

**AUDITED FINANCIAL STATEMENTS - REGULATORY BASIS
AND REPORTS OF INDEPENDENT AUDITOR**

**STILLWATER SCHOOL DISTRICT NO. I-16,
PAYNE COUNTY, OKLAHOMA**

JUNE 30, 2024



JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

**INDEPENDENT SCHOOL DISTRICT NO. I-16
PAYNE COUNTY, OKLAHOMA
JUNE 30, 2024**

TABLE OF CONTENTS

	<u>Page No.</u>
Table of Contents	1-2
School District Officials	3
Independent Auditor's Report	4-6
<u>COMBINED FINANCIAL STATEMENTS:</u>	
Combined Statement of Assets, Liabilities and Fund Balances – Regulatory Basis - All Fund Types and Account Groups	7
Combined Statement of Revenues, Expenditures, and Changes in Cash Fund Balances – Regulatory Basis - All Governmental Fund Types	8
Combined Statement of Revenues, Expenditures and Changes in Cash Fund Balance - Budget and Actual – Regulatory Basis - Budgeted Governmental Fund Types	9-11
Notes to Combined Financial Statements	12-28
<u>OTHER SUPPLEMENTARY INFORMATION:</u>	
<u>COMBINING FINANCIAL STATEMENTS:</u>	
Combining Statement of Assets, Liabilities and Fund Balances – - Regulatory Basis - All Special Revenue Funds	29
Combining Statement of Revenues, Expenditures, and Changes in Cash Fund Balances – Regulatory Basis - All Special Revenue Funds	30
Combining Statement of Revenues, Expenditures and Changes in Cash Fund Balance - Budget and Actual – Regulatory Basis - Budgeted Special Revenue Fund Types	31

**INDEPENDENT SCHOOL DISTRICT NO. 1-16
PAYNE COUNTY, OKLAHOMA
JUNE 30, 2024**

TABLE OF CONTENTS

	<u>Page No.</u>
<u>OTHER SUPPLEMENTARY INFORMATION:</u> – contd.	
Combining Statement of Assets, Liabilities and Fund Balances – - Regulatory Basis - All Capital Projects Funds	32
Combining Statement of Revenues, Expenditures, and Changes in Cash Fund Balances – Regulatory Basis - All Capital Projects Funds	33
Combining Statement of Changes in Assets and Liabilities - Regulatory Basis - All Agency Funds	34-36
Schedule of Expenditures of Federal Awards	37-38
Schedule of Surety Bonds	39
 Internal Control and Compliance Reports	
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 <i>Government Auditing Standards</i>	40-41
Independent Auditor’s Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with the Uniform Guidance	42-43
Schedule of Findings and Questioned Costs	44-45
Disposition of Prior Year’s Schedule of Findings	46
Schedule of Accountant’s Professional Liability Insurance Affidavit	47

**INDEPENDENT SCHOOL DISTRICT NO. I-16
PAYNE COUNTY, OKLAHOMA
SCHOOL DISTRICT OFFICIALS
JUNE 30, 2024**

BOARD OF EDUCATION

President	Marshall Baker
Vice-President	Tim Riley
Member	Rachel Dillin
Member	Gay Washington
Member	Roberta Douglas

SUPERINTENDENT OF SCHOOLS

Uwe Gordon

CHIEF FINANCIAL OFFICER

Michael Arnold

ENCUMBRANCE CLERK

Shannon Flores



JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

JACK JENKINS, CPA
MICHAEL KEMPER, CPA

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education
Stillwater School District No. I-16
Stillwater, Oklahoma 74074

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying combined fund type and account group financial statements-regulatory basis of Stillwater School District No. I-16, Stillwater, Oklahoma (the "School District") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the following paragraph, the 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 the District as of June 30, 2024, and the revenues collected and expenditures paid and encumbered, of each fund type, for the year then ended, on the regulatory basis of accounting described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because the significance of the matter discussed in the previous paragraph, the basic financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Stillwater School District No. I-16, Payne County, Oklahoma as of June 30, 2024, or the revenues, expenses, and changes in net position and, where applicable, its cash flows for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Stillwater School District No. I-16, Stillwater, Oklahoma and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Qualified Opinion on Regulatory Basis of Accounting

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

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

As discussed in Note 1, the financial statements are prepared by the Stillwater School District No. I-16, on the basis of the financial reporting provisions of the Oklahoma State Department of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Oklahoma State Department of Education. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with financial reporting provisions of 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The combining fund statements, regulatory basis, listed in the accompanying table of contents are presented for purpose of additional analysis, and are not a required part of the basic financial statements. The 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 basic financial statements.

The combining statements-regulatory basis 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 statements-regulatory basis and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole on the regulatory basis of accounting described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 4, 2024, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.

Jenkins & Kemper, CPAs P.C.

Jenkins & Kemper
Certified Public Accountants, P.C.

December 4, 2024

COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS

INDEPENDENT SCHOOL DISTRICT NO. I-16, PAYNE COUNTY
COMBINED STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES -
REGULATORY BASIS - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2024

<u>ASSETS</u>	<u>GOVERNMENTAL FUND TYPES</u>				<u>FIDUCIARY</u> <u>FUND TYPES</u>	<u>ACCOUNT</u> <u>GROUP</u>	<u>TOTALS</u> <u>(MEMO ONLY)</u>
	<u>GENERAL</u>	<u>SPECIAL</u> <u>REVENUE</u>	<u>DEBT</u> <u>SERVICE</u>	<u>CAPITAL</u> <u>PROJECTS</u>	<u>EXPENDABLE</u> <u>TRUST AND</u> <u>AGENCY FUND</u>	<u>GENERAL</u> <u>LONG-TERM</u> <u>DEBT</u>	
Cash	\$ 7,291,480	4,881,470	7,908,563	28,368,721	2,178,603		50,628,837
Amounts available in debt service						1,158,574	1,158,574
Amounts to be provided for retirement of general long-term debt						153,026,016	153,026,016
Total Assets	<u>7,291,480</u>	<u>4,881,470</u>	<u>7,908,563</u>	<u>28,368,721</u>	<u>2,178,603</u>	<u>154,184,590</u>	<u>204,813,427</u>
 <u>LIABILITIES AND FUND BALANCES</u>							
Liabilities							
Warrants payable	4,740,330	249,497		4,083,223			9,073,050
Encumbrances	1,344	40					1,384
Funds held for school organizations					2,178,603		2,178,603
Unmatured obligations			6,749,989				6,749,989
Long-term debt:							
Bonds payable						58,765,000	58,765,000
Capital leases						95,419,590	95,419,590
Total liabilities	<u>4,741,674</u>	<u>249,537</u>	<u>6,749,989</u>	<u>4,083,223</u>	<u>2,178,603</u>	<u>154,184,590</u>	<u>172,187,616</u>
Fund balances							
Restricted for:							
Capital projects				24,285,498			24,285,498
Debt service			1,158,574				1,158,574
Child nutrition		1,697,637					1,697,637
Building		2,934,296					2,934,296
Unassigned	2,549,806						2,549,806
Total fund balances	<u>2,549,806</u>	<u>4,631,933</u>	<u>1,158,574</u>	<u>24,285,498</u>	<u>-</u>		<u>32,625,811</u>
Total liabilities and fund balances	<u>\$ 7,291,480</u>	<u>4,881,470</u>	<u>7,908,563</u>	<u>28,368,721</u>	<u>2,178,603</u>	<u>154,184,590</u>	<u>204,813,427</u>

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

INDEPENDENT SCHOOL DISTRICT NO. 1-16, PAYNE COUNTY
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH
FUND BALANCES REGULATORY BASIS - ALL GOVERNMENTAL FUND TYPES
JUNE 30, 2024

	<u>GOVERNMENTAL FUND TYPES</u>				
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTALS (MEMO ONLY)</u>
Revenues					
Local sources	\$ 21,881,980	3,862,715	14,452,291	760,072	40,957,058
Intermediate sources	3,279,625				3,279,625
State sources	29,322,614	702,992	2,114		30,027,720
Federal sources	4,997,387	2,360,819			7,358,206
Non-revenue receipts	12,708	206		117,581	130,495
Total revenues	<u>59,494,314</u>	<u>6,926,732</u>	<u>14,454,405</u>	<u>877,653</u>	<u>81,753,104</u>
Expenditures					
Instruction	35,383,401	2,215		196,857	35,582,473
Support services	24,348,781	2,120,871		3,208,742	29,678,394
Operation of non-instructional services	304,674	3,764,703			4,069,377
Facilities, acquisition and const. services	1,465,534	258,549		5,284,635	7,008,718
Other outlays	34,423	386			34,809
Debt service			14,781,909		14,781,909
Total expenditures	<u>61,536,813</u>	<u>6,146,724</u>	<u>14,781,909</u>	<u>8,690,234</u>	<u>91,155,680</u>
Revenues over (under) expenditures	(2,042,499)	780,008	(327,504)	(7,812,581)	(9,402,576)
Other financing sources (uses)					
Lapsed appropriations	(3,499)				(3,499)
Estopped warrants	2,809	1,127		171	4,107
Bond proceeds				13,000,000	13,000,000
Total other financing sources (uses)	<u>(690)</u>	<u>1,127</u>		<u>13,000,171</u>	<u>13,000,608</u>
Revenue and other sources over (under) expenditures and other uses	(2,043,189)	781,135	(327,504)	5,187,590	3,598,032
Cash fund balance, beginning of year	<u>4,592,995</u>	<u>3,850,798</u>	<u>1,486,078</u>	<u>19,097,908</u>	<u>29,027,779</u>
Cash fund balance, end of year	<u>\$ 2,549,806</u>	<u>4,631,933</u>	<u>1,158,574</u>	<u>24,285,498</u>	<u>32,625,811</u>

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

**INDEPENDENT SCHOOL DISTRICT NO. I-16, PAYNE COUNTY
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
REGULATORY BASIS - BUDGETED GENERAL FUND
JUNE 30, 2024**

	GENERAL FUND		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Revenues			
Local sources	\$ 17,645,585	18,055,585	21,881,980
Intermediate sources	2,818,160	2,818,160	3,279,625
State sources	28,612,117	29,199,758	29,322,614
Federal sources	6,879,818	6,879,818	4,997,387
Non-revenue receipts			12,708
Total revenues	<u>55,955,680</u>	<u>56,953,321</u>	<u>59,494,314</u>
Expenditures			
Instruction			35,383,401
Support services			24,348,781
Operation of non-instructional services			304,674
Facilities, acquisition and const. services			1,465,534
Other outlays			34,423
Non-categorical	60,548,675	61,546,316	
Total expenditures	<u>60,548,675</u>	<u>61,546,316</u>	<u>61,536,813</u>
Revenues over (under) expenditures	(4,592,995)	(4,592,995)	(2,042,499)
Other financing sources (uses)			
Operating transfers in (out)			
Lapsed appropriations			(3,499)
Estopped warrants			2,809
Total other financing sources (uses)			<u>(690)</u>
Revenue and other sources over (under) expenditures and other uses	(4,592,995)	(4,592,995)	(2,043,189)
Cash fund balance, beginning of year	<u>4,592,995</u>	<u>4,592,995</u>	<u>4,592,995</u>
Cash fund balance, end of year	<u>\$ -</u>	<u>-</u>	<u>2,549,806</u>

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

**INDEPENDENT SCHOOL DISTRICT NO. I-16, PAYNE COUNTY
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
REGULATORY BASIS - ALL BUDGETED SPECIAL REVENUE FUNDS
JUNE 30, 2024**

	SPECIAL REVENUE FUNDS		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Revenues			
Local sources	\$ 3,245,465	3,245,465	3,862,715
State sources	578,169	578,169	702,992
Federal sources	2,005,434	2,005,434	2,360,819
Non-revenue receipts			206
Total revenues	<u>5,829,068</u>	<u>5,829,068</u>	<u>6,926,732</u>
Expenditures			
Instruction			2,215
Support services			2,120,871
Operation of non-instructional services			3,764,703
Facilities, acquisition and const. services			258,549
Other outlays			386
Non-categorical	<u>9,679,866</u>	<u>9,679,866</u>	
Total expenditures	<u>9,679,866</u>	<u>9,679,866</u>	<u>6,146,724</u>
Revenues over (under) expenditures	(3,850,798)	(3,850,798)	780,008
Other financing sources (uses)			
Estopped warrants			<u>1,127</u>
Revenue and other sources over (under) expenditures and other uses	(3,850,798)	(3,850,798)	781,135
Cash fund balance, beginning of year	<u>3,850,798</u>	<u>3,850,798</u>	<u>3,850,798</u>
Cash fund balance, end of year	<u>\$ -</u>	<u>-</u>	<u>4,631,933</u>

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

**INDEPENDENT SCHOOL DISTRICT NO. I-16, PAYNE COUNTY
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
REGULATORY BASIS - DEBT SERVICE FUNDS
JUNE 30, 2024**

	DEBT SERVICE FUND		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Revenues			
Local sources	\$ 14,151,800	14,151,800	14,452,291
State sources			2,114
Total revenues	<u>14,151,800</u>	<u>14,151,800</u>	<u>14,454,405</u>
Expenditures			
Debt service	<u>15,637,878</u>	<u>15,637,878</u>	<u>14,781,909</u>
Revenues over (under) expenditures	(1,486,078)	(1,486,078)	(327,504)
Cash fund balance, beginning of year	<u>1,486,078</u>	<u>1,486,078</u>	<u>1,486,078</u>
Cash fund balance, end of year	<u><u>\$ -</u></u>	<u><u>-</u></u>	<u><u>1,158,574</u></u>

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

**NOTES TO COMBINED FINANCIAL STATEMENTS -
REGULATORY BASIS**

INDEPENDENT SCHOOL DISTRICT NO. I-16, PAYNE COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

1. Summary of Significant Accounting Policies

The basic financial statements of the Stillwater Public Schools Independent District No. I-16 (the "District") 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 District's accounting policies are described below.

A. Reporting Entity

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 state of Oklahoma support. The general operating authority for the public-school system is the Oklahoma School Code contained in Title 70, Oklahoma Statutes.

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.

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the District and/or its citizens, or whether the activity is conducted within the geographic boundaries of the District and is generally available to its patrons. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, there are no potential component units included in the District's reporting entity. The Parent Teacher Association (PTA) is not included in the reporting entity. The District does not appoint any of the board members or exercise any oversight authority over the PTA.

INDEPENDENT SCHOOL DISTRICT NO. I-16, PAYNE COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

1. Summary of Significant Accounting Policies- contd.

B. Fund Accounting

The District 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 district 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."

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.

Special Revenue Fund - The special revenue funds are the District's building and child nutrition funds.

Building Fund - The building fund consists of monies derived property taxes levied for the purpose of erecting, remodeling, repairing, or maintaining school buildings and for purchasing furniture, equipment and computer software to be used on or for the school district property, for paying energy and utility costs, for purchasing telecommunications services, for paying fire and casualty insurance premiums for school facilities, for purchasing security systems, and for paying salaries of security personnel.

INDEPENDENT SCHOOL DISTRICT NO. I-16, PAYNE COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

1. Summary of Significant Accounting Policies- contd.

B. Fund Accounting - contd.

Co-op Fund - The co-op fund is established when the boards of education of two or more school districts enter into cooperative agreements and maintain joint programs. The revenues necessary to operate a cooperative program can come from federal, state, or local sources, including the individual contributions of participating school districts. The expenditures for this fund would consist of those necessary to operate and maintain the joint programs. The District did not maintain this fund during the 2023-24 fiscal year.

Child Nutrition Fund - The child nutrition fund consists of monies derived from federal and state financial assistance and food sales. This fund is used to account for the various nutrition programs provided to students.

Debt Service Fund - The debt service fund is the District's sinking fund and is used to account for the accumulation of financial resources for the payment of general long-term (including judgments) debt principal, interest and related costs. The primary revenue sources are local property taxes levied specifically for debt service and interest earnings from temporary investments.

Capital Projects Funds - The capital projects fund is the District's bond fund and is used to account for the proceeds of bond sales to be used exclusively for acquiring school sites, constructing and equipping new school facilities, renovating existing facilities, and acquiring transportation equipment.

Proprietary Fund Types

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the District (internal service funds). The District has no proprietary fund types.

Fiduciary Fund Types

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District. When these assets are held under a trust agreement, either a nonexpendable trust fund or an expendable trust fund is used depending on whether there is an obligation to maintain trust principal. Agency

INDEPENDENT SCHOOL DISTRICT NO. I-16, PAYNE COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

1. Summary of Significant Accounting Policies- contd.

B. Fund Accounting - contd.

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

Expendable Trust Funds - Expendable trust funds include the gifts fund, medical insurance fund, workers compensation fund and the insurance recovery fund.

Gifts Fund - The gifts fund receives its assets by way of philanthropic foundations, individuals, or private organizations for which no repayment or special service to the contributor is expected. This fund is used to promote the general welfare of the District.

Medical Insurance Fund - The medical insurance fund accounts for revenues and expenditures for all types of self-funded medical insurance coverage.

Workers Compensation Fund - The workers compensation fund accounts for revenues and expenditures for workers compensation claims.

Insurance Recovery Fund - The insurance recovery fund accounts for all types of insurance recoveries, major reimbursements and reserves for property repairs and replacements.

Agency Fund - The agency fund is the school activities fund which is used to account for monies collected principally through fundraising efforts of the student and District-sponsored groups. The administration is responsible, under the authority of the Board, in collecting, disbursing and accounting for these activity funds.

Account Group

Account groups are not funds and consist of a self-balancing set of accounts used only to establish accounting control over long-term debt and fixed assets.

General Long-Term Debt Account Group - This account group was established to account for all long-term debt of the District, which is offset by the amount available in the debt service fund and the amount to be provided in future years to complete retirement of the debt principal. It is also used to account for other liabilities (judgments and lease purchases), which are to be paid from funds provided in future years.

INDEPENDENT SCHOOL DISTRICT NO. I-16, PAYNE COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

1. **Summary of Significant Accounting Policies-** contd.

B. *Fund Accounting* - contd.

General Fixed Assets Account Group - This account group is used by governments to account for the property, plant and equipment of the school district. The District does not have the information necessary to include this group in its financial statements.

Memorandum Only - Total Column

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

C. *Basis of Accounting and Presentation*

The District 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 significantly differs from that required by GASB 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 (OSDE) as follows:

- Encumbrances represented by purchase orders, contracts, and other commitments for the expenditure of monies and are recorded as expenditures when approved.
- Investments and inventories are recorded as assets when purchased.
- Warrants payable are recorded as liabilities when issued.
- Long-term debt is recorded when incurred.
- Accrued compensated absences are recorded as an expenditure and liability when the obligation is incurred.

This regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, which requires revenues to be recognized when they become

INDEPENDENT SCHOOL DISTRICT NO. I-16, PAYNE COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

1. Summary of Significant Accounting Policies- contd.

C. Basis of Accounting and Presentation – contd.

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; and, when revenues are earned and liabilities are incurred for proprietary fund types and trust funds.

D. Budgets and Budgetary Accounting

The District is required by state law to prepare an annual budget. A preliminary budget must be submitted to the Board of Education by December 31 for the fiscal year beginning the following July 1. If the preliminary budget requires an additional levy, the District must hold an election on the first Tuesday in February to approve the levy. If the preliminary budget does not require an additional levy, it becomes the legal budget. If an election is held and the taxes are approved, then the preliminary budget becomes the legal budget. If voters reject the additional taxes, the District must adopt a budget within the approved tax rate.

The District may upon approval by a majority of the electors of the District voting on the question make the ad valorem levy for emergency levy and local support levy permanent.

Under current Oklahoma Statutes, a formal budget is required for all funds except for trust and agency funds. Budgets are presented for all funds that include the originally approved budgeted appropriations for expenditures and final budgeted appropriations as adjusted for supplemental appropriations and approved transfers between budget categories.

E. Assets, Liabilities and Fund Balances

Cash - Cash consists of cash on hand, demand deposit accounts, and interest-bearing checking accounts.

Investments - Investments consist of direct obligations of the United States Government and agencies; certificates of deposit of savings and loan associations, bank and trust companies; savings accounts or savings certificates of savings and loan associations, and trust companies; and warrants, bonds or judgments of the district. All investments are recorded at cost, which approximates market value.

Inventories - The value of consumable inventories at June 30, 2024 is not material to the combined financial statements-regulatory basis.

INDEPENDENT SCHOOL DISTRICT NO. I-16, PAYNE COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

1. Summary of Significant Accounting Policies- contd.

E. Assets, Liabilities and Fund Balances – contd.

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

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

Encumbrances - Encumbrances represent commitments related to purchase orders, contracts, other commitments for expenditures or resources, and goods or services received by the District for which a warrant has not been issued. An expenditure is recorded and a liability is recognized for outstanding encumbrances at year end in accordance with the regulatory basis of accounting.

Unmatured Obligations - The unmatured obligations represent the total of all annual accruals for both principal and interest, based on the lengths of the bonds and/or judgments, less all principal and interest payments through the balance sheet date in accordance with the regulatory basis of accounting.

Funds Held for School Organizations - Funds held for school organizations represent the funds received or collected from students or other co-curricular and extracurricular activities conducted in the district, control over which is exercised by the board of education. These funds are credited to the account maintained for the benefit of each particular activity within the school activity fund.

Long-Term Debt - Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

Fund Balance – Cash fund balance represents the funds not encumbered by purchase order, legal contracts, outstanding warrants and unmatured obligations.

INDEPENDENT SCHOOL DISTRICT NO. I-16, PAYNE COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

1. Summary of Significant Accounting Policies- contd.

E. Assets, Liabilities and Fund Balances – contd.

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 special purposes versus availability of appropriations. 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) 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, grantors, contributors or laws or regulations of other governments; or by law, through constitutional provisions or enabling legislation.
- **Committed** fund balance represents amounts that are useable only for specific purposes by formal action of the government's highest level of decision-making authority. Such amounts are not subject to legal enforceability 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. The School Board is the highest level of decision-making authority of the School District.
- **Assigned** fund balance represents amounts that are *intended* to be used for specific purposes but are neither restricted nor committed. Intent is expressed by the governing body itself, or a subordinated high-level body or official who the governing body has delegated the authority to assign amounts to be used for specific purposes. Assigned fund balances includes all remaining spendable amounts (except negative balances) that are reported in governmental funds *other than the general fund* that are neither restricted nor committed, and amounts in the general fund that are intended to be used for specific purpose in accordance with the provisions of the standard.
- **Unassigned** fund balance is the residual classification for the general fund. It represents the amounts that have not been assigned to other funds, and that have not been restricted, committed, or assigned to specific purposes within the general fund.

INDEPENDENT SCHOOL DISTRICT NO. I-16, PAYNE COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

1. Summary of Significant Accounting Policies- contd.

F. Revenue and Expenditures

Local Revenues - Revenue from local sources is the money generated from within the boundaries of the District and available to the District for its use. 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. These property taxes are distributed to the District's general, building and sinking funds based on the levies approved for each fund. 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 2. 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.

Other local sources of revenues include interest earnings, tuition, fees, rentals, disposals, commissions and reimbursements.

Intermediate Revenues - Revenue from intermediate sources is the amount of money from funds collected by an intermediate administrative unit, or a political subdivision between the district and the state and distributed to districts in amounts that differ in proportion to those which were 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.

INDEPENDENT SCHOOL DISTRICT NO. I-16, PAYNE COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

1. Summary of Significant Accounting Policies- contd.

F. Revenue and Expenditures- contd.

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 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 categorical educational program revenues be accounted for in the general fund.

The aforementioned state revenues are apportioned to the District's 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.

An entitlement is the amount of payment to which the District is entitled pursuant to an allocation formula contained in applicable statutes.

The majority of the federal revenues received by the District are apportioned to the general fund. The District maintains a separate child nutrition fund and the federal revenues received for the child nutrition programs are apportioned there.

Non-Revenue Receipts - Non-revenue receipts represent receipts deposited into a fund that are not new revenues to the District, but the return of assets.

Instruction Expenditures - Instruction expenditures include the activities dealing directly with the interaction between teachers and students. Teaching may be provided for students in a school classroom, in another location, such as a home or hospital, and in other learning situations, such as those involving co-curricular activities. It may also be provided through some other approved medium, such as television, radio, telephone and correspondence.

Included here are the activities of teacher assistants of any type (clerks, graders, teaching machines, etc.), which assist in the instructional process. The activities of tutors, translators and interpreters would be recorded here. Department chairpersons who teach for any portion of time are included here. Tuition/transfer fees paid to other LEAs would be included here.

INDEPENDENT SCHOOL DISTRICT NO. I-16, PAYNE COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

1. Summary of Significant Accounting Policies- contd.

F. Revenue and Expenditures - contd.

Support Services Expenditures - Support services expenditures provide administrative, technical (such as guidance and health) and logistical support to facilitate and enhance instruction. These services exist as adjuncts for fulfilling the objectives of instruction, community services and enterprise programs, rather than as entities within themselves.

Operation of Non-Instructional Services Expenditures - Activities concerned with providing non-instructional services to students, staff or the community.

Facilities Acquisition and Construction Services Expenditures - Consists of activities involved with the acquisition of land and buildings; remodeling buildings; the construction of buildings and additions to buildings; initial installation or extension of service systems and other built-in equipment; and improvement to sites.

Other Outlays/Uses Expenditures - A number of outlays of governmental funds are not properly classified as expenditures, but still require budgetary or accounting control. These are classified as Other Outlays. These include debt service payments (principal and interest) when applicable. Other uses include scholarships provided by private gifts and endowments; student aid and staff awards supported by outside revenue sources (i.e., foundations). Also, expenditure for self-funded employee benefit programs administered either by the District or a third-party administrator.

Repayment Expenditures - Repayment expenditures represent checks/warrants issued to outside agencies for refund or restricted revenue previously received for overpayment, non-qualified expenditures and other refunds to be repaid from District funds.

Inter-fund Transactions - Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund or expenditure/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 inter-fund 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 inter-fund transfers are reported as operating transfers. There were no inter-fund transfers during 2023-24.

INDEPENDENT SCHOOL DISTRICT NO. I-16, PAYNE COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

2. Deposits and Investments

Custodial Credit Risk

At June 30, 2024, the District held deposits of approximately \$50,578,731 at financial institutions. The District's cash deposits, including interest-bearing certificates of deposit, are entirely covered by Federal Depository Insurance (FDIC) or direct obligation 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

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

The District has no policy that limits its investment choices other than the limitation of state law as follows:

- a. 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.
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposits or savings accounts in out-of-state financial institutions.
- c. With certain limitation, negotiable certificates of deposit, prime bankers' acceptances, prime commercial paper and repurchase agreements with certain limitations.
- d. County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipations notes of public trusts whose beneficiary is a county, municipality or school district.
- e. 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.
- f. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs (a.-d.).

The District did not hold any investments at June 30, 2024.

INDEPENDENT SCHOOL DISTRICT NO. I-16, PAYNE COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

3. General Long-term Debt

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 can be 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 of the date of issue.

General long-term debt of the District consists of bonds payable and three (3) capital leases. Debt service requirements for bonds are payable solely from the fund balance and the future revenues of the debt service fund.

The following is a summary of the long-term debt transactions of the District for the year ended June 30, 2024:

	Bonds Payable	Capital Leases	Totals
Balance, July 1, 2023	\$ 56,385,000	2,866,046	59,251,046
Additions	13,000,000	92,995,000	105,995,000
Retirements	10,620,000	441,456	11,061,456
Balance, June 30, 2024	<u>\$ 58,765,000</u>	<u>95,419,590</u>	<u>154,184,590</u>

A brief description of the outstanding long-term debt at June 30, 2024 is set forth below:

	<u>Amount outstanding</u>
<u>General Obligation Bonds</u>	
Comb. Purpose Bonds, Series 2024, original issue \$13,000,000, interest rate of 4.0%, due in annual payments of \$3,250,000 beginning 6-1-26, final payment due 6-1-29;	\$ 13,000,000
Comb. Purpose Bonds, Series 2023A, original issue \$13,365,000, interest rate of 0.5-5.0%, due in annual payments of \$2,670,000 beginning 6-1-25, final payment due 6-1-29;	13,365,000
Comb. Purpose Bonds, Series 2023B, original issue \$12,000,000, interest rate of 0.5-5.0%, due in annual payments of \$2,400,000 beginning 6-1-25, final payment due 6-1-29;	\$ 12,000,000

INDEPENDENT SCHOOL DISTRICT NO. I-16, PAYNE COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

3. General Long-term Debt – contd.

	<u>Amount outstanding</u>
Comb. Purpose Bonds, Series 2022, original issue \$8,000,000, interest rate of 3.0%, due in annual payments of \$1,000,000 beginning 6-1-24, final payment due 6-1-31;	\$ 7,000,000
Comb. Purpose Bonds, Series 2021, original issue \$13,000,000, interest rate of 1.25%, due in annual payments of \$3,250,000 beginning 6-1-23, final payment due 6-1-26;	6,500,000
Comb. Purpose Bonds, Series 2020, original issue \$8,000,000, interest rate of 1.00-2.00%, due in annual payments of \$1,140,000 beginning 6-1-22, final payment due 6-1-28;	4,580,000
Comb. Purpose Bonds, Series 2018, original issue \$12,000,000, interest rate of 2.5-3.00%, due in annual payments of \$2,000,000 beginning 6-1-20, final payment due 6-1-25;	2,000,000
Building Bonds, Series 2015, original issue \$2,800,000, interest rate of 1.5-2.00%, due in annual payments of \$310,000 beginning 5-1-17, final payment due 5-1-25;	320,000
<u>Capital Leases</u>	
Lease revenue bonds for construction of facilities, dated 6-6-24, totaling \$92,995,000, payable to Payne County Economic Dev. Auth., due in various acquisition payments beginning 9-1-25, with a final payment due 9-1-32;	92,995,000
Lease agreement for Kicker property, dated 12-31-13 totaling \$2,460,000, variable rate of 3.8%, due in various principal and interest payments beginning 6-1-14, with a final payment on 12-1-25;	360,000
Lease agreement for Cimarron Plaza property, dated 6-5-12 totaling \$4,085,000, interest rate of 4.375%, due in monthly principal and interest payments of \$25,569 beginning 7-1-12 with a final payment on 6-1-32;	<u>2,064,590</u>
Totals	\$ <u>154,184,590</u>

**INDEPENDENT SCHOOL DISTRICT NO. I-16, PAYNE COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024**

3. General Long-term Debt – contd.

The annual debt service requirements for the retirement of bond principal, and payment of interest are as follows:

Year ending June 30	Principal	Interest	Total
2024	\$12,780,000	1,838,715	14,618,715
2025	13,710,000	1,439,712	15,149,712
2026	10,460,000	1,195,000	11,655,000
2027	10,480,000	809,400	11,289,400
2028	9,335,000	423,400	9,758,400
2029-2033	2,000,000	90,000	2,090,000
Total	<u>\$58,765,000</u>	<u>5,796,227</u>	<u>64,561,227</u>

There was \$1,539,227 in interest paid on long-term debt incurred during the current year.

The annual debt service requirements for capital lease principal, and interest are as follows:

Year ending June 30	Principal	Interest	Total
2025	\$ 455,896	99,166	555,062
2026	5,015,756	78,805	5,094,561
2027	12,876,056	65,770	12,941,826
2028	8,041,817	55,010	8,096,827
2029	15,848,057	43,770	15,891,827
2030-2034	53,182,008	63,473	53,245,481
Total	<u>\$95,419,590</u>	<u>405,994</u>	<u>95,825,584</u>

4. Employee Retirement System

Plan Description

The District participates in the state-administered Oklahoma Teachers' Retirement Plan, a cost-sharing, multiple-employer defined benefit public employee retirement system (PERS), which is administered by the board of trustees of the Oklahoma Teachers' Retirement System (the "System"). The System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Title 70 Section 17 of the Oklahoma Statutes establishes benefit provisions and may be amended only through legislative action. The Oklahoma Teachers' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information

INDEPENDENT SCHOOL DISTRICT NO. I-16, PAYNE COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

4. Employee Retirement System – contd.

for the System. That report may be obtained by writing to Teachers' Retirement System of Oklahoma, P.O. Box 53524, Oklahoma City, OK 73152 or by calling (405) 521-2387.

Basis of Accounting

The System's financial statements are prepared using the cash basis of accounting, except for accruals of interest income. Plan member contributions are recognized in the period in which the contributions are made. Benefits and refunds are recognized when paid. The pension benefit obligation is a standardized disclosure measure of the present value of pension benefits. This pension valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of employee services performed to date and is adjusted for the effect of projected salary increases. There are no actuarial valuations performed on individual school districts. The System has an under-funded pension benefit obligation as determined as part of the latest actuarial valuation.

GASB Statement 68 became effective for fiscal years beginning after June 15, 2014, and significantly changes pension accounting and financial reporting for governmental employees who participate in a pension plan, such as the System, and who prepare published financial statements on an accrual basis using Generally Accepted Accounting Principles. Since the District does not prepare and present their financial statements on an accrual basis, the net pension liability amount is not required to be presented on the financial statements.

Funding Policy

The District, the State of Oklahoma, and the participating employee make contributions. The contribution rates for the District and its employees are established by and may be amended by Oklahoma Statutes. The rates are not actuarially determined. The rates are applied to the employee's earnings plus employer-paid fringe benefits. The required contribution for the participating members is 7.0% of compensation. Beginning, July 1, 2010, the District and State were required to contribute 14.5% of applicable compensation. Contributions received by the System are from a percentage of its revenues from sales taxes, use taxes, corporate income taxes and individual income taxes. The District contributed 9.5% beginning January 1, 2010 and the State of Oklahoma contributed the remaining 5.0% during the year. The District is allowed by the Oklahoma Teacher's Retirement System to make the required contributions on behalf of the participating members. In addition, the District is required to match the retirement paid on salaries that are funded with federal funds.

**INDEPENDENT SCHOOL DISTRICT NO. I-16, PAYNE COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024**

4. Employee Retirement System – contd.

Annual Pension Cost

The District's portion of the total contributions for 2024, 2023 and 2022 were \$4,047,119, \$3,507,700, and \$2,945,918 respectively.

5. 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 District expects such amounts, if any, to be immaterial.

6. 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; injuries to employees; and natural disasters. The District continues to carry commercial insurance for these risks, including general and auto liability, property damage, and public officials' liability. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

7. Subsequent Events

Management has evaluated subsequent events through the date of the audit report, 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.

**OTHER SUPPLEMENTARY INFORMATION – REGULATORY
BASIS - COMBINING FINANCIAL STATEMENTS**

**INDEPENDENT SCHOOL DISTRICT NO. I-16, PAYNE COUNTY
COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND
BALANCES - REGULATORY BASIS - ALL SPECIAL REVENUE FUNDS
JUNE 30, 2024**

<u>ASSETS</u>	<u>BUILDING FUND</u>	<u>CHILD NUTRITION FUND</u>	<u>TOTALS (MEMO ONLY)</u>
Cash	\$ 3,002,048	1,879,422	4,881,470
Total assets	<u>3,002,048</u>	<u>1,879,422</u>	<u>4,881,470</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Warrants payable	67,752	181,745	249,497
Encumbrances		40	40
Total liabilities	<u>67,752</u>	<u>181,785</u>	<u>249,537</u>
Fund balances			
Restricted	<u>2,934,296</u>	<u>1,697,637</u>	<u>4,631,933</u>
Total liabilities and fund balances	<u>\$ 3,002,048</u>	<u>1,879,422</u>	<u>4,881,470</u>

INDEPENDENT SCHOOL DISTRICT NO. I-16, PAYNE COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
CASH FUND BALANCES - REGULATORY BASIS - ALL SPECIAL REVENUE FUNDS
JUNE 30, 2024

	<u>BUILDING FUND</u>	<u>CHILD NUTRITION FUND</u>	<u>TOTALS (MEMO ONLY)</u>
Revenues			
Local sources	\$ 3,073,175	789,540	3,862,715
State sources	389,469	313,523	702,992
Federal sources		2,360,819	2,360,819
Non-revenue receipts		206	206
Total revenues	<u>3,462,644</u>	<u>3,464,088</u>	<u>6,926,732</u>
Expenditures			
Instruction	2,215		2,215
Support services	2,120,871		2,120,871
Operation of non-instructional services		3,764,703	3,764,703
Facilities, acquisition and const. services	258,549		258,549
Other outlays		386	386
Total expenditures	<u>2,381,635</u>	<u>3,765,089</u>	<u>6,146,724</u>
Revenues over (under) expenditures	1,081,009	(301,001)	780,008
Other financing sources (uses)			
Estopped warrants		<u>1,127</u>	<u>1,127</u>
Revenue and other sources over (under) expenditures and other uses	1,081,009	(299,874)	781,135
Cash fund balance, beginning of year	<u>1,853,287</u>	<u>1,997,511</u>	<u>3,850,798</u>
Cash fund balance, end of year	<u>\$ 2,934,296</u>	<u>1,697,637</u>	<u>4,631,933</u>

**INDEPENDENT SCHOOL DISTRICT NO. I-16, PAYNE COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
- REGULATORY BASIS - ALL BUDGETED SPECIAL REVENUE FUNDS
JUNE 30, 2024**

	BUILDING FUND			CHILD NUTRITION FUND		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Revenues						
Local sources	\$ 2,521,498	2,521,498	3,073,175	723,967	723,967	789,540
State sources	253,569	253,569	389,469	324,600	324,600	313,523
Federal sources				2,005,434	2,005,434	2,360,819
Non-revenue receipts						206
Total revenues	<u>2,775,067</u>	<u>2,775,067</u>	<u>3,462,644</u>	<u>3,054,001</u>	<u>3,054,001</u>	<u>3,464,088</u>
Expenditures						
Instruction			2,215			
Support services			2,120,871			
Operation of non-instructional services						3,764,703
Facilities, acquisition and const. services			258,549			
Other outlays						386
Non-categorical	<u>4,628,354</u>	<u>4,628,354</u>		<u>5,051,512</u>	<u>5,051,512</u>	
Total expenditures	<u>4,628,354</u>	<u>4,628,354</u>	<u>2,381,635</u>	<u>5,051,512</u>	<u>5,051,512</u>	<u>3,765,089</u>
Revenues over (under) expenditures	(1,853,287)	(1,853,287)	1,081,009	(1,997,511)	(1,997,511)	(301,001)
Other financing sources (uses)						
Estopped warrants						<u>1,127</u>
Revenue and other sources over (under) expenditures and other uses	(1,853,287)	(1,853,287)	1,081,009	(1,997,511)	(1,997,511)	(299,874)
Cash fund balance, beginning of year	<u>1,853,287</u>	<u>1,853,287</u>	<u>1,853,287</u>	<u>1,997,511</u>	<u>1,997,511</u>	<u>1,997,511</u>
Cash fund balance, end of year	<u>\$ -</u>	<u>-</u>	<u>2,934,296</u>	<u>-</u>	<u>-</u>	<u>1,697,637</u>

INDEPENDENT SCHOOL DISTRICT NO. I-16, PAYNE COUNTY
COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND
BALANCES - REGULATORY BASIS - ALL CAPITAL PROJECTS FUNDS
JUNE 30, 2024

	31 BUILDING BOND FUND	32 BUILDING BOND FUND	TOTALS (MEMO ONLY)
<u>ASSETS</u>			
Cash	\$ 5,818,171	22,550,550	28,368,721
Total assets	<u>5,818,171</u>	<u>22,550,550</u>	<u>28,368,721</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Warrants payable	<u>1,739,838</u>	<u>2,343,385</u>	<u>4,083,223</u>
Fund balances			
Restricted	<u>4,078,333</u>	<u>20,207,165</u>	<u>24,285,498</u>
Total liabilities and fund balances	<u>\$ 5,818,171</u>	<u>22,550,550</u>	<u>28,368,721</u>

INDEPENDENT SCHOOL DISTRICT NO. I-16, PAYNE COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
CASH FUND BALANCES - REGULATORY BASIS - ALL CAPITAL PROJECTS FUNDS
JUNE 30, 2024

	31 BUILDING BOND FUND	32 BUILDING BOND FUND	TOTALS (MEMO ONLY)
Revenues			
Local sources	\$ 654,863	105,209	760,072
Non-revenue receipts	<u>117,581</u>	<u>117,581</u>	<u>117,581</u>
Total revenues	<u>654,863</u>	<u>222,790</u>	<u>877,653</u>
Expenditures			
Instruction	196,857		196,857
Support services	2,578,346	630,397	3,208,743
Facilities, acquisition and const. services	<u>1,529,937</u>	<u>3,754,697</u>	<u>5,284,634</u>
Total expenditures	<u>4,305,140</u>	<u>4,385,094</u>	<u>8,690,234</u>
Revenues over (under) expenditures	(3,650,277)	(4,162,304)	(7,812,581)
Other financing sources (uses)			
Estopped warrants	171		171
Bond sales proceeds	<u>13,000,000</u>	<u>13,000,000</u>	<u>13,000,000</u>
Total other financing sources (uses)	<u>171</u>	<u>13,000,000</u>	<u>13,000,171</u>
Revenue and other sources over (under) expenditures and other uses	(3,650,106)	8,837,696	5,187,590
Cash fund balance, beginning of year	<u>7,728,439</u>	<u>11,369,469</u>	<u>19,097,908</u>
Cash fund balance, end of year	<u>\$ 4,078,333</u>	<u>20,207,165</u>	<u>24,285,498</u>

INDEPENDENT SCHOOL DISTRICT NO. I-16, PAYNE COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
REGULATORY BASIS - ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Balance July 1, 2023	Additions	Net Transfers	Deletions	Balance June 30, 2024
Assets					
Cash	<u>\$ 1,412,215</u>	<u>2,412,568</u>		<u>1,646,180</u>	<u>2,178,603</u>
Liabilities					
Funds held for student organizations					
800 Clearing/Sweep	61,087	89,524		2,420	148,191
801 Student Supplies	134,478	108,583		114,135	128,926
802 Courtesy/Appreciation Fund	2,429	3,544		2,822	3,151
803 Library	19,281	49,956		45,314	23,923
804 Guidance	37			22	15
805 Site General Activity Account	16,903	38,883		34,505	21,281
806 Facility Rental	22,483	28,810		21,918	29,375
807 Special Events	42,278	48,216		45,091	45,403
808 Summer School	-	301			301
809 Textbooks	7,352	187		3,791	3,748
811 Cultural Nights	59				59
812 Parking Fees	3,021	23,587		15,164	11,444
813 Locker	22	15			37
814	-	13,348			13,348
815 Agendas	39	(39)			-
816 Pioneer Pantry	32,447	16,395		7,490	41,352
817 PAC	48,423	38,186		28,897	57,712
818	-	225		33	192
819 Soft Drink Commission	83				83
820 Thanks a Latte Cart	231	942		478	695
823 Safety/Health Initiatives	1,071				1,071
824	-	38,162			38,162
828 SPED	11,664	23,342		12,640	22,366
829 Technology	4,526			575	3,951
830 Professional Development	1,309	500		5,297	(3,488)
831 Pioneer Book Bus	1,941			1,020	921
832	-	5,350			5,350
833 After School Programs	34,667	14,144		9,317	39,494
834 After School Childcare	170,661	423,650		126,173	468,138
835 Teacher of the Year	1,689	500		1,468	721
836 Support Employee of the Year	300				300
838 Superintendent/BOE	7,229	7,672		10,876	4,025
839 SPEF	6,468	78,565		62,847	22,186
840 Open Doors	42,375	150		517	42,008
841 Virtual Academy Activity	337	242		375	204
842 Public Relations	434	670			1,104
843 Facilities Department	358	5,831		2,042	4,147
845 Refugee School Impact	-	16,614		45,300	(28,686)
850 Grant	353	15,100		99	15,354
851 Teacher Grants	-	3,000		382	2,618
854 SPS Staff Wellness	-	218		200	18
855 Science Grant	7,057				7,057
856 Donations	2,802			502	2,300
857 PTA Donations	5,288			76	5,212
858 Friends of Lincoln	1,616	1,718		1,962	1,372
859 Support of Homeless Students Donation \$	7,806	5,500		10,034	3,272

INDEPENDENT SCHOOL DISTRICT NO. I-16, PAYNE COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
REGULATORY BASIS - ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Balance <u>July 1, 2023</u>	<u>Additions</u>	Net <u>Transfers</u>	<u>Deletions</u>	Balance <u>June 30, 2024</u>
860 Class of 1963	\$ -	240			240
865 Chromebook Replacement/Repair	310	44,550		50	44,810
874 Advanced Art	903	3,855		3,291	1,467
876 Art	531	4,394		3,527	1,398
877 Language Arts	755				755
878 Pottery	1,573	4,750		4,373	1,950
879 Physical Education	67				67
880 Science	681	659		552	788
883 Speech	1,185	13,304		7,366	7,123
884 Social Studies	407			40	367
885 Instructional	611	25,899		21,875	4,635
895 Fifth Grade Class	308			301	7
901 Academic Team	889	2,487		3,330	46
903 African American Student Assoc.	600			122	478
904 Art Club	1,524	2,516		2,324	1,716
905 Band	94,004	89,682		82,000	101,686
906 Best Buddies	3,094	950		1,795	2,249
907 Beta Club	7,665	7,995		9,314	6,346
909 Business Prof of America	59	790		640	209
912 Disc Golf & Ultimate Club	735			108	627
915 FCCLA	2,299	2,785		3,293	1,791
916 FFA	19,392	247,885		235,290	31,987
917 French Club	130	35			165
918 Farm and Garden Club	410			137	273
924 Key Club	132	195		267	60
925 Mock Trial	647			75	572
926 Mu Alpha Theta	1,107	18			1,125
927 National Honor Society	6,991	3,215		1,202	9,004
930 Orchestra	17,369	96,618		74,779	39,208
931 Orchestra Booster Club	1,882				1,882
932 Robotics	12,372	40,236		47,583	5,025
933 Pink Out Week	-	14,709		14,572	137
934 Pionee Peer Partners	-	792		126	666
936 Project Lead the Way	1,125	1,325			2,450
937 Running Club	623	440		619	444
938 Science Club	3,621	360			3,981
939 FACS	255				255
940 Sign Language Club	180				180
941 SMS Singers	455	12,959		1,619	11,795
942 Spanish Club	505	858		503	860
943 Spanish National Honor Society	1,030	(858)		172	-
944 Special Education Transition	3,456	20,759		16,635	7,580
945 Stillwater Makes a Change	1,573	64,015		59,759	5,829
946 Student Council	26,630	14,587		22,364	18,853
947 Technology Student Association	1,226	5,909		6,385	750
948 Theater Performance	45,389	48,786		23,065	71,110
949 Vocal Music	27,895	37,632		31,154	34,373
951 Yearbook	36,858	22,037		23,296	35,599
952 Young Democrats Club	270				270
953 Youth & Government	534				534
954 Alpha Team	\$ 331				331

INDEPENDENT SCHOOL DISTRICT NO. I-16, PAYNE COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
REGULATORY BASIS - ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Balance <u>July 1, 2023</u>	<u>Additions</u>	Net <u>Transfers</u>	<u>Deletions</u>	Balance <u>June 30, 2024</u>
955 Arete Team	\$ 41				41
956 Artisans Team	508	18			526
957 Omega Team	442				442
958 Titans Team	424				424
959 Synergy Team	1,409				1,409
960 Sophomore Class	2,188	2,123			4,311
961 Junior Class	3,011	15,025		9,201	8,835
962 Senior Class	6,183	494		5,040	1,637
964 ESports Club	774				774
965 Gender & Sexuality Alliance (GSA)	297	585		155	727
970 All Sports	241,803	194,313		237,596	198,520
971 Stadium Concessions	35,098	38,079		26,122	47,055
972 State Playoffs	13,909	13,114		7,299	19,724
974 Basketball (Boys)	4,329			3,200	1,129
975 Basketball (Girls)	124				124
976 Cheerleaders	2,039	17,243		17,369	1,913
977 Cross Country	7,630				7,630
978 Football	12,850	900		8,138	5,612
979 Golf (Boys)	226				226
980 Golf (Girls)	1,189	2,218		375	3,032
981 Pom	251	12,811		9,721	3,341
982 Soccer (Boys)	8				8
983 Soccer (Girls)	433				433
984 Swimming	3,533			1,954	1,579
985 Tennis (Boys)	1,876				1,876
986 Tennis (Girls)	2,085				2,085
987 Track (Boys)	3,300			627	2,673
988 Track (Girls)	3,395			627	2,768
989 Volleyball	516				516
990 Wrestling	119				119
991 Softball	163				163
995 Pioneer Playday	-	125,580		71	125,509
996 L. Allred Golf Scholarship	21,500	1,000		1,000	21,500
997 W. Welch Wrestling Scholarship	2,645				2,645
998 Raymond Estes Scholarship	5,895				5,895
999 Matt Foster Memorial	830				830
Audit Adjustment	-	50,106			50,106
Total Liabilities	<u>\$ 1,412,215</u>	<u>2,412,568</u>	<u>-</u>	<u>1,646,180</u>	<u>2,178,603</u>

**INDEPENDENT SCHOOL DISTRICT NO. 1-16, PAYNE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal Award Listing Number</u>	<u>Pass-through Grantor's Project Number</u>	<u>Program or Award Amount</u>	<u>Beginning Balance 7/1/2023</u>	<u>Revenue Collected</u>	<u>Total Expenditures</u>	<u>Ending Balance 6/30/2024</u>
<u>U.S. Department of Education</u>							
<u>Direct Programs:</u>							
Title VI-Part A, Indian Education	84.060	561	\$ 144,325		118,636	144,325	(25,689)
Subtotal - Direct Programs			<u>144,325</u>	<u>-</u>	<u>118,636</u>	<u>144,325</u>	<u>(25,689)</u>
<u>Passed Through State Department of Education:</u>							
* <u>Title I Cluster:</u>							
Title I-Part A, Improving Basic Programs	84.010	511	1,299,868		501,392	1,181,066	(679,674)
Title I-Part A, Improving Basic Programs 2022-23	84.010	799		(14,226)	14,226		
Title I-School Improvement	84.010	515	116,116		91,968	106,861	(14,893)
Title I-Neglected	84.010	518	16,780			992	(992)
Title I-Neglected 2022-23	84.010	799		(4,449)	4,449		
Subtotal - Title I-Part A Programs (Cluster)			<u>1,432,764</u>	<u>(18,675)</u>	<u>612,035</u>	<u>1,288,919</u>	<u>(695,559)</u>
Title II-Part A, Teacher & Principal Training	84.367	541	231,612		126,815	196,723	(69,908)
Title II-Part A 2022-23	84.367	799		(25,355)	25,355		
Title IV-SSAE Grant	84.424A	552	112,250		38,783	80,870	(42,087)
Title IV-SSAE Grant 2022-23	84.424A	799		(2,278)	2,278		
Immigrant Education Act	84.365	571	9,500		8,513	8,513	
English Language Acquisition, Language Enhancement	84.365	572	30,153		8,636	12,151	(3,515)
Title V-Part B RLIS	84.358B	587	111,663		46,651	56,549	(9,898)
Title IX-Part A, Homeless	84.196	596	83,875		31,985	53,463	(21,478)
* <u>Education Stabilization Funds (Covid19)</u>							
ARP/ESSER Counselor Grant (Covid19)	84.425U	722	122,015		38,792	80,343	(41,551)
ARP/ESSER III Student Teacher Stipends (Covid19)	84.425U	725	13,992		13,992	13,992	
ESSER II (Covid19)	84.425D	793	749		749	749	
ARP/ESSER III (Covid19)	84.425U	795	3,071,228			1,963,294	(1,963,294)
ARP/ESSER III (Covid19) 2022-23	84.425U	799		(2,084,201)	2,084,201		
ARP/ESSER III Homeless Youth (Covid19)	84.425U	796	61,493		10,978	15,442	(4,464)
ARP/ESSER III Homeless II (Covid19)	84.425U	797	27,814		9,605	10,316	(711)
ARP/ESSER III Homeless II (Covid19) 2022-23	84.425U	799		(200)	200		
Subtotal - Education Stabilization Funds (Covid19)			<u>3,297,291</u>	<u>(2,084,401)</u>	<u>2,158,517</u>	<u>2,084,136</u>	<u>(2,010,020)</u>
<u>Special Education Cluster:</u>							
IDEA-B Prof Dev-SDE	84.027	613	4,048		2,858	2,858	
IDEA-B Prof Dev-SDE 2022-23	84.027	799		(250)	250		
IDEA-B Prof Dev-District	84.027	615	7,013		6,495	6,862	(367)
Secondary Transition Services	84.027X	618	7,155		5,029	5,357	(328)
OKMTSS - IDEA Grant	84.027	619	2,500			2,483	(2,483)
IDEA-B Flowthrough	84.027	621	1,432,848		1,058,683	1,325,583	(266,900)
IDEA-B Flowthrough 2022-23	84.027	799		(16,577)	16,577		
IDEA-B Private Schools	84.027	625	6,947		6,947	6,947	
IDEA-B Private Schools 2022-23	84.027	799		(1,020)	1,020		
ARP/IDEA-B Flowthrough	84.027X	628	\$ 1,269		1,269	1,269	

**INDEPENDENT SCHOOL DISTRICT NO. 1-16, PAYNE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass Through Grantor/Program Title	Federal Award Listing Number	Pass-through Grantor's Project Number	Program or Award Amount	Beginning Balance 7/1/2023	Revenue Collected	Total Expenditures	Ending Balance 6/30/2024
ARP/IDEA-B Flowthrough 2022-23	84.027X	799	\$ -	(27,900)	27,900		
IDEA-B Flowthrough Private	84.027X	629	3,000		2,805	2,805	
IDEA-B Preschool	84.173	641	33,167		33,167	33,167	
IDEA-B Preschool Private Schools	84.173	642	29		29	29	
Subtotal - Special Education Program (Cluster)			1,497,976	(45,747)	1,163,029	1,387,360	(270,078)
Subtotal - Passed Through State Dept of Education			6,807,084	(2,176,456)	4,222,597	5,168,684	(3,122,543)
<u>U.S. Department of Agriculture:</u>							
<u>Passed Through State Department of Education:</u>							
Equipment Assistance Grant	10.579	791			11,901	11,901	
EBT Local Admin Funds	10.649	760		3,878		3,878	
<u>Child Nutrition Cluster:</u>							
<u>Cash Assistance:</u>							
Supply Chain Assistance	10.555	759		51,107	147,760	183,525	15,342
National School Lunch Program	10.555	763		1,095,996	1,484,437	1,982,430	598,003
School Breakfast Program	10.553	764			603,410	603,410	
Summer Food Program	10.559	766		2,772	113,312	113,312	2,772
Cash Assistance Subtotal				1,149,875	2,348,919	2,882,677	616,117
<u>Passed Through State Department of Human Services:</u>							
Non-cash Assistance (Commodities)	10.555	N/A			217,937	217,937	
Subtotal - Child Nutrition Program (Cluster)				1,149,875	2,566,856	3,100,614	616,117
<u>Other Federal Assistance:</u>							
Project Get Fit	93.981	787	9,084		9,084		9,084
CDC Grant Covid Prevention (Covid19) 2022-23	93.323	723		(647,069)	647,069		
Subtotal - Other Federal Assistance			9,084	(647,069)	656,153	-	9,084
Total Federal Assistance			\$ 6,960,493	(1,669,772)	7,576,143	8,429,402	(2,523,031)

* Major federal programs

Note 1 - Commodities received by the District in the amount of \$217,937 were of a non-monetary nature and therefore the total revenue does not agree with the financial statements by this amount. These commodities are reported at fair market value.

Note 2 - There were no amounts passed to subrecipients.

Note 3 - Grantor provides adequate insurance coverage against loss on assets purchased with Federal Awards.

Note 4 - 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). Expenditures are reported on the regulatory basis of accounting consistent with the preparation of the combined financial statements. These expenditures are recognized following the cost principles contained in the Uniform Guidance. The District has also elected to not use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

INDEPENDENT SCHOOL DISTRICT NO. I-16, PAYNE COUNTY
SCHEDULE OF SURETY BONDS
FOR THE YEAR ENDED JUNE 30, 2024

<u>BONDING COMPANY</u>	<u>POSITION COVERED</u>	<u>BOND NUMBER</u>	<u>COVERAGE AMOUNT</u>	<u>EFFECTIVE DATES</u>
Western Surety Company	Superintendent	72473339	\$ 100,000	7/1/23-7/1/24
	Chief Financial Officer	72494154	\$ 100,000	9/13/23-9/13/24
	Treasurer	64725720	\$ 100,000	7/1/23-7/1/24
Old Republic Surety	Encumbrance Clerk	POB1051244	\$ 5,000	10/3/23-10/3/24
	Activity Fund Custodians	POB1051244	\$ 5,000	10/3/23-10/3/24
	Minutes Clerk	LPO913141	\$ 5,000	10/1/23-10/1/24



JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

JACK JENKINS, CPA
MICHAEL KEMPER, CPA

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Board of Education
Stillwater School District No. I-16
Stillwater, Oklahoma 74074

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 accompanying fund type and account group financial statements-regulatory basis as listed in the Table of Contents, of Stillwater School District No. I-16, Stillwater, Oklahoma, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 4, 2024. This report was adverse with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in the United States because the presentation followed the regulatory basis of accounting for Oklahoma school districts and did not conform to the presentation requirements of the Governmental Accounting Standards Board. However, our report was qualified for the omission of the general fixed asset account group with respect to the presentation of financial statements on the regulatory basis of accounting authorized by the Oklahoma State Board of Education.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free of 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 two (2) instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 24-01 and 24-02.

District's Response to Findings

The District's response to the findings identified in our audit is described in the letter following the audit acknowledgement page. 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.

Jenkins & Kemper, CPAs P.C.

Jenkins & Kemper
Certified Public Accountants, P.C.

December 4, 2024



JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

JACK JENKINS, CPA
MICHAEL KEMPER, CPA

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

The Honorable Board of Education
Stillwater School District No. I-16
Stillwater, Oklahoma 74074

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Stillwater School District No. I-16, Stillwater, Oklahoma'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 its major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Stillwater School District No. I-16, Stillwater, Oklahoma complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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* (The Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Stillwater School District No. I-16, Stillwater, Oklahoma and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control over Compliance

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

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

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

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.

Jenkins & Kemper, CPAs P.C.

Jenkins & Kemper
Certified Public Accountants, P.C.

December 4, 2024

INDEPENDENT SCHOOL DISTRICT NO. I-16, PAYNE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JULY 1, 2023 TO JUNE 30, 2024

Summary of Auditor's Results

1. The auditor's report expresses an adverse opinion on the combined financial statements in conformity with generally accepted accounting principles and a qualified opinion for the omission of the general fixed asset account group on the combined financial statements in conformity with a regulatory basis of accounting prescribed by the Oklahoma State Department of Education.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Schedule of Findings and Questioned Costs.
3. No instances of noncompliance material to the financial statements of the District were reported during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the "Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Uniform Guidance"
5. An unqualified opinion report was issued on the compliance of major federal award programs.
6. The audit disclosed no audit findings and questioned costs, which are required to be reported under OMB Uniform Guidance.
7. Identification of Major Programs: Education Stabilization Fund (84.425D,84.425U) and Title I (84.010) programs, which were each clustered in the determination.
8. The dollar threshold used to determine between Type A and Type B programs was \$750,000.
9. The District did not qualify to be a low-risk auditee.

INDEPENDENT SCHOOL DISTRICT NO. I-16, PAYNE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JULY 1, 2023 TO JUNE 30, 2024

Findings – Financial Statement Audit

24-01 – Treasurer Reports

Condition: During final audit work in August, it appeared the Treasurer had not balanced the accounting software to the bank statements as of June 30, 2024. It did appear that this issue was later corrected and the District's OCAS data submission for the appropriated funds did balance to cash at the bank.

Criteria: Compare the monthly bank statements with the accounting software to ensure the bank statements are reconciled each month in a timely manner.

Effect: The untimely reconciling of the District's bank accounts to the software could cause the Board of Education to receive incorrect balance information and could cause incorrect reporting of financial data to the Oklahoma State Department of Education.

Recommendation: We recommend that the District Treasurer reconcile the bank statements to the financial software on a monthly basis and in a timely manner.

24-02 – Activity Fund Reconciliation

Condition: The Activity Fund Custodian did not appear to have balanced the accounting software to the bank statements as of June 30, 2024. The balance reported by the software appeared to be understated by \$50,105.39 when compared to the reconciled bank statement balance.

Criteria: Activity Fund reports should be on hand that reconcile to the bank statements on a monthly basis.

Effect: The sponsors for the activity fund may have received an incorrect balance in regards to their subaccounts and would not be made aware of the error until the bank statement is properly reconciled.

Recommendation: That the activity fund custodian prepare a listing of all cash and investment balances adjusted by outstanding checks, deposits in transit, etc. and that this amount is balanced to the accounting software on a monthly basis.

Findings and Questioned Costs – Major Federal Award Programs Audit

None

**INDEPENDENT SCHOOL DISTRICT NO. I-16, PAYNE COUNTY
DISPOSITION OF PRIOR YEAR'S SCHEDULE OF FINDINGS
JULY 1, 2023 TO JUNE 30, 2024**

None.

**INDEPENDENT SCHOOL DISTRICT NO. I-16, PAYNE COUNTY
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL
LIABILITY INSURANCE AFFIDAVIT
JULY 1, 2023 TO JUNE 30, 2024**

State of Oklahoma)
County of Payne)

The undersigned auditing firm representative of lawful age, being first duly sworn on oath, says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with Stillwater School District for the audit year 2023-24.

Jenkins & Kemper, CPAs, P.C.
AUDITING FIRM

BY 
AUTHORIZED AGENT

Subscribed and sworn to before me on this
4th day of, December, 2024


NOTARY PUBLIC

