

**STANLEY HUPFELD ACADEMY
AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL
LIABILITY INSURANCE AFFIDAVIT
JULY 1, 2020 THROUGH JUNE 30, 2021**

State of Oklahoma)
) ss
County of Custer)

The undersigned auditing firm of lawful age, being first duly sworn on oath, says that said firm had in full force and effect Accountants' 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 Stanley Hupfeld Academy at Western Village, Oklahoma, for the audit year 2020-21.

Britton, Kuykendall & Miller

BRITTON, KUYKENDALL & MILLER
Certified Public Accountants

By *James Kuykendall*

Subscribed and sworn to before me this *3rd* day of *December*, 2021.

Patty Klein
NOTARY PUBLIC

PATTY KLEIN NOTARY PUBLIC - STATE OF OKLAHOMA MY COMMISSION EXPIRES AUG. 09, 2023 COMMISSION # 07007593
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**STANLEY HUPFELD ACADEMY
AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA
AUDIT COMMENTS
JUNE 30, 2021**

CURRENT YEAR

1. None Noted.

PRIOR YEAR

1. None Noted.

combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Stanley Hupfeld Academy at Western Village, Oklahoma City, Oklahoma's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* in the United States of America.

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.

Britton, Kuykendall & Miller

BRITTON, KUYKENDALL AND MILLER
Certified Public Accountants

Weatherford, Oklahoma
December 3, 2021



BRITTON, KUYKENDALL, & MILLER
CERTIFIED PUBLIC ACCOUNTANTS

JAMES M. KUYKENDALL
RICK D. MILLER

204 E. FRANKLIN - P.O. BOX 507
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**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 Honorable Board of Education
Stanley Hupfeld Academy at Western Village
Oklahoma City, Oklahoma County, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the fund type and account group financial statements-regulatory basis of Stanley Hupfeld Academy at Western Village, Oklahoma City, Oklahoma, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Stanley Hupfeld Academy at Western Village, Oklahoma City, Oklahoma's basic financial statements, and have issued our report thereon dated December 3, 2021. As stated in our report, our opinion was adverse with respect to the financial statements not being prepared in conformity with accounting principles generally accepted in the United States of America because the presentation followed the regulatory basis of the financial reporting provisions of the Oklahoma State Department of Education. In addition, our opinion was qualified because the omission of the General Fixed Assets Account Group results in an incomplete presentation with respect to the financial statements being prepared following the regulatory basis of the financial reporting provisions of the Oklahoma State Department of Education.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Stanley Hupfeld Academy at Western Village, Oklahoma City, Oklahoma's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a

REPORT ON INTERNAL CONTROL AND ON COMPLIANCE

OF

**STANLEY HUPFELD ACADEMY
AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA**

STANLEY HUPFELD ACADEMY AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA #	Grantor's Number	Approved Amount	Balance at June 30, 2020	Receipts	Expenditures	Balance at June 30, 2021
<i>Passed-through State Department of Education:</i>							
<u>2019-2020 Programs</u>							
Title I	84.010	511	0.00	(14,338.27)	14,338.27	0.00	0.00
IDEA-B Project ECCO	84.027	615	0.00	(1,476.13)	1,476.13	0.00	0.00
<u>2020-2021 Programs</u>							
Title I	84.010	511	155,771.55	0.00	130,023.90	148,124.95	(18,101.05)
Title II, Part A	84.367	511	23,210.31	0.00	23,210.31	23,210.31	0.00
Title IV, Part A	84.424	511	10,000.00	0.00	10,000.00	10,000.00	0.00
ESSERF/CARES Act	84.425D	788	115,048.56	0.00	115,048.56	115,048.56	0.00
Special Education Cluster (IDEA)							
IDEA-B Project ECCO	84.027	615	0.00	0.00	0.00	0.00	0.00
Flow Through, IDEA-Part B	84.027	621	60,541.91	0.00	60,194.65	60,194.65	0.00
Preschool, IDEA-Part B	84.173	641	653.61	0.00	0.00	0.00	0.00
Total Special Education Cluster (IDEA)			61,195.52	0.00	60,194.65	60,194.65	0.00
Total Dept. of Education			365,225.94	(15,814.40)	354,291.82	356,578.47	(18,101.05)
<i>U.S. Department of Agriculture</i>							
<i>Passed Through State Dept. of Education:</i>							
Child Nutrition Cluster							
Cash Assistance:							
National School Lunch Program	10.555	763	75,463.20	0.00	75,463.20	75,463.20	0.00
School Breakfast Program	10.553	764	31,174.44	0.00	31,174.44	31,174.44	0.00
Fresh Fruit/Vegetable Program	10.582	768	21,241.01	0.00	20,175.51	21,241.01	(1,065.50)
Non-Cash Assistance (Commodities):							
National School Lunch Program	10.555	n/a	13,340.84	0.00	13,340.84	13,340.84	0.00
Total Child Nutrition Cluster			141,219.49	0.00	140,153.99	141,219.49	(1,065.50)
Total Federal Assistance			\$ 506,445.43	\$ (15,814.40)	\$ 494,445.81	\$ 497,797.96	\$ (19,166.55)

Notes to Schedule of Expenditures of Federal Awards

Basis of Presentation - The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Stanley Hupfeld Academy at Western Village, Oklahoma County, Oklahoma under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Stanley Hupfeld Academy at Western Village, Oklahoma County, Oklahoma, it is not intended to and does not present the financial position, changes in net position, or cash flows of Stanley Hupfeld Academy at Western Village, Oklahoma County, Oklahoma.

Summary of Significant Accounting Policies - Expenditures reported in the Schedule are reported on the regulatory basis of accounting. 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. Nonmonetary assistance in the form of commodities is reported in the Schedule at the fair market value of the commodities received and disbursed. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10% indirect cost rate allowed under the Uniform Guidance. Also, there were no awards passed through to sub-recipients.

SUPPLEMENTARY INFORMATION
OF
STANLEY HUPFELD ACADEMY
AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA

SUPPORTING SCHEDULES
OF
STANLEY HUPFELD ACADEMY
AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA

**STANLEY HUPFELD ACADEMY
AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

9. Use of Estimates

The preparation of financial statements in conformity with the cash basis and budget laws of the Oklahoma State Department of Education requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

10. Subsequent Events

Management has evaluated subsequent events through December 3, 2021, which is the date the financial statements were available to be issued and have determined that no additional information needs to be added to the financial statements.

**STANLEY HUPFELD ACADEMY
AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

4. Health Care Coverage

During the year ended June 30, 2021, employees of the Stanley Hupfeld Academy at Western Village, Oklahoma, were covered by a health insurance plan (the plan). The teachers and support personnel may elect to be covered by the plan. The plan was authorized by House Bill 1731, 1988 Oklahoma Legislature (74 O.S. 1988, Supp. Section 1301-1322) with the Oklahoma State and Education Employers Group Insurance Board.

5. Investment Income

Investment income deposits are receipted as allocated by the School. School funds are required to be invested in accordance with Title 70 of the Oklahoma Statutes. Interest income on cash funds totaled \$0.00.

6. Contingencies

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 School expects such amounts, if any, to be immaterial.

7. Risk Management

The School is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, employees' health and life, and natural disasters. The School manages these various risks of loss through the purchase of commercial insurance. Management believes such coverage is sufficient to preclude any significant uninsured losses to the School. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

8. Surety Bonds

The School has a public employee dishonesty bond with Western Surety Company, bond number 61623465, which covers the Secretary/Treasurer for the penal sum of \$100,000.00 from March 12, 2020 to March 11, 2021 and then until March 11, 2022. The School has a position's bond with Western Surety Company, bond number 61620170, which covers the director/superintendent for the penal sum of \$100,000.00 as well as the principal for \$50,000.00, encumbrance clerk for \$1,000.00, and minutes clerk for \$1,000.00 for the same period from March 12, 2020 until March 11, 2022.

**STANLEY HUPFELD ACADEMY
AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Employee Retirement System, (Continued)

A participant with ten years of creditable service may retire with a normal retirement allowance at the age of sixty-two or with reduced benefits as early as age fifty-five. The normal retirement allowance paid monthly for life and then to beneficiaries, if certain options are exercised, equals two percent of the average of the highest three earning years of contributory service multiplied by the number of years of credited service. A participant leaving employment before attaining retirement age, but completing ten years of service, may elect to vest his accumulated contributions and defer receipt of a retirement annuity until a later date. When a participant dies in active service and has completed ten years of credited service, the beneficiary is entitled to a death benefit. If the beneficiary is a surviving spouse, the surviving spouse may, in lieu of the death benefit, elect to receive, subject to the surviving spousal options, the participant's retirement benefits accrued at the time of death.

The contribution rates for the School, which are not actuarial determined, and its employees are established by statute and applied to the employee's earnings, plus employer-paid fringe benefits. The School is required by statute to contribute 9.50% of applicable compensation effective January 1, 2010. The School is allowed by the Oklahoma Teacher's Retirement System to make the required contributions on behalf of the participating members. The required contribution for participating members is 7.0% of each member's total compensation.

For the year ended June 30, 2021, the total compensation covered by the Teacher Retirement System was \$1,748,053.92. The School's contributions to the System for the years ending June 30, 2021, 2020 and 2019 were \$160,949.52, \$144,491.88, and \$143,815.29, respectively.

The System's accounting records are maintained on the cash basis of accounting, except for accruals of interest income.

Ten year historical trend information is presented in the Teacher's Retirement System of Oklahoma Annual Report for the year ended June 30, 2020. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due. The Oklahoma Teachers' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Oklahoma Teachers' Retirement System, P.O. Box 53524, Oklahoma City, OK 73152 or by calling (405) 521-2387.

**STANLEY HUPFELD ACADEMY
AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Deposits and Investments, (Continued)

Investment Credit Risk – (Continued)

The cash and investments held by the District at year end are as follows:

	Average Maturity (Months)	Credit Rating	<u>Market Value</u>	<u>Cost</u>
Money Market	N/A	N/A	\$ 621,319.07	\$ 621,319.07
Certificates of Deposit	6	N/A	<u>0.00</u>	<u>0.00</u>
Total			<u>\$ 621,319.07</u>	<u>\$ 621,319.07</u>

Concentration of Investment Credit Risk – Exposure to concentration of investment credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the District (any over 5 percent are disclosed). Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this consideration. The District places no limit on the amount it may invest in any one issuer. The District had no concentration of credit risk as defined above.

3. Employee Retirement System

The School participates in the state-administered Oklahoma Teachers' Retirement System (the "System"), which is a cost-sharing, multiple-employer public employee retirement system (PERS). Under the System, contributions are made by the School, 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. A participant's date of membership is the date the first contribution is made to the System. The System is administered by a board of trustees which acts as a fiduciary for investing the funds and governing the administration of the System. The School has no responsibility or authority for the operation and administration of the System nor has it any liability, except for the current contribution requirements.

**STANLEY HUPFELD ACADEMY
AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Summary of Significant Accounting Policies, (Continued)

2. Deposits and Investments

Custodial Credit Risk – Custodial credit risk exists when the District holds deposits or investments that are uninsured and uncollateralized. The District's cash deposits and investments at financial institutions as of June 30, 2021 was \$621,319.07. The District's cash deposits, including interest-bearing certificates of deposit, are entirely covered by Federal Depository Insurance (FDIC) or direct obligations of the U.S. Government insured or collateralized with securities held by the District or by its agent in the District's name

Investment Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

- Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- Certificates of deposits or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
- With certain limitation, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper and repurchase agreements with certain limitations.
- County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.
- Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
- Money market funds regulated by the SEC and in which investments consist of the obligations of the United States, its agencies and instrumentalities.

**STANLEY HUPFELD ACADEMY
AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Summary of Significant Accounting Policies, (Continued)

Revenue, Expenses and Expenditures, (Continued)

State Revenues – (Continued)

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

Federal Revenues - Federal revenues consist of revenues from the federal government in the form of operating grants or entitlements. An operating grant is a contribution to be used for a specific purpose, activity or facility. A grant may be received either directly from the federal government or indirectly as a pass-through from another government, such as the State.

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

Interfund Transactions - Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund or expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers. There were no operating transfers or residual equity transfers during fiscal year 2021.

G. Statement of Cash Flows

Since the School does not currently have any Proprietary Fund Types, the statement of cash flows has not been presented in the fiscal 2021 accompanying financial statements.

**STANLEY HUPFELD ACADEMY
AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Summary of Significant Accounting Policies, (Continued)

Fund Balance, (Continued)

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

Resource Use Policy – It is the District's policy for all funds that when an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources, including fund balances, are available, the District considers restricted amounts to be spent first before any unrestricted amounts are used. Furthermore, it is the District's policy that when an expenditure/expense is incurred for purposes for which committed, assigned, or unassigned resources, including fund balances, are available, the School considers committed amounts to be spent first, followed by assigned amounts and lastly unassigned amounts.

F. Revenue, Expenses and Expenditures

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

Intermediate Revenues - Revenues from intermediate sources are the amounts of money from funds collected by an intermediate administrative unit, or a political subdivision between the School and the State, and distributed to schools in amounts that differ in proportion to those collected within such systems.

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.

**STANLEY HUPFELD ACADEMY
AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Summary of Significant Accounting Policies, (Continued)

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

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

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

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

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

**STANLEY HUPFELD ACADEMY
AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Summary of Significant Accounting Policies, (Continued)

D. Budgets and Budgetary Accounting

Budgets are maintained in the OCAS system of accounting and are included in the financial statements.

E. Assets, Liabilities and Fund Equity

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

Investments - Investments consist of direct obligations of the United States Government and Agencies or certificates of deposit with maturities greater than three months when purchased. All investments are recorded at cost, which approximates market value.

Inventories - The value of consumable inventories at June 30, 2021, is not material to the financial statements.

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

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

Compensated Absences - As the School reports under the regulatory basis of accounting, expenditures are generally recognized when encumbered/reserved rather than at the time the related fund liability is incurred. Thus, compensated absences have not been presented.

**STANLEY HUPFELD ACADEMY
AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Summary of Significant Accounting Policies, (Continued)

Fund Accounting, (Continued)

Account Groups

Account groups are not funds and consist of a self-balancing set of accounts used only to establish accounting control over long-term debt and general fixed assets not accounted for in proprietary funds. The only account group applicable to the School is the general fixed assets account group. As the School does not maintain a record of general fixed assets, the general fixed assets account group is not presented at June 30, 2021.

C. Basis of Accounting

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

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

- Encumbrances represented by purchase orders, contracts and other commitments for the expenditure of monies are recorded as expenditures when approved.
- Investments are recorded as assets when purchased.
- School supplies are recorded as expenditures and not inventory assets.
- Warrants payable are recorded as liabilities when issued.
- Compensated absences are recorded as expenditures when paid and not recorded as a liability.
- Long-term debt is recorded when incurred.

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

**STANLEY HUPFELD ACADEMY
AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Summary of Significant Accounting Policies, (Continued)

B. Fund Accounting

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

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

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types." The School has only governmental funds.

Governmental Fund Types

Governmental Funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (Special Revenue Funds), the acquisition or construction of general fixed assets (Capital Projects Funds), and the servicing of general long-term debt (Debt Service Funds).

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

**STANLEY HUPFELD ACADEMY
AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

1. Nature of Organization and Summary of Significant Accounting Policies

The basic financial statements of the Stanley Hupfeld Academy at Western Village (the "School") have been prepared in conformity with another comprehensive basis of accounting as prescribed by the Oklahoma State Department of Education. The more significant of the School's accounting policies are described below.

Independent School District No. 89 of Oklahoma County, Oklahoma, also known as the Oklahoma City Public Schools (the "District"), has contracted with Stanley Hupfeld Academy at Western Village, Inc. ("WVA, Inc.") for the operation of the School, a charter school under the Oklahoma Charter School Act.

Stanley Hupfeld Academy at Western Village, Inc. is an Oklahoma not-for-profit corporation.

The original contract between the District and WVA, Inc. was effective for the fiscal year ended June 30, 2001 and has been renewed through June 30, 2021.

The school receives funding from county, state, and federal government sources and must comply with the applicable requirements of these funding source entities.

The School campus, together with all of the related personal property and equipment, is owned by the District and is leased by WVA, Inc. for \$20 per student (based on accreditation report of prior year) plus cost of property insurance paid monthly or annually at beginning of year.

A. Reporting Entity

The School is governed by the board of directors of WVA, Inc. The financial data of the School is also reported within the general fund of the District's financial statements. The accompanying financial statements are intended to present only the results of the operations of the School and not that of the general fund of the District.

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

NOTES TO COMBINED FINANCIAL STATEMENTS

OF

**STANLEY HUPFELD ACADEMY
AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA**

STANLEY HUPFELD ACADEMY AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - REGULATORY BASIS
BUDGETED GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund		
	Original Budget	Final Budget	Actual
Beginning fund balances, budgetary basis	\$ 273,608.58	\$ 273,608.58	\$ 273,608.58
Revenues:			
Local sources	500,000.00	500,000.00	292,564.82
Intermediate sources	0.00	0.00	0.00
State sources	2,058,476.81	2,058,476.81	2,047,251.88
Federal sources	521,341.60	521,341.60	481,104.97
Total Revenue, budgetary basis	3,079,818.41	3,079,818.41	2,820,921.67
Expenditures:			
Instruction	1,761,362.00	1,761,362.00	1,595,992.44
Support services	946,100.00	946,100.00	763,389.16
Non - Instructional services	288,000.00	288,000.00	144,473.48
Capital Outlay	0.00	0.00	0.00
Other Outlays	357,964.99	357,964.99	54,996.94
Debt Service:			
Principal retirement	0.00	0.00	0.00
Interest and fiscal agent charges	0.00	0.00	0.00
Judgments paid	0.00	0.00	0.00
Total Expenditures, budgetary basis	3,353,426.99	3,353,426.99	2,558,852.02
Excess of revenue and beginning fund balances over (under) expenditures - budgetary basis	0.00	0.00	535,678.23
Other financing sources (uses):			
Bond sale proceeds	0.00	0.00	0.00
Operating Transfers	0.00	0.00	0.00
Excess of revenues and other sources over (under) expenditures and other uses	0.00	0.00	535,678.23
Adjustments to prior year encumbrances	0.00	0.00	4,624.63
Prior Period Adjustments	0.00	0.00	0.00
Ending fund balances	\$ 0.00	\$ 0.00	\$ 540,302.86

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

STANLEY HUPFELD ACADEMY AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - REGULATORY BASIS -
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>General Fund</u>
Revenues:	
Local sources	\$ 292,564.82
Intermediate sources	0.00
State sources	2,047,251.88
Federal sources	<u>481,104.97</u>
Total Revenues Collected	<u>2,820,921.67</u>
Expenditures:	
Instruction	1,595,992.44
Support services	763,389.16
Non - Instructional services	144,473.48
Capital outlay	0.00
Other outlays	<u>54,996.94</u>
Total Expenditures	<u>2,558,852.02</u>
Excess of revenue over (under) expenditures	262,069.65
Adjustments to prior year encumbrances	<u>4,624.63</u>
Excess of revenues and other sources over (under) expenditures and other uses	266,694.28
Beginning fund balance	<u>273,608.58</u>
Ending fund balance	<u>\$ 540,302.86</u>

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

STANLEY HUPFELD ACADEMY AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA
COMBINED BALANCE SHEET - REGULATORY BASIS -
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2021

	<u>Governmental Fund Types</u>
	<u>General</u>
<u>ASSETS</u>	
Cash and Investments	\$ <u>621,319.07</u>
Total Assets	\$ <u><u>621,319.07</u></u>
 <u>LIABILITIES AND FUND BALANCE</u>	
Liabilities:	
Warrants payable	\$ 57,630.68
Encumbrances	<u>23,385.53</u>
Total Liabilities	<u>81,016.21</u>
Fund Equity:	
Restricted	0.00
Unassigned	<u>540,302.86</u>
Total fund balances	<u>540,302.86</u>
Total Liabilities and Fund Balances	\$ <u><u>621,319.07</u></u>

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

COMBINED FINANCIAL STATEMENTS

OF

**STANLEY HUPFELD ACADEMY
AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA**

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the fund type and account group financial statements-regulatory basis that collectively comprise Stanley Hupfeld Academy at Western Village, Oklahoma City, Oklahoma's basic financial statements. The accompanying combining financial statements-regulatory basis and other supplementary information, including the schedule of expenditures of federal awards as listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining financial statements-regulatory basis and the other supplementary information including 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 combined financial statements-regulatory basis. Such information has been subjected to the auditing procedures applied in the audit of the fund type and account group financial statements within the combined financial statements-regulatory basis and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the financial statements being prepared in compliance with the regulatory basis as prescribed by the Oklahoma State Department of Education as discussed in Note 1, the combining financial statements-regulatory basis and other supplementary information including the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the combined financial statements-regulatory basis as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 3, 2021, on our consideration of Stanley Hupfeld Academy at Western Village, Oklahoma City, Oklahoma'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 Stanley Hupfeld Academy at Western Village, Oklahoma City, Oklahoma'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 Stanley Hupfeld Academy at Western Village, Oklahoma City, Oklahoma's internal control over financial reporting and compliance.

Britton, Kuykendall & Miller

BRITTON, KUYKENDALL & MILLER
Certified Public Accountants

Weatherford, Oklahoma
December 3, 2021

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 adverse and qualified audit opinions.

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

As described in Note 1 to the financial statements, to meet the financial reporting requirements of the Oklahoma State Department of Education, the financial statements are prepared by Stanley Hupfeld Academy at Western Village, Oklahoma City, Oklahoma, on the basis of the financial reporting regulations prescribed or permitted by the Oklahoma State Department of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Stanley Hupfeld Academy at Western Village, Oklahoma City, Oklahoma, as of June 30, 2021, or the revenues, expenses, and changes in net position and, where applicable, cash flows thereof for the year then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

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

Qualified Opinion on Regulatory Basis of Accounting

However, in our opinion, except for the effects of the matter discussed in the "Basis for Qualified Opinion on Regulatory Basis of Accounting" paragraph, the combined financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities and fund balances arising from regulatory basis transactions of each fund type and account group of Stanley Hupfeld Academy at Western Village, Oklahoma City, Oklahoma, as of June 30, 2021, and the revenues it received and expenditures it paid and encumbered for the year then ended, in accordance with the financial reporting provisions of the Oklahoma State Department of Education as described in Note 1.



BRITTON, KUYKENDALL, & MILLER
CERTIFIED PUBLIC ACCOUNTANTS

JAMES M. KUYKENDALL
RICK D. MILLER

204 E. FRANKLIN - P.O. BOX 507
WEATHERFORD, OK 73096
580-772-3596
FAX 580-772-3085

INDEPENDENT AUDITOR'S REPORT

To the Honorable Board of Education
Stanley Hupfeld Academy at Western Village
Oklahoma City, Oklahoma County, Oklahoma

Report on the Financial Statements

We have audited the accompanying combined fund type and account group financial statements-regulatory basis of Stanley Hupfeld Academy at Western Village, Oklahoma City, Oklahoma, as of and for the year ended June 30, 2021, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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

**STANLEY HUPFELD ACADEMY
AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA
SCHOOL DISTRICT OFFICIALS
JULY 1, 2020 THROUGH JUNE 30, 2021**

Board of Education

Chairman	Mike Hatch
Ex-Officio	Stan Hupfeld
Treasurer	Kimberly Scott
Secretary	Ruthie Rayner
Director	Tobi Campbell
Director	Keith Cassell
Director	Christina Adcox
Director	Eric Harmon
Director	David Jackson
Director	Ken Lawson
Director	Charles Peoples
Director	Heather Meldrum
Director	Rosalynn Wade
Director	John Vera
Director	Pam Millington

Director of Schools

Tobi Campbell

**STANLEY HUPFELD ACADEMY
AT WESTERN VILLAGE
OKLAHOMA COUNTY, OKLAHOMA
JUNE 30, 2021**

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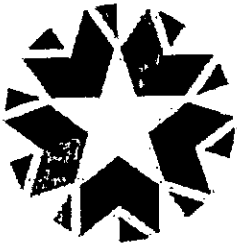
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FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
STANLEY HUFFELD ACADEMY
AT WESTERN VILLAGE
NO. 25E003
OKLAHOMA COUNTY, OKLAHOMA
JUNE 30, 2021

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
STANLEY HUPFELD ACADEMY
AT WESTERN VILLAGE
NO. 55E003
OKLAHOMA COUNTY, OKLAHOMA
JUNE 30, 2021**



OKLAHOMA Education

Audit Acknowledgement

Audit Year: 2020-2021

District Name Stanley Hupfeld Academy @ Western Village

District Number E003

County Name Oklahoma

County Code 55

The annual independent audit was presented to the Board of Education in a meeting conducted in accordance with the Open Meeting Act 25 O.S. Section 301-314 on December 6, 2021

The audit was presented by Britton, Kuykendall and Miller, CPA's James Kuykendall
(Independent Auditor) (Independent Auditor's Signature)

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

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

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

Signature of the Board of Education:

Johi Campbell
Superintendent

Deane McHugh
Board of Education President

[Signature]
Board of Education Vice President

[Signature]
Board of Education Member

[Signature]
Board of Education Member

[Signature]
Board of Education Member

[Signature]
Board of Education Member

Subscribed and sworn before me on Dec 8, 2021

Christy J. Savage
(Notary Public)

My Commission expires May 17, 2025

Updated 7/2021