry Age Normal
- Inflation - 2.25%
- Future Ad Hoc Cost-of-living Increases - None
- Salary Increases - Composed of 2.25 percent wage inflation, plus 0.75 percent productivity increase rate, plus step-rate promotional increases for members with less than 25 years of service
- Investment Rate of Return – 7.00%
- Retirement Age - Experience-based table of rates based on age, service, and gender. Adopted by the Board in July 2020 in conjunction with the five year experience study for the period ending June 30, 2019
- Mortality Rates after Retirement – Males and females: 2020 GRS Southwest Region Teacher Mortality Table. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020
- Mortality Rates for Active Members –Pub-2010 Teachers Active Employee Mortality table. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2010

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

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	43.5%	7.5%
International Equity	19.0%	8.5%
Fixed Income	22.0%	2.5%
Real Estate**	9.0%	4.5%
Alternative Assets	6.5%	6.2%
Total	<u>100.0%</u>	

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

**Discount Rate-** A single discount rate of 7.00% was used to measure the total OPRB liability (asset) as of June 30, 2020. This single discount rate was based solely on the expected rate of return on OPEB plan investments of 7.00%. Based on the stated assumptions and the projection of cash flows, the OPEB plan’s fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability (asset). The projection of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the current statutory levels and remain a level percentage of payrolls. The projection of cash flows also assumed that the State’s contribution plus the matching contributions will remain a constant percent of projected member payroll based on the past five years of actual contributions.

**Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate**-The following presents the net OPEB liability (asset) of the employer calculated using the discount rate of 7.0%, as well as what the Plan's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	1% decrease 6.0%	Current Discount 7.0%	1% increase 8.0%
Net OPEB (asset) liability	\$ 596,127	\$ (164,217)	\$ (808,977)

**OPEB plan fiduciary net position** - Detailed information about the OPEB plan's fiduciary net position is available in the separately issued financial report of the OTRS; which can be located at [www.ok.gov/OTRS](http://www.ok.gov/OTRS).

**Note 7 - Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

**Note 8 - Operating Leases**

The District has leases with vendors for the use of copier machines and postal equipment at District locations. The postal equipment lease is renewable at the District's option for one year increments through June 30, 2021. The total lease expense paid by the District for the year ended June 30, 2021 on these leases was approximately \$132,000.

**Note 9 - Disaggregation of Payable Balances**

	Vendors	Salaries and Benefits	Accrued Interest	Total Payables
Governmental Activities:				
General and other governmental funds	846,527	\$ 8,128,045	\$ -	\$ 8,974,572
Reconciliation of balances in fund financials to government-wide statements	-	-	711,750	711,750
Total governmental activities	\$ 846,527	\$ 8,128,045	\$ 711,750	\$ 9,686,322

**Note 10 - Schedule of Transfers**

The transfers for the year ended June 30, 2021 are as follows:

Transfer From	Transfer To	Amount	Nature of Transfer
Debt Service Fund	Building Fund	\$ 39,738	Intrafund Transfer
General Fund	Child Nutrition	51,524	Operating Transfer
Student Activity	General Fund	<u>3,594</u>	Intrafund Transfer
	Total Transfers between Funds	<u>\$ 94,856</u>	

Transfers are used for (1) reimbursement of funds collected by one fund that are accounted for in another fund and (2) return of funds in excess of budgetary requirements.

**Note 11 - 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 collected, 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 District expects such amounts, if any, to be immaterial.

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

The District has outstanding construction commitments of approximately \$53.6 million as of June 30, 2021.

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

**Note 12 - Sublease Agreement**

The District entered into a sublease agreement in June 2019 with the Cleveland County Education Facilities Authority (the Authority) in which the Authority advanced \$117,550,000 in educational facilities lease revenue bonds, Series 2019 (lease revenue bonds), to the District for the acquisition and construction of buildings, improvements, and furniture and equipment. These bonds were issued with a premium of \$14.5 million.

The following schedule presents the remaining payment activity of the lease revenue bonds for the Authority's lease revenue bonds as of June 30, 2021:

Date	Principal Payments	Coupon Rate	Interest Payments	Total Payments
12/1/2022	-		1,973,500	1,973,500
6/1/2023	2,200,000	5.00%	1,793,500	3,993,500
12/1/2023	-		1,738,500	1,738,500
6/1/2024	45,790,000	**	1,738,500	47,528,500
12/1/2024	-		600,000	600,000
6/1/2025	25,350,000	**	600,000	25,950,000
	<u>\$ 73,340,000</u>		<u>\$ 8,444,000</u>	<u>\$ 81,784,000</u>

\*\* Variable rates from 2.75% to 5%

The District has pledged approximately \$138.9 million in future issuances of general obligation bonds to repay these amounts, including interest. The general obligation bonds will be issued prior to the payment due of the lease revenue bond payments.

Norman Independent School District No. 29

Cleveland County, Oklahoma

Notes to Financial Statements

June 30, 2021

The lease revenue bonds were issued at a premium. The related premium per principal amount is as follows:

Principal Amount	Premium	Total
\$ 7,340,000	\$ 243,834	\$ 7,583,834
16,405,000	1,077,480	17,482,480
20,465,000	1,972,416	22,437,416
2,200,000	274,296	2,474,296
1,250,000	129,387	1,379,387
44,540,000	6,725,094	51,265,094
3,000,000	148,890	3,148,890
22,350,000	3,945,892	26,295,892
<u>\$ 117,550,000</u>	<u>\$ 14,517,289</u>	<u>\$ 132,067,289</u>

The annual requirements of the District to pay the lease revenue bonds as of June 30, 2020 including interest payments are as follows:

	Principal Amount	Interest	Total
2022	\$ 23,264,032	\$ 1,338,968	\$ 24,603,000
2023	4,737,967	1,030,033	5,768,000
2024	47,195,885	967,115	48,163,000
2025	25,632,622	340,378	25,973,000
	<u>\$ 100,830,506</u>	<u>\$ 3,676,494</u>	<u>\$ 104,507,000</u>

Upon payment of the lease purchased acquisition payments, legal title will go to the District for all construction, acquisition and renovations completed with the revenue lease bonds. At the start of the lease revenue bond transaction, the estimated capitalizable sublease activity of \$138 million was included on the statement of net position as capital assets and a long-term lease. These financing agreements are accounted for as capital leases for accounting purposes as the title transfers at the end of the lease term.

Lease bond revenue projects in process at June 30, 2021 totaled approximately \$51.8 million.

The trustee bank holds the cash and makes payments after authorization from the District.



Financial Statements  
Required Supplementary Information  
June 30, 2021

**Norman Independent School District  
No. 29**

Norman Independent School District No. 29  
Cleveland County, Oklahoma  
Budgetary Comparison Schedule – General Fund (Unaudited)  
Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts GAAP Basis	Variance with Final Budget Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
Budgetary Fund Balance, July 1	\$ 9,103,982	\$ 10,259,052	\$ 10,259,052	\$ 1,155,070	\$ -
Resources (inflows)					
Property Taxes	35,656,680	39,105,433	39,062,700	3,448,753	(42,733)
Interest	25,000	20,000	16,135	(5,000)	(3,865)
County Revenue	4,160,000	4,600,000	4,772,272	440,000	172,272
State Revenue	70,044,753	66,840,918	66,893,056	(3,203,835)	52,138
Federal Revenue	10,641,892	11,386,130	9,179,042	744,238	(2,207,088)
Other	2,200,027	1,868,512	2,702,948	(331,515)	834,436
Amounts Available for Appropriation	<u>131,832,334</u>	<u>134,080,045</u>	<u>132,885,205</u>	<u>2,247,711</u>	<u>(1,194,840)</u>
Charges to Appropriations (outflows)					
Instruction	81,970,680	82,500,192	80,066,448	(529,512)	2,433,744
Support Services	41,492,558	43,810,477	42,466,485	(2,317,919)	1,343,992
Non-instruction Services	18,397	21,750	31,712	(3,353)	(9,962)
Capital Outlays	32,207	28,153	27,385	4,054	768
Other Outlays	200,099	262,626	189,867	(62,527)	72,759
Total Charges to Appropriations	<u>123,713,941</u>	<u>126,623,198</u>	<u>122,781,897</u>	<u>(2,909,257)</u>	<u>3,841,301</u>
Budgetary Fund Balance, June 30	<u>\$ 8,118,393</u>	<u>\$ 7,456,847</u>	<u>\$ 10,103,308</u>	<u>\$ (661,546)</u>	<u>\$ 2,646,461</u>

**Budgeting** – Oklahoma statutes required that the District Board of Education approve a budget within thirty days of the beginning of each fiscal year. The school district’s budget is to contain a budget summary accompanied by a minimum of the following for each fund in tabular form:

1. Actual revenues and expenditures for the immediate prior fiscal year.
2. Revenues and expenditures for the current fiscal year as shown by the budget as amended.
3. Estimated revenues and expenditures for the budget year.

A public hearing on the proposed budget must be held within forty-five days preceding the beginning of the budgetary year.

The District shall amend the original budget after June 30 of each year after the June financial activity has been recorded, the annual Foundation and Salary Incentive Aid allocation has been released, and the property tax valuations have been certified for all affected counties with the District.

Norman Independent School District No. 29  
Cleveland County, Oklahoma  
Schedule of District's Proportionate Share of the Net Pension Liability  
for Oklahoma Teachers Retirement System – Pension  
Year Ended June 30, 2021

	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	1.6576%	1.4502%	1.9455%	1.6095%	1.5677%	1.5504%	1.5360%
District's proportionate share of the net pension liability	\$ 157,313,491	\$ 95,976,887	\$ 117,585,659	\$ 106,571,969	\$ 130,833,885	\$ 94,153,782	\$ 82,635,807
District's covered payroll	\$ 82,314,554	\$ 80,395,676	\$ 70,488,085	\$ 66,718,456	\$ 64,343,044	\$ 64,127,709	\$ 61,128,259
District's proportionate share of the net pension liability as a percentage of its covered payroll	191%	119%	167%	160%	203%	147%	135%
Plan fiduciary net position as a percentage of the total pension liability	63.37%	71.58%	72.74%	69.32%	62.24%	70.31%	72.43%

**Notes to Schedule:**

Only seven fiscal years are presented because 10-year data is not yet available.

The amounts present for each fiscal year were determined as of 6/30

The Plan's net position liability increased between 2015 and 2016 and again between 2018 and 2021 due to changes in assumptions adopted by the System's Board.

The most notable changes during fiscal year 2021 were:

The decrease of the inflation rate from 2.5% to 2.25%

The decrease of the estimated investment rate of return from 7.5% to 7.0%

Changes to retirement age tables based on the five year experience study for the period ending June 30, 2019.

Mortality rate tables were updated to the 2020 GRS Southwest Region Teacher Mortality Table for males and females.

Norman Independent School District No. 29  
Cleveland County, Oklahoma  
Schedule of District's Pension Contributions to Oklahoma Teachers Retirement System  
Year Ended June 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>*2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 8,138,330	\$ 7,962,064	\$ 7,944,342	\$ 6,586,047	\$ 6,586,047	\$ 6,660,331	\$ 6,468,241
Contributions in relation to the contractually required	<u>8,138,330</u>	<u>7,962,064</u>	<u>7,944,342</u>	<u>6,586,047</u>	<u>6,586,047</u>	<u>6,660,331</u>	<u>6,468,241</u>
Contribution deficiency (excess)	<u>\$ -</u>						
District's covered payroll	\$ 82,314,554	\$ 80,395,676	\$ 70,488,085	\$ 66,718,456	\$ 64,343,044	\$ 64,127,709	\$ 61,128,259
Contributions as a percentage of covered payroll	9.89%	9.90%	11.27%	9.87%	10.24%	10.39%	10.58%

**Notes to Schedule:**

Only seven fiscal years are presented because 10-year data is not yet available.

\*Amount of contributions reduced by \$74,284 due to implementation of GASB Statement No. 75. Amounts prior to 2017 have not been determined.

Norman Independent School District No. 29  
Cleveland County, Oklahoma  
Schedule of District's Proportionate Share of the Net OPEB Liability (Asset)  
Year Ended June 30, 2021

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	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability (asset)	1.6576%	1.4502%	1.9455%	1.6095%
District's proportionate share of the net OPEB liability (asset)	\$ (164,217)	\$ (896,746)	\$ (1,257,268)	\$ (717,757)
District's covered payroll	\$ 82,314,554	\$ 80,395,676	\$ 70,488,085	\$ 66,718,456
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-0.20%	-1.12%	-1.78%	-1.08%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	102.30%	115.07%	115.41%	110.40%

\*The amounts present for each fiscal year were determined as of 6/30

**Notes to Schedule:**

Only four fiscal years are presented because 10-year data is not yet available.

**Norman Independent School District No. 29**  
 Cleveland County, Oklahoma  
 Schedule of District's OPEB Contributions to Oklahoma Teachers Retirement System  
 Year Ended June 30, 2021

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	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 15,300	\$ 14,969	\$ 53,227	\$ 109,299	\$ 104,574
Contributions in relation to the contractually required contribution	<u>15,300</u>	<u>14,969</u>	<u>53,227</u>	<u>109,299</u>	<u>104,574</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 82,314,554	\$ 80,395,676	\$ 70,488,085	\$ 66,718,456	\$ 64,343,044
Contributions as a percentage of covered payroll	0.02%	0.02%	0.08%	0.16%	0.16%

**Notes to Schedule:**

Only five fiscal years are presented because 10-year data is not yet available.



Financial Statements  
Other Supplementary Information  
June 30, 2021

**Norman Independent School District  
No. 29**

Norman Independent School District No. 29  
Cleveland County, Oklahoma  
Combining Balance Sheet – Other Governmental Funds  
June 30, 2021

	<u>Building Fund</u>	<u>Child Nutrition</u>	<u>Gifts</u>	<u>Student Activity</u>	<u>Workers' Compensation</u>	<u>Casualty/ Insurance</u>	<u>Total Capital Project Funds</u>	<u>Total</u>
<b>Assets</b>								
Pooled Cash and Investments	\$ 1,126,981	\$ 2,017,579	\$ 12,150	\$ 2,396,514	\$ 39,415	\$ 685,538	\$ 9,209,842	\$ 15,488,019
Property Taxes Receivable	369,298	-	-	-	-	-	-	369,298
Due from Other Governments	-	116,313	-	-	-	-	-	116,313
Other Receivables	17,634	-	-	1,960	-	180,562	-	200,156
<b>Total Assets</b>	<u>\$ 1,513,913</u>	<u>\$ 2,133,892</u>	<u>\$ 12,150</u>	<u>\$ 2,398,474</u>	<u>\$ 39,415</u>	<u>\$ 866,100</u>	<u>\$ 9,209,842</u>	<u>\$ 16,173,786</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>								
<b>Liabilities</b>								
Accounts Payable and Accrued Liabilities	\$ 226,039	\$ 149,266	\$ -	\$ (1,854)	\$ -	\$ -	\$ 264,785	\$ 638,236
Unearned Revenue	-	177,425	-	-	-	180,562	-	357,987
<b>Total Liabilities</b>	<u>226,039</u>	<u>326,691</u>	<u>-</u>	<u>(1,854)</u>	<u>-</u>	<u>180,562</u>	<u>264,785</u>	<u>996,223</u>
<b>Deferred Inflows of Resources:</b>								
Unavailable revenue - taxes	340,634	-	-	-	-	-	-	340,634
<b>Total Deferred Inflow of Resources</b>	<u>340,634</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>340,634</u>
<b>Fund Balances</b>								
Restricted	947,240	1,807,201	12,150	2,400,328	39,415	685,538	8,945,057	14,836,929
<b>Fund Balances, End of Year</b>	<u>947,240</u>	<u>1,807,201</u>	<u>12,150</u>	<u>2,400,328</u>	<u>39,415</u>	<u>685,538</u>	<u>8,945,057</u>	<u>14,836,929</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 1,513,913</u>	<u>\$ 2,133,892</u>	<u>\$ 12,150</u>	<u>\$ 2,398,474</u>	<u>\$ 39,415</u>	<u>\$ 866,100</u>	<u>\$ 9,209,842</u>	<u>\$ 16,173,786</u>

Norman Independent School District No. 29

Cleveland County, Oklahoma

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Other Governmental Funds

Year Ended June 30, 2021

	Building Fund	Child Nutrition	Gifts	Student Activity	Workers' Compensation	Casualty/ Insurance	Total Capital Project Funds	Total Other Governmental Funds
<b>Revenues</b>								
Property Taxes	\$ 5,574,610	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,574,610
Interest	2,010	1,910	18	3,122	50	584	19,461	27,155
State Revenue	-	55,691	-	-	-	-	-	55,691
Federal Revenue	-	4,863,280	-	-	-	-	-	4,863,280
Other	3,144	71,754	10,300	1,295,779	-	344,709	-	1,725,686
<b>Total Revenues</b>	<b>5,579,764</b>	<b>4,992,635</b>	<b>10,318</b>	<b>1,298,901</b>	<b>50</b>	<b>345,293</b>	<b>19,461</b>	<b>12,246,422</b>
<b>Expenditures</b>								
Instruction	-	-	691	471,408	-	54,753	3,211,737	3,738,589
Support Services	6,223,657	236,089	9,786	693,506	-	56,208	2,962,886	10,182,132
Non-Instruction Services	-	4,208,384	-	228,301	-	-	-	4,436,685
Capital Outlays	3,000	-	-	5,778	-	-	220,989	229,767
<b>Total Expenditures</b>	<b>6,226,657</b>	<b>4,444,473</b>	<b>10,477</b>	<b>1,398,993</b>	<b>-</b>	<b>110,961</b>	<b>6,395,612</b>	<b>18,587,173</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(646,893)</b>	<b>548,162</b>	<b>(159)</b>	<b>(100,092)</b>	<b>50</b>	<b>234,332</b>	<b>(6,376,151)</b>	<b>(6,340,751)</b>
<b>Other Financing Sources (Uses)</b>								
Transfers In	39,738	51,524	-	-	-	-	-	91,262
Transfers Out	-	-	-	(3,594)	-	-	-	(3,594)
<b>Total Other Financing Sources (Uses)</b>	<b>39,738</b>	<b>51,524</b>	<b>-</b>	<b>(3,594)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>87,668</b>
<b>Net Change in Fund Balances</b>	<b>(607,155)</b>	<b>599,686</b>	<b>(159)</b>	<b>(103,686)</b>	<b>50</b>	<b>234,332</b>	<b>(6,376,151)</b>	<b>(6,253,083)</b>
<b>Beginning Fund Balances</b>	<b>1,554,395</b>	<b>1,207,515</b>	<b>12,309</b>	<b>2,504,014</b>	<b>39,365</b>	<b>451,206</b>	<b>15,321,208</b>	<b>21,090,012</b>
<b>Ending Fund Balances</b>	<b>\$ 947,240</b>	<b>\$ 1,807,201</b>	<b>\$ 12,150</b>	<b>\$ 2,400,328</b>	<b>\$ 39,415</b>	<b>\$ 685,538</b>	<b>\$ 8,945,057</b>	<b>\$ 14,836,929</b>

Norman Independent School District No. 29  
 Cleveland County, Oklahoma  
 Combining Balance Sheet – Capital Project Funds  
 June 30, 2021

	<u>2014 Bond Fund</u>	<u>2015 Bond Fund</u>	<u>2016 Bond Fund</u>	<u>2017 Bond Fund</u>	<u>2018 Bond Fund</u>	<u>2019 Bond Fund</u>	<u>2020 Bond Fund</u>	<u>Total Capital Project Funds</u>
<b>Assets</b>								
Pooled Cash and Investments	\$ 85,519	\$ 20,037	\$ 61,170	\$ 150,632	\$ 528,699	\$ 3,913,870	\$ 4,449,915	\$ 9,209,842
Total Assets	<u>\$ 85,519</u>	<u>\$ 20,037</u>	<u>\$ 61,170</u>	<u>\$ 150,632</u>	<u>\$ 528,699</u>	<u>\$ 3,913,870</u>	<u>\$ 4,449,915</u>	<u>\$ 9,209,842</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>								
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 11,577	\$ 194,817	\$ 58,391	\$ 264,785
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,577</u>	<u>194,817</u>	<u>58,391</u>	<u>264,785</u>
<b>Fund Balances</b>								
Restricted	<u>85,519</u>	<u>20,037</u>	<u>61,170</u>	<u>150,632</u>	<u>517,122</u>	<u>3,719,053</u>	<u>4,391,524</u>	<u>8,945,057</u>
Fund Balances, End of Year	<u>85,519</u>	<u>20,037</u>	<u>61,170</u>	<u>150,632</u>	<u>517,122</u>	<u>3,719,053</u>	<u>4,391,524</u>	<u>8,945,057</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 85,519</u>	<u>\$ 20,037</u>	<u>\$ 61,170</u>	<u>\$ 150,632</u>	<u>\$ 528,699</u>	<u>\$ 3,913,870</u>	<u>\$ 4,449,915</u>	<u>\$ 9,209,842</u>

Norman Independent School District No. 29

Cleveland County, Oklahoma

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Capital Project Funds

Year Ended June 30, 2021

	2014 Bond Fund	2015 Bond Fund	2016 Bond Fund	2017 Bond Fund	2018 Bond Fund	2019 Bond Fund	2020 Bond Fund	Total Capital Project Funds
Revenues								
Interest	\$ 105	\$ 25	\$ 76	\$ 188	\$ 667	\$ 11,423	\$ 6,977	\$ 19,461
Total Revenues	105	25	76	188	667	11,423	6,977	19,461
Expenditures								
Instruction	-	-	-	495	33,146	890,956	2,287,140	3,211,737
Support Services	-	-	225	173	2,210	1,643,666	1,316,612	2,962,886
Capital Outlays	-	-	-	-	31,327	189,662	-	220,989
Total Expenditures	-	-	225	668	66,683	2,724,284	3,603,752	6,395,612
Net Change in Fund Balances	105	25	(149)	(480)	(66,016)	(2,712,861)	(3,596,775)	(6,376,151)
Beginning Fund Balances	85,414	20,012	61,319	151,112	583,138	6,431,914	7,988,299	15,321,208
Ending Fund Balances	\$ 85,519	\$ 20,037	\$ 61,170	\$ 150,632	\$ 517,122	\$ 3,719,053	\$ 4,391,524	\$ 8,945,057

Norman Independent School District No. 29  
 Cleveland County, Oklahoma  
 Budgetary Comparison Schedule – Building Fund (Unaudited)  
 Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts GAAP	Variance with Final Budget Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
Budgetary Fund Balance, July 1	\$ 1,201,348	\$ 1,554,395	\$ 1,554,395	\$ 353,047	\$ -
Resources (inflows)					
Property Taxes	5,345,139	5,557,362	5,574,610	212,223	17,248
Interest	35,000	2,300	2,010	(32,700)	(290)
Other	351,550	44,829	42,882	(306,721)	(1,947)
Amounts Available for Appropriation	<u>6,933,037</u>	<u>7,158,886</u>	<u>7,173,897</u>	<u>225,849</u>	<u>15,011</u>
Charges to Appropriations (outflows)					
Support Services	6,310,661	6,514,475	6,223,657	(203,814)	290,818
Capital Outlays	-	15,000	3,000	(15,000)	12,000
Total Charges to Appropriations	<u>6,310,661</u>	<u>6,529,475</u>	<u>6,226,657</u>	<u>(218,814)</u>	<u>302,818</u>
Budgetary Fund Balance, June 30	<u><u>\$ 622,376</u></u>	<u><u>\$ 629,411</u></u>	<u><u>\$ 947,240</u></u>	<u><u>\$ 7,035</u></u>	<u><u>\$ 317,829</u></u>

Norman Independent School District No. 29  
Cleveland County, Oklahoma  
Budgetary Comparison Schedule – Child Nutrition (Unaudited)  
Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts GAAP Basis	Variance with Final Budget Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
Budgetary Fund Balance, July 1	\$ 626,259	\$ 1,207,515	\$ 1,207,515	\$ 581,256	\$ -
Resources (inflows)					
Interest	15,000	2,000	1,910	(13,000)	(90)
Local Revenue	1,657,348	123,014	71,754	(1,534,334)	(51,260)
State Revenue	56,847	55,691	55,691	(1,156)	-
Federal Revenue	3,690,000	4,869,497	4,863,280	1,179,497	(6,217)
Amounts Available for Appropriation	<u>6,045,454</u>	<u>6,257,717</u>	<u>6,200,150</u>	<u>212,263</u>	<u>(57,567)</u>
Charges to Appropriations (outflows)					
Support Services	-	-	236,089	-	(236,089)
Non-instruction services	5,769,290	4,996,460	4,208,384	772,830	788,076
Capital Outlays	-	3,540	-	(3,540)	3,540
Total Charges to Appropriations	<u>5,769,290</u>	<u>5,000,000</u>	<u>4,444,473</u>	<u>769,290</u>	<u>555,527</u>
Budgetary Fund Balance, June 30	<u><u>\$ 276,164</u></u>	<u><u>\$ 1,257,717</u></u>	<u><u>\$ 1,755,677</u></u>	<u><u>\$ 981,553</u></u>	<u><u>\$ 497,960</u></u>

Norman Independent School District No. 29  
Cleveland County, Oklahoma  
Combining Schedule of Changes in Assets and Liabilities – All Activity Funds  
Year Ended June 30, 2021

Activities	Ending Balance As of <u>June 30, 2020</u>	Total <u>Receipts</u>	Total <u>Disbursements</u>	Ending Balance As of <u>June 30, 2021</u>
<b>Assets</b>				
Football	\$ 44,143	\$ 83,555	\$ 68,110	\$ 59,588
Boys Basketball	23,244	27,676	31,331	19,589
Girls Basketball	662	15,437	15,437	662
Boys Swimming	2,917	-	264	2,653
Baseball	4,888	22,964	21,964	5,888
FastPitch Softball	4,288	13,778	14,713	3,353
Wrestling	440	10,361	10,361	440
Boys Tennis	1,446	4,141	4,301	1,286
Girls Tennis	1,652	7,002	7,280	1,374
Slowpitch Softball	254	4,719	4,216	757
Girls Cross Country	737	5,474	5,474	737
Boys Golf	3,816	16,911	17,661	3,066
Boys Cross Country	818	5,393	5,393	818
Boys Soccer	5,763	11,292	15,320	1,735
Volleyball	13,290	24,565	21,202	16,653
Boys Track	10,966	26,999	24,764	13,201
Girls Track	6,494	4,737	5,017	6,214
General Athletics	102,400	33,816	91,395	44,821
ASCE	19,282	(200)	-	19,082
Girls Golf	2,354	4,447	4,997	1,804
Girls Soccer	7,735	19,275	19,427	7,583
Girls Swimming	1,595	-	-	1,595
AP Tests	93,014	73,154	69,413	96,755
Art	41,158	217	2,930	38,445
Art in Education	-	370	336	34
Coke	238,628	10,586	60,921	188,293
Band	15,227	16,753	15,759	16,221
Snack Shack	68,983	467	14,467	54,983
Save Darfur Club	22	-	-	22
Consumer Education	28	-	-	28
Cheerleaders	20,612	2,751	6,342	17,021
Business	115	-	-	115
Link Crew	610	1,754	1,178	1,186
Freshmen	2,978	(2,967)	-	11
Ag Ed (FFA)	30,847	32,095	22,396	40,546
Camp Turning Point	7,107	280	-	7,387
Clearing Account	-	5,137	4,314	823
Book Club	75	-	-	75
Book Fair	16,081	5,135	5,025	16,191
Drama Club	7,851	-	926	6,925
Drug Free/Chemical Depend	1,141	-	-	1,141
Black Stud Assoc/Stomp	249	-	-	249
Pack Shack/Link Crew	55,032	4,069	28,279	30,822
OK Youth & Government	1,345	200	1,360	185
English	319	-	-	319
Environmental Club	283	-	-	283

Norman Independent School District No. 29  
Cleveland County, Oklahoma  
Combining Schedule of Changes in Assets and Liabilities – All Activity Funds  
Year Ended June 30, 2021

	Ending Balance As of <u>June 30, 2020</u>	Total <u>Receipts</u>	Total <u>Disbursements</u>	Ending Balance As of <u>June 30, 2021</u>
Explo	\$ 482	\$ -	\$ -	\$ 482
Enrichment	3,249	(2,500)	-	749
Faculty Services	1,243	21	-	1,264
African Amer Assoc	2,798	584	746	2,636
Field Trips	68,595	(9,427)	4,687	54,481
Parking Decals	34,624	(175)	2,288	32,161
G.E.M.S.	3,278	-	-	3,278
Foreign Language-All	881	-	-	881
French	1,213	350	553	1,010
Principal	325,230	77,984	131,419	271,795
Ecology Club	47	-	-	47
Gifted and Talented	5,544	125	1,601	4,068
Latino Leadership	499	-	-	499
Sophomore	2,078	1,457	-	3,535
5th Grade	2,766	1,402	2,407	1,761
Junior	8,022	(776)	3,628	3,618
6th Grade	272	-	-	272
7th Grade	4,234	-	-	4,234
8th Grade	10,903	500	-	11,403
Grants	2	319	319	2
FACS	3,705	296	200	3,801
Senior	9,002	3,095	3,898	8,199
Honor Society	10,377	2,435	3,117	9,695
DECA	24,325	45,631	41,545	28,411
Instrumental Music	16,913	65,974	26,034	56,853
Indigent Student Fund	3,704	-	-	3,704
Athletic Trainer	4,069	9,899	966	13,002
Independent Living	1,550	-	-	1,550
Spud-North	24,930	154,083	148,101	30,912
Leadership Council	13,482	613	2,345	11,750
Latin	4,660	528	396	4,792
Cultural Diversity	886	-	-	886
Library/Media Center	59,483	35,503	42,987	51,999
Computers	42	-	-	42
Natl Art Honor Society	1,951	-	-	1,951
Modern Dance Club	17,761	1,598	3,161	16,198
Misc Transaction	1,498	-	-	1,498
Model United Nations	38	-	-	38
Mu Alpha Theta	1,697	566	74	2,189
Music/Drumline	51,967	(8,636)	7,558	35,773
Newspaper/Journalism	2,838	(100)	-	2,738
Parenting	78	-	-	78
Orchestra	61,353	4,239	9,743	55,849
Office	1,057	-	-	1,057
Memorial Fund	181	-	-	181
Poms	2,872	11,762	12,846	1,788
Physical Education	2,229	-	-	2,229

Norman Independent School District No. 29  
Cleveland County, Oklahoma  
Combining Schedule of Changes in Assets and Liabilities – All Activity Funds  
Year Ended June 30, 2021

	Ending Balance As of <u>June 30, 2020</u>	Total <u>Receipts</u>	Total <u>Disbursements</u>	Ending Balance As of <u>June 30, 2021</u>
Prof Leave/Development	\$ 11,094	\$ -	\$ -	\$ 11,094
Partners-In-Ed	593	-	-	593
PTA-Student	14,891	13,055	14,948	12,998
Native American Club	6,540	1,099	609	7,030
Donations	13,378	6,410	6,219	13,569
Outdoor Classroom	1,092	1,000	-	2,092
Global Awareness	279	-	-	279
Service Learning	7,751	579	227	8,103
Renaissance Program	971	-	-	971
PSAT/Guidance Serv	1,522	75	-	1,597
Prom	44,118	10,069	25,231	28,956
Psychology	204	-	-	204
Spanish Nat Honor Society	808	-	-	808
Model Congress	327	-	-	327
School Climate	14,372	-	-	14,372
Recycling	228	-	-	228
Resource Center Material	(5,705)	1,145	394	(4,954)
Fundraiser	26,455	22,911	17,849	31,517
Orange Thumb	484	-	-	484
Sat School/Student Int	20	-	-	20
SADD	120	-	-	120
Science	593	-	-	593
Gay/Straight Alliance	717	388	375	730
Spanish	1,266	300	328	1,238
Speech	31,837	19,271	13,095	38,013
Special Ed/Spec Athletes	20,428	608	455	20,581
Fine Arts	99,630	2,069	2,722	98,977
Student Council/Congress	42,763	6,909	18,727	30,945
Store-School	4	-	-	4
Special Education	642	-	58	584
Musicals	10,189	(1,500)	-	8,689
Rotary Inter-ACT	1,122	215	-	1,337
Key Club	2,620	-	-	2,620
6th Grade Books	609	-	-	609
Theater Art	6,771	85	-	6,856
Technology	10,925	-	374	10,551
Vocal Music	47,671	17,090	23,748	41,013
Teen Volun/Parent Outreach	1,635	-	129	1,506
VRC-Video Resource Center	8,093	-	269	7,824
PR Fund	79	-	-	79
Yearbook	82,780	34,816	27,635	89,961
Vegetarian Club	406	-	-	406
Elem Music/Art	5,407	-	280	5,127
Wildcat Memories	100	-	-	100
Stand For Silence	4	-	-	4
Interior Design	100	-	-	100
Young Democrats	1,036	-	-	1,036

Norman Independent School District No. 29  
 Cleveland County, Oklahoma  
 Combining Schedule of Changes in Assets and Liabilities – All Activity Funds  
 Year Ended June 30, 2021

	Ending Balance As of June 30, 2019	Total Receipts	Total Disbursements	Ending Balance As of June 30, 2020
Stand For Silence	\$ 4	\$ -	\$ -	\$ 4
Interior Design	100	-	-	100
Young Democrats	1,006	30	-	1,036
Life Skills	1,200	-	-	1,200
Botball	19,831	6,798	11,397	15,232
Student Assistance Fund	821	3,575	3,119	1,277
Sewing	226	-	-	226
Administration	97,136	(8,000)	-	89,136
Sociology	301	-	-	301
WOW	11,328	-	-	11,328
Anthology	3,209	1,164	925	3,448
Academic Teams	3,387	4,223	984	6,626
Republican Club	492	-	-	492
Third Grade	124	-	-	124
Dumbledore's Army	735	-	-	735
Transition Center	61	-	-	61
Pre Engineering	5,132	7,324	4,890	7,566
Quidditch Club	135	-	-	135
Chinese Club	694	-	29	665
Logo Royalties	3,831	1,243	-	5,074
FCCLA	121	871	183	809
Art Club	80	-	-	80
Step Dance Team	863	322	352	833
Made	1,032	-	-	1,032
Ilearn Fluently	4	-	-	4
Pulling for Root	20	-	-	20
Tech Now	567	-	-	567
Lock In	2,102	-	-	2,102
Young Adult Book Club	34	-	-	34
Music Club	260	-	-	260
Future City/History Day	16	-	-	16
Tabletop Gaming Assoc	2,701	80	-	2,781
Hildebrand Scholarship	1,025	-	-	1,025
Big Brothers/Big Sisters	184	-	-	184
Autism	225	-	-	225
Tracks	72	-	-	72
Fundraiser	2,212	247	605	1,854
Autism	(186)	-	-	(186)
Trust Club	451	48	-	499
Avid	100	-	-	100
Timberwolf Pantry	1,554	318	-	1,872
Garden Club	682	500	(93)	1,275
German Club	1,457	1,747	1,312	1,892
Norman Arts Council	3,401	-	-	3,401
Class of 66 Scholarship	1,750	-	-	1,750
Triathlon Club	2,137	-	-	2,137
Sports Marketing	2,630	-	-	2,630
Literacy Magazine	576	-	-	576
6th Grade Lightning Thief	2,913	-	-	2,913
Watch Dogs	310	-	-	310
After School Detention	941	-	-	941
Anime/Cosplay Club	21	153	-	174

Norman Independent School District No. 29  
Cleveland County, Oklahoma  
Combining Schedule of Changes in Assets and Liabilities – All Activity Funds  
Year Ended June 30, 2021

	Ending Balance As of <u>June 30, 2020</u>	Total <u>Receipts</u>	Total <u>Disbursements</u>	Ending Balance As of <u>June 30, 2021</u>
Life Skills	\$ 1,200	\$ -	\$ -	\$ 1,200
Botball	15,231	326	802	14,755
Student Assistance Fund	1,278	3,983	1,575	3,686
Sewing	226	-	-	226
Administration	89,136	-	-	89,136
Sociology	301	-	-	301
WOW	11,329	3,086	2,930	11,485
Anthology	3,448	3,482	1,519	5,411
Academic Teams	6,627	1,682	1,271	7,038
Republican Club	492	-	-	492
Third Grade	124	-	-	124
Dumbledore's Army	735	-	-	735
Transition Center	61	-	-	61
Pre Engineering	7,566	-	663	6,903
Quidditch Club	135	-	-	135
Chinese Club	666	-	-	666
Logo Royalties	5,074	(2,840)	-	2,234
FCCLA	3,074	105	260	2,919
Art Club	80	-	-	80
Step Dance Team	834	-	-	834
Made	1,032	-	-	1,032
Ilearn Fluently	4	-	-	4
Pulling for Root	20	-	-	20
Tech Now	567	-	-	567
Lock In	2,102	-	-	2,102
Young Adult Book Club	34	-	-	34
Music Club	260	-	-	260
Future City/History Day	16	-	-	16
Tabletop Gaming Assoc	2,781	-	-	2,781
Hildebrand Scholarship	1,025	-	-	1,025
Big Brothers/Big Sisters	184	-	-	184
Autism	39	-	-	39
Tracks	72	-	-	72
Trust Club	499	-	-	499
Avid	100	-	-	100
Timberwolf Pantry	1,872	-	200	1,672
Garden Club	1,275	-	500	775
German Club	1,892	223	289	1,826
Norman Arts Council	3,401	100	-	3,501
Class of 66 Scholarship	1,750	-	-	1,750
Triathlon Club	2,137	-	-	2,137
Sports Marketing	2,630	-	-	2,630
Literacy Magazine	576	-	-	576
6th Grade Lightning Thief	2,913	-	-	2,913
Watch Dogs	310	-	-	310
After School Detention	941	-	-	941
Anime/Cosplay Club	173	-	-	173
Counselor Donation	13	-	-	13
Joe Lawson Memorial	952	-	-	952
Capstone	12	-	-	12

Norman Independent School District No. 29  
Cleveland County, Oklahoma  
Combining Schedule of Changes in Assets and Liabilities – All Activity Funds  
Year Ended June 30, 2021

	Ending Balance As of <u>June 30, 2020</u>	Total <u>Receipts</u>	Total <u>Disbursements</u>	Ending Balance As of <u>June 30, 2021</u>
Student Store	\$ 177	\$ -	\$ -	\$ 177
Irving Edition	342	-	-	342
Teacher Lounge	358	-	-	358
North Place Student Store	1,019	-	-	1,019
Tigers Helping Tigers	2,981	590	-	3,571
Christians on Campus	149	-	-	149
Breakfast Club	230	-	-	230
Anti Bullying Club	122	-	-	122
Technology Student Assoc	7,977	10,000	2,398	15,579
NHS Rocketry	20	-	-	20
Feminism Club	85	-	-	85
Ritchey Revocable Trust	569	-	-	569
Ethics Club	400	-	-	400
Teacher Support	600	-	-	600
Hatch Donations	1,623	-	-	1,623
Summer Band Camp	50	3,380	3,430	-
Wednesday Warriors	188	-	-	188
Thrift Club	236	-	-	236
American Sign Language	141	-	-	141
Moch Donation	150	-	139	11
Picture Commission	96,550	42,800	9,022	130,328
Solar Panels	519	8,018	-	8,537
NHS Outdoor Stage	-	-	-	-
Sponsorships	31,902	2,807	3,093	31,616
Girls Group	802	-	-	802
SRO Donation	670	-	146	524
Norman Water Club	96	6,238	6,100	234
Kindness Club	80	-	-	80
Running Club	591	-	-	591
Project Linus	258	-	-	258
Rho Kappa	214	45	150	109
Transition Program	1,026	-	-	1,026
Equip/Repair/Furn	229	-	-	229
PBIS	-	-	-	-
Teacher of the Year	-	14,950	-	14,950
Vending	-	6,133	4,937	1,196
Rounding	(5)	-	38	(43)
Total assets	<u>\$ 2,586,937</u>	<u>\$ 1,287,136</u>	<u>\$ 1,389,738</u>	<u>\$ 2,485,065</u>
Liabilities				
Due to Student Groups	<u>\$ 2,586,937</u>	<u>\$ 1,298,901</u>	<u>\$ 1,402,587</u>	<u>\$ 2,485,065</u>
Total liabilities	<u>\$ 2,586,937</u>	<u>\$ 1,298,901</u>	<u>\$ 1,402,587</u>	<u>\$ 2,485,065</u>

**Note 1 - Basis of Presentation**

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

Norman Independent School District No. 29  
 Cleveland County, Oklahoma  
 Schedule of Statutory, Fidelity, and Honesty Bonds (Unaudited)  
 Year Ended June 30, 2021

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<b>NAME</b>	<b>TYPE</b>	<b>COMPANY</b>	<b>BOND #</b>	<b>AMOUNT</b>	<b>BEG DATE</b>	<b>END DATE</b>
Dr. Nick Migliorino	Public Official Bond	Travelers Casualty and Surety Company	106784796	\$100,000	7/1/20	6/30/21
Brenda R. Burkett	Public Official Bond	Travelers Casualty and Surety Company	105306354	\$100,000	9/16/20	9/15/21
Janine Anne Warren	Public Official Bond	Hartford Fire Insurance Company	38BSBCJ1584	\$100,000	11/16/20	11/16/21
Norman Public Schools	Commercial Crime Policy	St Paul Travelers	104343265	\$100,000	7/1/04	Until cancelled

Norman Independent School District No. 29  
Cleveland County, Oklahoma  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/ Program Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-Through Grantor's Project Number	Deferred Revenue (Accounts Receivable) July 01, 2020	Federal Grant Receipts	Federal Grant Expenditures	Deferred Revenue (Accounts Receivable) June 30, 2021
U.S. Department of Education						
Direct Programs						
Indian Education, Grants to Local Educational Agencies	84.060	n/a	\$ (236,487)	\$ 429,366	\$ 433,322	\$ (240,443)
Passed Through Oklahoma Department of Career and Technology Education						
Vocational Education - Basic Grant to States	84.048	421, 424, 426	(89,392)	137,746	132,475	(84,121)
Passed Through Oklahoma State Department of Education						
Title I, Improving Basic Programs	84.010	511	(1,005,493)	2,117,156	2,170,350	(1,058,687)
Title I, Part A Neglected	84.010	518	(14,334)	50,966	48,000	(11,368)
Title I			<u>(1,019,827)</u>	<u>2,168,122</u>	<u>2,218,350</u>	<u>(1,070,055)</u>
Special Education - Grants to States	84.027	613, 621, 625	(709,750)	2,748,614	2,969,392	(930,528)
COVID 19 Special Education	84.027	651	-	85,745	191,680	(105,935)
Special Education - Preschool Grants	84.173	641, 642	(13,300)	76,744	76,444	(13,000)
Special Education Cluster			<u>(723,050)</u>	<u>2,911,103</u>	<u>3,237,516</u>	<u>(1,049,463)</u>
Title II, Part A Teacher and Principal Training and Recruiting Fund	84.367	541	(262,832)	644,131	467,856	(86,557)
Title III Part A English Language Acquisition	84.365	571, 572	(23,756)	102,202	102,904	(24,458)
Title IV Student Support and Enrichment Program	84.424A	552	(126,185)	153,228	58,564	(31,521)
Adult Basic Education	84.002	731, 733	(22,203)	62,250	69,174	(29,127)
Title I Neglected/Delinquent	84.013	532	(25,068)	173,985	169,997	(21,080)
Jobs Training-OJT	84.126	456	(1,392)	22,747	21,355	-
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER)	84.425D	788	-	1,133,471	2,232,270	(1,098,799)
Total U.S. Department of Education			<u>(2,530,192)</u>	<u>7,938,351</u>	<u>9,143,783</u>	<u>(3,735,624)</u>

Norman Independent School District No. 29  
Cleveland County, Oklahoma  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/ Program Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-Through Grantor's Project Number	Deferred Revenue (Accounts Receivable) July 01, 2020	Federal Grant Receipts	Federal Grant Expenditures	Deferred Revenue (Accounts Receivable) June 30, 2021
U.S. Department of the Interior						
Passed through the Oklahoma State Department of Education						
Indian Education - Assistance to Schools						
Johnson O'Malley Program (477 cluster)						
	15.130	563	\$ -	\$ 35,258	\$ 35,258	\$ -
Total U.S. Department of the Interior						
			-	35,258	35,258	-
U.S. Department of Agriculture						
Passed through the Oklahoma State Department of Education						
Child Nutrition Cluster						
Breakfast Program - cash assistance						
	10.553	764	(192,075)	192,075	-	-
Lunch Program - cash assistance						
	10.555	763	-	19,512	19,512	-
Lunch Program- commodities						
	10.555	763	-	188,462	188,462	-
Summer Food Service - cash assistance						
	10.559	766	-	4,727,455	4,843,768	(116,313)
Child Nutrition Cluster						
			(192,075)	5,127,504	5,051,742	(116,313)
Total U.S. Department of Agriculture						
			(192,075)	5,127,504	5,051,742	(116,313)
Department of Homeland Security						
Direct Programs						
Disaster Grants - Public Assistance (Presidentially Declared Disaster)						
	97.036	n/a	-	-	19,382	(19,382)
Total Department of Homeland Security						
			-	-	19,382	(19,382)
Total						
			\$ (2,722,267)	\$ 13,101,113	\$ 14,250,165	\$ (3,871,319)

**Note 1 – Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the Norman Independent School District No. 29 (the District) under programs of the federal government for the year ended June 30, 2021. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, fund balance, or cash flows of the District.

**Note 2 – Significant Accounting Policies**

Expenditures reported in the schedule are reported on the modified accrual basis of accounting. 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 financial assistance has been provided to a subrecipient.

**Note 3 – Indirect Cost Rate**

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

**Note 4 – Food Donation**

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. At June 30, 2021, the District had food commodities totaling \$188,462 in inventory.



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

To the Board of Education  
Norman Independent School District No. 29  
Norman, Oklahoma

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Norman Independent School District No. 29 (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated.

**Internal Control Over Financial Reporting**

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described as 2021-001 in the accompanying schedule of findings and questioned costs to be a material weakness.

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A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described as 2021-002 in the accompanying schedule of findings and questioned costs to be a significant deficiency.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District'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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2021-002.

#### **Norman Independent School District No. 29's Response to Findings**

The District's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

#### **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  
December 3, 2021



## **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  
Norman Independent School District No. 29  
Norman, Oklahoma:

### **Report on Compliance for Each Major Federal Program**

We have audited Norman Independent School District No. 29’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Norman Independent School District No. 29’s major federal programs for the year ended June 30, 2021. Norman Independent School District No. 29’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 the compliance for each of Norman Independent School District No. 29’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 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 Norman Independent School District No. 29’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 Norman Independent School District No. 29’s compliance.

### **Opinion on Each Major Federal Program**

In our opinion, Norman Independent School District No. 29 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect of each of its major Federal programs for the year ended June 30, 2021.

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## **Report on Internal Control over Compliance**

Management of Norman Independent School District No. 29 is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered Norman Independent School District No. 29'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 Norman Independent School District No. 29's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement 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 that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



Oklahoma City, Oklahoma  
December 3, 2021

**Section I – Summary of Auditor’s Results**

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

    Material weaknesses identified Yes

    Significant deficiencies identified not  
     considered to be material weaknesses Yes

Noncompliance material to financial statements noted? Yes

Federal Awards

Internal control over major programs:

    Material weaknesses identified No

    Significant deficiencies identified not  
     considered to be material weaknesses None reported

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

Any audit findings disclosed that are required to be  
 reported in accordance with Uniform Guidance  
 2 CFR 200.516: No

Identification of major programs:

Name of Federal Program or Cluster CFDA number

Title I, Improving Basic Programs 84.010

COVID-19 Elementary and Secondary School  
 Emergency Relief Fund (ESSER) 84.425D

Child Nutrition Cluster 10.553, 10.555  
10.559

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

Auditee qualified as low-risk auditee No

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**Section II – Financial Statement Findings**

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2021-001 Material Adjustments

Material Weakness in Internal Controls over Financial Reporting

Criteria:	Controls over complete year-end financial reporting process should be in place. Controls should be in place to record all amounts in accordance with generally accepted accounting principles.
Condition:	<p>The District does have procedures in place for the preparation of the fund financial statements and government wide financial statements and related disclosures as required by generally accepted accounting principles.</p> <p>However, certain adjustments were noted in the financial statements:</p> <ul style="list-style-type: none"><li>• Grant revenue from the District’s FEMA funding was improperly recognized in fund statements, as the amounts were not received within 60 days of the fiscal year end. This error resulted in an overstatement of revenue and understatement of deferred inflows within the other governmental funds.</li><li>• Worker’s compensation expense and the related liability were both overstated.</li></ul>
Cause:	While there are several controls in place to ensure proper presentation in accordance with GAAP certain elements required to properly record all adjustments in accordance with generally accepted accounting principles were not fully implemented.
Context:	We noted instances that resulted in adjustments to capital assets, liabilities, income and expenses.
Effect:	The District is at risk for material misstatements and incomplete or inaccurate financial statements. Further, certain adjustments resulted as part of the audit.
Recommendation:	Certain controls should be put in place to ensure that adjustments are made to properly state financials in accordance with GAAP.

Views of Responsible  
Officials:

- Management does have controls in place for recording financial transactions properly in the fund financial statements
- Management understands the importance of ensuring that adjustments are made to properly state government-wide financials in accordance with generally accepted accounting principles.
- Management will put additional procedures in place to ensure all elements required to properly record adjustments are followed.

2021-002 Student Activity funds

Significant Deficiency in Internal Controls over Financial Reporting; Compliance

Condition: Certain student activity receipts were not properly reconciled prior to the time of deposit to justify that amounts were deposited timely and accurately.

Criteria: Oklahoma Statutes Section 70-5-129 related to student activity funds states “deposits subject to the requirements of this section shall be made by the end of the next business day; however, if the deposit for a day totals 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...shall deposit accumulated monies not less than one time per week.”

Cause: In some cases, there are some processes that are not in place to ensure that the teacher sponsor receipts were properly received and deposited within the prescribed timeframe determined by state statute. prior to financial institution deposit.

Norman Independent School District No. 29

Cleveland County, Oklahoma

Schedule of Findings and Questioned Costs

Year Ended June 30, 2021

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Context:	Approximately 13% of deposits tested (5 in our sample of 40) contained an exception. Out of these exceptions 3 did not have proper reconciliation and deposit records to ensure that amounts were properly received by the Financial Secretary and timely deposited. The remaining 2 exceptions were not deposited timely.
Effect:	Failure to comply with State law indicating a failure to exercise control over funds received from student activities.
Recommendation:	Requirements for daily submission of student activity funds should be monitored for all sites by District administration.
Response and Corrective Action Plan:	The District administration has been communicating these receipt and deposit legal requirements to site staff. We will continue to work with Principals and financial secretaries, with an emphasis on the importance of proper reconciliation as well as timely depositing of following these legal requirements.

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**Section III – Federal Award Findings and Questioned Costs**

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None.

Norman Independent School District No. 29  
Cleveland County, Oklahoma  
Schedule of Accountant's Professional Liability Insurance Affidavit  
June 30, 2021

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STATE OF OKLAHOMA )  
 ) ss  
County of Oklahoma )

The undersigned auditing firm of lawful age, being first duly sworn on oath, says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit law" at the time of audit contract and during the entire audit engagement with Norman Independent School District No. 29 for the audit year 2020-2021.

EIDE BAILLY, LLP

*Fanessa M. Dutto*

Subscribed and sworn to before me on this 3<sup>rd</sup> day of December, 2021.

*Elizabeth Pennell*  
Notary Public

My commission expires 1/7/2025

