

**FINANCIAL STATEMENTS – REGULATORY BASIS
AND REPORTS OF INDEPENDENT AUDITOR**

**ATOKA INDEPENDENT SCHOOL DISTRICT NO. 1-15,
ATOKA COUNTY, OKLAHOMA**

JUNE 30, 2024

Audited by

**BLEDSON, HEWETT & GULLEKSON
CERTIFIED PUBLIC ACCOUNTANTS, PLLLP**

BROKEN ARROW, OK

ATOKA INDEPENDENT SCHOOL DISTRICT NO. 15, ATOKA COUNTY
SCHOOL DISTRICT OFFICIALS
JUNE 30, 2024

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ATOKA INDEPENDENT SCHOOL DISTRICT NO. 15, ATOKA COUNTY
JUNE 30, 2024

TABLE OF CONTENTS

	<u>Page No.</u>
School District Officials	2
Table of Contents	3-4
Independent Auditor's Report	5-7
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements - Regulatory Basis – Performed in Accordance with Government Auditing Standards	8-9
Independent Auditors Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance Required by the Uniform Guidance	10-12
Disposition of Prior Year's Significant Deficiencies and Material Instances of Non-Compliance	13
Schedule of Audit Results, Findings and Questioned Costs	14
Combined Financial Statements – Regulatory Basis	
Combined Statement of Assets, Liabilities and Fund Balance – All Fund Types and Account Groups – Regulatory Basis	15
Combined Statement of Revenues Collected, Expenditures and Changes in Cash Fund Balances – All Governmental Fund Types – Regulatory Basis	16
Combined Statement of Revenues Collected, Expenditures and Changes in Cash Fund Balances – Budget and Actual – Budgeted Governmental Fund Types – Regulatory Basis	17-19
Notes to Combined Financial Statements - Regulatory Basis	20-36
Supplementary Information	

ATOKA INDEPENDENT SCHOOL DISTRICT NO. 15, ATOKA COUNTY
JUNE 30, 2024

Page No.

Combining Financial Statements – Regulatory Basis

Combining Statement of Assets, Liabilities and Fund Balance – All Special Revenue Funds – Regulatory Basis	37
Combining Statement of Revenues Collected, Expenditures and Changes in Cash Fund Balances – All Special Revenue Funds – Regulatory Basis	38
Combining Statement of Revenues Collected, Expenditures and Changes in Cash Fund Balances – Budget and Actual – Special Revenue Fund Types – Regulatory Basis	39
Combining Statement of Changes in Assets and Liabilities – Agency Funds – Regulatory Basis	40
Schedule of Expenditures of Federal Awards – Regulatory Basis	41
Schedule of Expenditures of Federal Awards – Regulatory Basis – Prepared For the Oklahoma State Department of Education	42
Schedule of Statutory, Fidelity and Honesty Bonds	43
Schedule of Accountant’s Professional Liability Insurance Affidavit	44



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INDEPENDENT AUDITOR'S REPORT

To the Honorable Board of Education
Atoka Independent School District No. 15
Atoka, Atoka County, Oklahoma

Report on the Audit of the Financial Statements

We have audited the accompanying combined fund type and account group financial statements-regulatory basis of the Atoka Independent School District No. 15, Atoka, Atoka County, Oklahoma (the 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 discussed in the "Basis for Qualified Opinion on Regulatory Basis of Accounting" section of our report, the combined financial statements referred to above 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 it received and expenditures it paid and encumbered for the year then ended, in accordance with the financial reporting provisions of the Oklahoma State Department of Education as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" section of our report, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District, as of June 30, 2024, or the revenues, expenses, and changes in net position and, where applicable, cash flows thereof 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 the District 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 adverse and qualified audit opinions.

Basis for Qualified Opinion on Regulatory Basis of Accounting

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

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

As described in Note 1 to the financial statements, to meet the financial reporting requirements of the Oklahoma State Department of Education, the financial statements are prepared by the District on the basis of the financial reporting regulations prescribed or permitted by the Oklahoma State Department of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material 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 the financial reporting regulations prescribed or permitted by the Oklahoma State Department of Education as described in Note 1, to meet the financial reporting requirements of the State of Oklahoma; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 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 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 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the fund type and account group financial statements-regulatory basis that collectively comprise the District's basic financial statements. The accompanying combining financial statements-regulatory basis and other supplementary information and schedule of expenditures of federal awards, 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*, are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements-regulatory basis. The information has been subjected to the auditing procedures applied in the audit of the fund type and account group financial statements within the combined financial statements-regulatory basis and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the financial statements being prepared in compliance with the regulatory basis as prescribed by the Oklahoma State Department of Education as discussed in Note 1, the combining financial statements-regulatory basis and other supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the combined financial statements-regulatory basis as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Bledsoe, Hewett & Gullekson

Bledsoe, Hewett & Gullekson
Certified Public Accountants, PLLLP

September 10, 2024



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

To the Honorable Board of Education
Atoka Independent School District No. 15
Atoka, Atoka County, Oklahoma

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the fund type and account group financial statements – regulatory basis of the Atoka Independent School District No. 15, Atoka, Atoka County, Oklahoma (the 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, and have issued our report thereon dated September 10, 2024, which was adverse with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in the United States because the presentation followed the regulatory basis of accounting for Oklahoma school districts as provided by the Oklahoma State Department of Education. However, our report was qualified because the omission of the general fixed asset account group results in an incomplete presentation with respect to the presentation of financial statements on the regulatory basis of accounting authorized by the Oklahoma State Board of Education.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of District's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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, non-compliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted some immaterial instances of noncompliance that we have included in a separate letter to management, dated September 10, 2024.

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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bledsoe, Hewett & Gullekson

Bledsoe, Hewett & Gullekson
Certified Public Accountants, PLLLP

September 10, 2024



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

To the Honorable Board of Education
Atoka Independent School District No. 15
Atoka, Atoka County, Oklahoma

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Atoka Independent School District No. 15, Atoka, Atoka County, Oklahoma's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's 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, the District 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* (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 the District 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 non-compliance 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.

Bledsoe, Hewett & Gullekson

Bledsoe, Hewett & Gullekson
Certified Public Accountants, PLLLP

September 10, 2024

ATOKA INDEPENDENT SCHOOL DISTRICT NO. 15, ATOKA COUNTY
DISPOSITION OF PRIOR YEAR'S SIGNIFICANT DEFICIENCIES AND MATERIAL
INSTANCES OF NONCOMPLIANCE
JUNE 30, 2024

There were no prior year significant deficiencies or material instances of noncompliance.

ATOKA INDEPENDENT SCHOOL DISTRICT NO. 15, ATOKA COUNTY
SCHEDULE OF AUDIT RESULTS, FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024

Section 1 - Summary of Auditor's Results:

1. An adverse opinion was issued on the combined financial statements in conformity with generally accepted accounting principles, and a qualified opinion was issued 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. The audit did not identify any material weaknesses and did not report any significant deficiencies not considered to be material weaknesses in the internal controls over financial reporting.
3. The audit disclosed no instances of noncompliance which were material to the financial statements.
4. The audit did not identify any material weaknesses and did not report any significant deficiencies not considered to be material weaknesses in the internal controls over major programs.
5. An unmodified opinion report was issued on the compliance for major programs in conformity with the regulatory basis of accounting.
6. The audit disclosed no audit findings which are required to be reported under Uniform Guidance, 2 CFR 200.51(a).
7. Programs determined to be major are the Child Nutrition Programs (10.553, 10.555, 10.559), which were clustered in determination, and the COVID-19 Education Stabilization Fund - ESSER/ARP Programs (84.425U), which were not clustered.
8. The dollar threshold used to determine between Type A and Type B programs was \$750,000.
9. The auditee was determined not to be a low-risk auditee.

Section 2 – Findings relating to the financial statements required to be reported in accordance with GAGAS:

None

Section 3 – Findings and questioned costs for federal awards:

None

COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS

ATOKA INDEPENDENT SCHOOL DISTRICT NO. 15, ATOKA COUNTY
COMBINED STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -
ALL FUND TYPES AND ACCOUNT GROUPS - REGULATORY BASIS
JUNE 30, 2024

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPES	ACCOUNT GROUP	TOTALS (MEMORANDUM ONLY)
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS		GENERAL LONG-TERM DEBT	
ASSETS							
Cash	\$ 3,039,587	705,751	47,002	13,506	118,893		3,924,739
Amounts available in debt service						47,002	47,002
Amount to be provided for retirement of long-term debt						7,515,467	7,515,467
Total Assets	\$ 3,039,587	705,751	47,002	13,506	118,893	7,562,469	11,487,208
LIABILITIES AND FUND BALANCE							
Liabilities:							
Warrants/checks payable	\$ 1,249,346				118,893		1,249,346
Funds held for school organizations							118,893
Long-term debt:							
Bonds payable						815,000	815,000
Capital leases						6,747,469	6,747,469
Total liabilities	1,249,346	0	0	0	118,893	7,562,469	8,930,708
Fund Balances:							
Restricted		705,751	47,002	13,506			766,259
Unassigned	1,790,241						1,790,241
Cash fund balances	1,790,241	705,751	47,002	13,506	0	0	2,556,500
Total Liabilities and Fund Balance	\$ 3,039,587	705,751	47,002	13,506	118,893	7,562,469	11,487,208

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

ATOKA INDEPENDENT SCHOOL DISTRICT NO. 15, ATOKA COUNTY
 COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND CHANGES IN CASH FUND BALANCES
 - ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUSTS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2024

	GOVERNMENTAL FUND TYPES				TOTALS (MEMORANDUM ONLY)
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	
Revenues Collected:					
Local sources	\$ 1,661,272	1,179,683	824,445		3,665,400
Intermediate sources	174,526				174,526
State sources	9,026,162	243,685			9,269,847
Federal sources	3,538,269				3,538,269
Interest earnings	18,609				18,609
Non-revenue receipts	14,754				14,754
Total revenues collected	<u>14,433,592</u>	<u>1,423,368</u>	<u>824,445</u>	<u>0</u>	<u>16,681,405</u>
Expenditures:					
Instruction	6,815,876				6,815,876
Support services	6,559,183	39,572			6,598,755
Operation of noninstructional services	954,942				954,942
Facilities acquisition and construction services	45,172	1,063,067			1,108,239
Other outlays:					
Correcting entry	14,754				14,754
Debt service			820,625		820,625
Repayments	749				749
Total expenditures	<u>14,390,676</u>	<u>1,102,639</u>	<u>820,625</u>	<u>0</u>	<u>16,313,940</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	42,916	320,729	3,820	0	367,465
Other financing sources (uses):					
Bond sale proceeds				13,500	13,500
Transfers in (out)		(2,500)	2,500		0
Adjustments to prior year encumbrances	873				873
Total other financing sources (uses)	<u>873</u>	<u>(2,500)</u>	<u>2,500</u>	<u>13,500</u>	<u>14,373</u>
Excess of revenues collected over (under) expenditures	43,789	318,229	6,320	13,500	381,838
Cash fund balances, beginning of year	<u>1,746,452</u>	<u>387,522</u>	<u>40,682</u>	<u>6</u>	<u>2,174,662</u>
Cash fund balances, end of year	<u>\$ 1,790,241</u>	<u>705,751</u>	<u>47,002</u>	<u>13,506</u>	<u>2,556,500</u>

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

ATOKA INDEPENDENT SCHOOL DISTRICT NO. 15, ATOKA COUNTY
COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND
CHANGES IN CASH FUND BALANCES - BUDGET AND ACTUAL -
BUDGETED GOVERNMENTAL FUND TYPES - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

	GENERAL FUND		
	Original/Final Budget	Actual	Prior Year (Memorandum Only)
Revenues Collected:			
Local sources	\$ 1,312,246	1,661,272	1,729,389
Intermediate sources	154,848	174,526	169,622
State sources	8,547,277	9,026,162	7,678,537
Federal sources	3,041,078	3,538,269	2,927,563
Interest earnings		18,609	15,014
Non-revenue receipts		14,754	46,277
Total revenues collected	13,055,449	14,433,592	12,566,402
Expenditures:			
Instruction	7,227,850	6,815,876	5,914,512
Support services	6,559,183	6,559,183	5,818,197
Operation of noninstructional services	954,942	954,942	1,187,457
Facilities acquisition and construction services	45,172	45,172	174,447
Other outlays:			
Correcting entry	14,754	14,754	32,645
Repayments		749	
Total expenditures	14,801,901	14,390,676	13,127,258
Excess of revenues collected over (under) expenditures before other financing sources (uses)	(1,746,452)	42,916	(560,856)
Other financing sources (uses):			
Adjustments to prior year encumbrances	0	873	63,989
Excess of revenue collected over (under) expenditures	(1,746,452)	43,789	(496,867)
Cash fund balance, beginning of year	1,746,452	1,746,452	2,243,319
Cash fund balance, end of year	\$ 0	1,790,241	1,746,452

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

ATOKA INDEPENDENT SCHOOL DISTRICT NO. 15, ATOKA COUNTY
 COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND
 CHANGES IN CASH FUND BALANCES - BUDGETED GOVERNMENTAL FUND TYPES - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2024

	SPECIAL REVENUE FUNDS		
	Original/Final Budget	Actual	Prior Year (Memorandum Only)
Revenues Collected:			
Local sources	\$ 187,365	1,179,683	1,038,241
State sources		243,685	
Federal sources			73,736
Total revenues collected	187,365	1,423,368	1,111,977
Expenditures:			
Support services	414,459	39,572	125,000
Facilities acquisition and construction services	160,428	1,063,067	1,214,839
Total expenditures	574,887	1,102,639	1,339,839
Excess of revenues collected over (under) expenditures before other financing sources (uses)	(387,522)	320,729	(227,862)
Other financing sources (uses):			
Transfers in (out)	0	(2,500)	0
Excess of revenues collected over (under) expenditures	(387,522)	318,229	(227,862)
Cash fund balances, beginning of year	387,522	387,522	615,384
Cash fund balances, end of year	\$ 0	705,751	387,522

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

ATOKA INDEPENDENT SCHOOL DISTRICT NO. 15, ATOKA COUNTY
 COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND
 CHANGES IN CASH FUND BALANCES - BUDGETED GOVERNMENTAL FUND TYPES - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2024

	DEBT SERVICE FUND		
	Original/ Final Budget	Actual	Prior Year (Memorandum Only)
Revenues Collected:			
Local sources	\$ 780,301	824,445	831,121
Requirements:			
Bonds	810,000	810,000	810,000
Coupons	8,125	8,125	25,970
Administrative fees		2,500	
Total expenditures	818,125	820,625	835,970
Excess of revenue collected over (under) expenditures before other financing sources (uses)	(37,824)	3,820	(4,849)
Other financing sources (uses):			
Transfers in (out)	0	2,500	0
Excess of revenue collected over (under) expenditures	(37,824)	6,320	(4,849)
Cash fund balance, beginning of year	40,682	40,682	45,531
Cash fund balance, end of year	\$ 2,858	47,002	40,682

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

NOTES TO COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS

ATOKA INDEPENDENT SCHOOL DISTRICT NO. 15, ATOKA COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Atoka Public Schools Independent District, No. 1-15 (the “District”), have been prepared in conformity with another comprehensive basis of accounting prescribed by the Oklahoma State Department of Education as authorized by Oklahoma Statutes. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with the accounting principles generally accepted in the United States of America. The District’s accounting policies are described in the following notes that are an integral part of the District’s financial statements.

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 five elected members. The appointed superintendent is the executive officer of the District. The Board, constituting an on-going entity, is the level of government, which has governance responsibilities over all activities, related to public elementary and secondary school education within the jurisdiction of the local independent school district. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the District is not included in any other governmental “reporting entity” as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards, since Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

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

ATOKA INDEPENDENT SCHOOL DISTRICT NO. 15, ATOKA COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

A. Reporting Entity – cont'd

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.

B. Measurement Focus

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.

ATOKA INDEPENDENT SCHOOL DISTRICT NO. 15, ATOKA COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

B. Measurement Focus - cont'd

Special Revenue Funds - Special revenue funds account for revenue sources that are restricted to expenditures for specific purposes. The special revenue funds typically include the building, co-op, child nutrition, and city sales tax funds. The District did not maintain a child nutrition fund or a co-op fund during the 2023-24 fiscal year.

Building Fund – The building fund consists mainly of monies derived from 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 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.

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.

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. The District operates their child nutrition program within the general fund.

City Sales Tax Reserve Fund – The city sales tax reserve fund consists of monies derived from special sales tax on behalf of the District. These funds are kept separate and expended out for these items addressed in the tax levy agreement. The District has allocated a portion of the tax proceeds to be used for debt payments and is accounted for separately in the city tax reserve fund (fund #86).

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.

ATOKA INDEPENDENT SCHOOL DISTRICT NO. 15, ATOKA COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

B. Measurement Focus – cont'd

Capital Projects Fund – 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.

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. The terms "non-expendable" and "expendable" refer to whether or not the District is under an obligation to maintain the trust principal. Agency funds generally 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 operation.

Expendable Trust Funds – Expendable trust funds typically include the gifts and endowments fund. The District did not maintain any expendable trust funds during the 2023-24 fiscal year.

Gifts and Endowments Fund – The gifts and endowments 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.

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

Account Groups

An account group is not a fund and consists 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 is established to account for all the 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.

ATOKA INDEPENDENT SCHOOL DISTRICT NO. 15, ATOKA COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

B. Measurement Focus – cont'd

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 or results of operations in conformity with accounting principles generally accepted in the United States. Neither is such data comparable to a consolidation. Interfund 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* with certain modifications. This format differs significantly from that required by GASB 34.

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

- Encumbrances represented by purchase orders, contracts, and other commitments for the expenditure of monies are recorded as expenditures when approved.
- Investments are recorded as assets when purchased.
- Inventories of school supplies are recorded as expenditures and not as inventory assets.
- Warrants/checks payable are recorded as liabilities when issued.
- Long-term debt is recorded in the General Long-Term Debt Account Group and not in the basic financial statements.
- Compensated absences are recorded as expenditures when paid and not recorded as a liability.
- Fixed assets are recorded in the General Fixed Asset Account Group and not in the basic financial statements. Fixed assets are not depreciated.

ATOKA INDEPENDENT SCHOOL DISTRICT NO. 15, ATOKA COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

C. Basis of Accounting and Presentation – cont'd

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

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental type funds are accounted for using the regulatory basis of accounting. Revenues are recognized when they are received rather than earned and expenditures are generally recognized when encumbered/reserved rather than at the time the related fund liability is incurred. These practices differ from accounting principles generally accepted in the United States.

D. Budgets and Budgetary Accounting

The District is required by state law to prepare an annual budget. The Board of Education must request an initial temporary appropriations budget from their County Excise Board before June 30. The District uses the temporary appropriation amounts as their legal expenditure limit until the annual Estimate of Needs is completed.

A budget is legally adopted by the Board of Education for all funds (with the exception of the trust and agency funds) that includes revenues and expenditures. No later than October 1, each Board of Education shall prepare a financial statement and Estimate of Needs to be filed with the applicable County Clerk and the State Department of Education.

The 2023-24 Estimate of Needs was not amended by any supplemental appropriations. Any amendments must be approved by the County Clerk's Office.

ATOKA INDEPENDENT SCHOOL DISTRICT NO. 15, ATOKA COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

D. Budgets and Budgetary Accounting – cont'd

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting – under which purchase orders and other commitments of resources are recorded as expenditures of the applicable fund – is utilized in all governmental funds of the District. Unencumbered appropriations lapse at the end of each fiscal year. While the Debt Service Fund is a governmental fund, a comparison of budget to actual schedule is presented in the financial statements, although the board can exercise no control of the revenue sources for this fund (except interest earnings), and no control over its expenditures.

E. Assets, Liabilities and Fund Equity

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

Investments – The District considers investments of direct obligations of the United States government and agencies, certificates of deposits, savings accounts, or savings certificates with maturities of greater than three months. 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.

Fixed Assets and Property, Plant and Equipment – The District has not maintained a record of general fixed assets, and, accordingly, a General Fixed Assets Account Group required by the regulatory basis of accounting prescribed by the Oklahoma State Department of Education is not included in the financial statements. General fixed assets purchased are recorded as expenditures in the various funds at the time of purchase.

Warrants/Checks Payable – Warrants/checks 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/checks that have yet to be redeemed by the District's bank.

ATOKA INDEPENDENT SCHOOL DISTRICT NO. 15, ATOKA COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

E. Assets, Liabilities and Fund Equity – cont'd

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. While the regulatory basis that is used for the Debt Service Fund approximates full accrual accounting, the accruals recorded are reported to meet regulatory requirements, as opposed to the requirements of generally accepted accounting principles.

Compensated Absences – The District provides vacation and sick leave benefits in accordance with Title 70 of the Oklahoma Statutes, Article 6-104, which provides for annual sick leave and personal business days. District policy allows certified employees to accumulate such days to a maximum number of days. Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources had not been reported as an expenditure of the governmental fund that will pay it since the financial statements have been prepared on the regulatory basis of accounting. This practice differs from generally accepted accounting principles.

Funds Held for School Organizations – Funds held for school organizations represent the funds received or collected from students or other cocurricular 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.

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

ATOKA INDEPENDENT SCHOOL DISTRICT NO. 15, ATOKA COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

E. Assets, Liabilities and Fund Equity – cont'd

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

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

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 include 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 purposes 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.

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 rolls 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 is due prior to January 1. The second half is due prior to April 1. If the first payment is not made in a timely manner, 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 tuition, fees, rentals, disposals, commissions, and reimbursements.

ATOKA INDEPENDENT SCHOOL DISTRICT NO. 15, ATOKA COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

F. Revenue and Expenditures – cont'd

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 are 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 from or additions to the revenue of the year when the adjustment is made.

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

Federal Revenues – Federal revenues consist of revenues from the federal government in the form of operating grants or entitlements. An operating grant is a contribution to be used for a specific purpose, activity, or facility. A grant may be received either directly from the federal government or indirectly as a passthrough from another government, such as the state. 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 also deposits child nutrition fund federal revenues into the general fund.

Non-Monetary Transactions – The District receives commodities from the U.S. Department of Agriculture. The value of these commodities has been included in the Schedule of Expenditures of Federal Awards; however, they have not been included in the financial statements as either revenue or expense since they are not reported under the regulatory basis of accounting.

Interest Earnings – Represent compensation for the use of financial sources over a period of time.

ATOKA INDEPENDENT SCHOOL DISTRICT NO. 15, ATOKA COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

F. Revenue and Expenditures – cont'd

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 cocurricular 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.

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 Noninstructional Services Expenditures – Activities concerned with providing noninstructional services to students, staff, or the community. Child nutrition expenditures are normally included here.

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 improvements to sites.

Other Outlays 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).

Other Uses Expenditures – This includes scholarships provided by private gifts and endowments; student aid and staff awards supported by outside revenue sources (i.e., foundations). Also, expenditures 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.

ATOKA INDEPENDENT SCHOOL DISTRICT NO. 15, ATOKA COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

F. Revenue and Expenditures – cont'd

Interfund Transactions – Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund or expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers. The District made one transfer from the building fund into the sinking fund for \$2,500.

2. CASH AND INVESTMENTS

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to the District. The District's cash deposits and investments at June 30, 2024 were \$3,948,841 at financial institutions, and were completely insured or collateralized by federal depository insurance, direct obligations of the U.S. Government, or securities held by the District or by its agent in the District's name.

Investment Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. Due to the required liquidity for those investments, these funds have no defined maturity dates. The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses from increasing interest rates.

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

- Direct obligations of the U.S. Government, its agencies and instrument to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
- With certain limitation, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper and repurchase agreements with certain limitations.

ATOKA INDEPENDENT SCHOOL DISTRICT NO. 15, ATOKA COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

2. CASH AND INVESTMENTS – cont'd

- County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.
- Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
- Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous bullet items.

Concentration of Investment Credit Risk – The District places no limit on the amount it may invest in any one issuer.

3. INTERFUND RECEIVABLES AND PAYABLES

There were no interfund receivables or payables at June 30, 2024.

4. 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 have been approved by the voters and issued by the District for various capital improvements. These bonds are required to be fully paid serially within 25 years of the date of issue.

General long-term debt of the District consists of building bonds and capital leases. Debt service requirements for bonds are paid solely from the fund balance and the future revenues of the debt service fund. Capital leases are normally paid from either the general fund, special revenue funds, or bond funds.

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

	Building Bonds	Capital Leases	Total
Balance, July 1, 2023	\$ 1,625,000	7,631,729	9,256,729
Retirements	<u>(810,000)</u>	<u>(884,260)</u>	<u>(1,694,260)</u>
Balance, June 30, 2024	<u>\$ 815,000</u>	<u>6,747,469</u>	<u>7,562,469</u>

ATOKA INDEPENDENT SCHOOL DISTRICT NO. 15, ATOKA COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

4. GENERAL LONG-TERM DEBT – cont'd

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>	
Building Bonds, Series 2021, original issue \$5,435,000, interest rate of .5%, due in annual installments of \$810,000, final payment of \$815,000 due July 2025	\$ 815,000
<u>Capital Leases:</u>	
Lease purchase for Atoka Public School Infrastructure (football) Improvements Project with First Priority Bank, administered with UMB Bank, dated February 2017, for \$2,000,000, due in annual principal and interest installments of \$144,000, final payment due October 2026	1,454,200
Lease purchase for additional football stadium additions, dated October 2018, totaling \$1,750,000, due in monthly principal and interest installments, final payment due October 2023 (terms renewably annually by bank)	838,115
Lease purchase for Atoka Public School Project (football), dated February 2017, for \$6,250,000, due in annual principal and interest installments of \$456,000, final payment due October 2026	3,789,841
Lease purchase for safe rooms, dated April 2016, totaling \$320,786, due in annual principal and interest installments of \$39,572, final payment due October 2028	135,255
Lease purchase for lighting, water conservation, and HVAC upgrades, dated December 3, 2021, totaling \$610,000, due in semiannual principal and interest installments of \$23,149, final payment due December 2037	<u>530,058</u>
Total	<u>\$ 7,562,469</u>

ATOKA INDEPENDENT SCHOOL DISTRICT NO. 15, ATOKA COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

4. GENERAL LONG-TERM DEBT – cont'd

The annual debt service requirements for outstanding bond issues and capital leases, including the payment of principal and interest, are as follows:

Year Ending June 30	Principal	Interest	Total
2025	\$ 1,282,966	295,240	1,578,206
2026	1,276,506	228,438	1,504,944
2027	4,538,723	207,099	4,745,822
2028	73,668	15,728	89,396
2029	37,022	9,276	46,298
Thereafter	353,584	39,942	393,526
Total	<u>\$ 7,562,469</u>	<u>795,723</u>	<u>8,358,192</u>

Interest paid on general long-term debt during the 2023-24 fiscal year was approximately \$290,486.

5. EMPLOYEE RETIREMENT SYSTEM

Description of Plan

The District participates in the state-administered Oklahoma Teachers' Retirement System, which is 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 for the System. That report may be obtained by writing to the Oklahoma Teachers' Retirement System, P.O. Box 53624, 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

ATOKA INDEPENDENT SCHOOL DISTRICT NO. 15, ATOKA COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

5. EMPLOYEE RETIREMENT SYSTEM – cont'd

performed on individual school districts. The System has an under-funded pension benefit obligation as determined as part of the latest actuarial valuation.

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. Contributions received by the System from the State of Oklahoma are used to offset required employer contributions by the local school district. For the 2023-24 fiscal year, the District contributed 9.5% and the State of Oklahoma contributed the remaining amount during the year. The District is allowed by Oklahoma Teachers' Retirement System to make the required contributions on behalf of the participating members. In addition, if a member's salary is paid in part by federal or private funds, the contribution on that portion of the salary paid by those funds must be matched by the District at 8.40%.

Annual Pension Cost

The District's total contributions for 2024, 2023 and 2022 were \$1,215,762, \$972,170 and \$951,332, respectively. Ten-year historical trend information is presented in the Teacher's Retirement System of Oklahoma Annual Report for the year ended June 30, 2024. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due. Please visit www.ok.gov/TRS for all plan information.

GASB Statement 68 became effective for fiscal years beginning after June 15, 2014, and significantly changes pension accounting and financial reporting for governmental employers 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 amount is not required to be presented on the audited financial statements.

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; or acts of God. The District purchases commercial insurance to cover these risks, including general and auto liability, property damage, and public officials liability. Settled claims resulting from risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

ATOKA INDEPENDENT SCHOOL DISTRICT NO. 15, ATOKA COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

6. RISK MANAGEMENT – cont'd

The District is also a member of the Oklahoma State School Boards Association (OSSBA) Employment Services program, which helps to cover the cost of unemployment claims. Depending on the level of membership the District elects, the District makes a deposit into an account administered by OSSBA, or will make payments periodically as needed. The money contributed by each District earns interest and is fully insured. If the District has claims in excess of the amount in its account, it will be liable for the excess.

7. CONTINGENCIES

Federal Grants

Amounts received or receivable from grant 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 amounts, 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.

Schedule of Expenditure of Federal Awards

The schedule shows the federal awards received and expended by the District during the 2023-24 fiscal year. The revised Uniform Guidance Audits of States, Local Governments and Non-Profit Organizations, established uniform audit requirements for nonfederal entities which expended more than \$750,000 in federal awards.

Litigation

District officials are not aware of any pending or threatened litigation, claims or assessments or unasserted claims or assessments against the District.

SUPPLEMENTARY INFORMATION

ATOKA INDEPENDENT SCHOOL DISTRICT NO. 15, ATOKA COUNTY
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -
 ALL SPECIAL REVENUE FUNDS - REGULATORY BASIS
 JUNE 30, 2024

	BUILDING FUND	CITY SALES TAX RESERVE FUND	TOTAL
<u>ASSETS</u>			
Cash	\$ 491,485	214,266	705,751
	<u> </u>	<u> </u>	<u> </u>
 <u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Warrants/checks payable	\$ 0	0	0
	<u> </u>	<u> </u>	<u> </u>
Fund Balance:			
Restricted	491,485	214,266	705,751
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balance	\$ 491,485	214,266	705,751
	<u> </u>	<u> </u>	<u> </u>

ATOKA INDEPENDENT SCHOOL DISTRICT NO. 15, ATOKA COUNTY
 COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND CHANGES
 IN CASH FUND BALANCES - ALL SPECIAL REVENUE FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2024

	BUILDING FUND	CITY SALES TAX RESERVE FUND	TOTAL
Revenues Collected:			
Local sources	\$ 206,463	973,220	1,179,683
State sources	243,685		243,685
Total revenues collected	<u>450,148</u>	<u>973,220</u>	<u>1,423,368</u>
Expenditures:			
Support services	39,572		39,572
Facilities acquisition and construction services	143,685	919,382	1,063,067
Total expenditures	<u>183,257</u>	<u>919,382</u>	<u>1,102,639</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	266,891	53,838	320,729
Other financing sources (uses):			
Transfers in (out)	<u>(2,500)</u>	<u>0</u>	<u>(2,500)</u>
Excess of revenues collected over (under) expenditures	264,391	53,838	318,229
Cash fund balances, beginning of year	<u>227,094</u>	<u>160,428</u>	<u>387,522</u>
Cash fund balances, end of year	<u>\$ 491,485</u>	<u>214,266</u>	<u>705,751</u>

ATOKA INDEPENDENT SCHOOL DISTRICT NO. 15, ATOKA COUNTY
 COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND CHANGES
 IN CASH FUND BALANCES - BUDGET AND ACTUAL COMPARISON
 ALL SPECIAL REVENUE FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2024

	BUILDING FUND			CITY SALES TAX RESERVE FUND		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Revenues Collected:						
Local sources	\$ 187,365	187,365	206,463	\$		973,220
State sources			243,685			
Total revenues collected	187,365	187,365	450,148	0	0	973,220
Expenditures:						
Support services	414,459	414,459	39,572			
Facilities acquisition & construction services			143,685	160,428	160,428	919,382
Total expenditures	414,459	414,459	183,257	160,428	160,428	919,382
Excess of revenues collected over (under) expenditures before other financing sources (uses)	(227,094)	(227,094)	266,891	(160,428)	(160,428)	53,838
Other financing sources (uses):						
Transfers in (out)	0	0	(2,500)	0	0	0
Excess of revenues collected over (under) expenditures	(227,094)	(227,094)	264,391	(160,428)	(160,428)	53,838
Cash fund balances, beginning of year	227,094	227,094	227,094	160,428	160,428	160,428
Cash fund balances, end of year	\$ 0	0	491,485	\$ 0	0	214,266

ATOKA INDEPENDENT SCHOOL DISTRICT NO. 15, ATOKA COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

	BALANCE 7-01-23	ADDITIONS	TRANSFERS/ ADJUSTMENTS	DEDUCTIONS	BALANCE 6-30-24
<u>ASSETS</u>					
Cash	\$ 110,652	515,519	0	507,278	118,893
<u>LIABILITIES</u>					
Funds held for school organizations:					
Library Site 120	\$ 3,182	8,687		9,057	2,812
Elementary Activity	2,302	11,433		10,805	2,930
YAHL	0	1,400		0	1,400
Child Nutrition	93	0		0	93
STEM	17,913	0		8,435	9,478
HS Athletics	12,226	247,463	(9,000)	232,774	17,915
AES Staff Funds	0	885		841	44
HS Band	1,157	62,296		62,614	839
Special Services	11,191	11,501	49	13,096	9,645
E-Sports	2,132	2,730		432	4,430
HS Boys Basketball	0	1,230	2,445	3,141	534
HS Girls Basketball	0	3,876	2,445	4,199	2,122
Clearing	235	0		0	235
BPA Career Tech Students	0	164		0	164
Hope Squad	0	524		0	524
HS FFA II	5,293	69,325		63,289	11,329
HS FCLA	1,831	10,656		9,852	2,635
HS Girls Softball	0	1,230	2,445	240	3,435
General Activities	2,523	6,707		4,566	4,664
Football	0	7,767	2,445	9,803	409
HS Journalism	208	0		0	208
HS Seniors 20/21	(385)	0	385	0	0
HS Letter A	23,001	4,463	(13,004)	11,396	3,064
HS Library 705	72	265		0	337
HS National Honor Society	416	1,049		664	801
Soccer	0	6,720	2,445	9,036	129
Cheer	0	10,607	9,395	17,502	2,500
HS Pep Club II	6,950	0	(6,950)	0	0
HS Special Services	50	0	(50)		0
HS Speech	1	0			1
HS Student Council	5,011	3,844		5,196	3,659
HS Technology Education	1,125	1,175		285	2,015
Football Boosters	3,189	2,000		1,633	3,556
MS Concession	3,091	20,327		12,135	11,283
MS Student Council	3,170	2,514		870	4,814
Choir MS & HS	475	725		938	262
Prom	707	6,410		7,117	0
HS Baseball	0	1,230	2,445	3,270	405
Middle School BPA	2,506	900		0	3,406
HS Golf	0	2,031	2,445	2,638	1,838
HS Track	0	0	2,445	1,370	1,075
HS Weightlifting	0	3,385		0	3,385
Seniors 2022/23	877	0	(385)	0	492
Elementary G&T	109	0		84	25
Pride of Atoka	1	0			1
Total Liabilities	\$ 110,652	515,519	0	507,278	118,893

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REGULATORY BASIS**

ATOKA INDEPENDENT SCHOOL DISTRICT NO. 15, ATOKA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor / Pass Through Grantor / Program Title	Federal Assistance Listing Number	Capital Project Number	Total Expenditures
<u>U.S. Department of Education:</u>			
<u>Direct Programs:</u>			
Indian Education	84.060	561	\$ 57,956
Impact Aid	84.041	591	176,890
Impact Aid Disabled	84.041	592	2,818
<u>Passed Through State Department of Education:</u>			
Title I	84.010	511	306,957
Title II, Part A	84.367	541	30,800
Title IV, Part A	84.424	552	22,009
Title V, Part B	84.358	587	25,333
21st Century CLC	84.287	553	239,746
Oklahoma Aware	93.243	782	392,649
IDEA-B Special Education Cluster:			
IDEA-B Flow Through	84.027	621	238,260
IDEA-B Professional Development	84.027	613	3,638
IDEA-B Transition Development	84.027	618	5,504
IDEA-B Preschool	84.173	641	10,108
Total Special Education Cluster			257,510
* COVID-19 Education Stabilization Fund (ESF) -			
ARP ESSER III	84.425U	795	950,409
ARP ESSER Homeless II	84.425U	797	11,802
ARP ESSER Counselor Corps Grant	84.425U	722	75,000
Total COVID-19 ESF			1,037,211
<u>Passed Through State Department of Career and Technology Education:</u>			
Carl Perkins	84.048	421	15,000
<u>U.S. Department of Agriculture:</u>			
<u>Passed Through State Department of Education</u>			
* Child Nutrition Program Cluster:			
School breakfast program	10.553	764	146,515
National school lunch program	10.555	763	305,711
Summer food program	10.559	766	12,727
Supply chain assistance	10.555	759	25,162
Non-cash assistance - Commodities	10.555	n/a	30,363
Total Child Nutrition Program Cluster			520,478
Other Child Nutrition Programs:			
Child & Adult Food Care Program	10.558	769	333,754
<u>Other Federal Assistance:</u>			
Johnson O'Malley	15.130	563	17,355
Rehabilitation Services	84.126	456	23,941
Gear Up	N/A	771	1,300
Medicaid	93.778	698	35,076
In-lieu Public Housing	N/A	774	9,957
Total Federal Assistance			\$ 3,506,740

* Major programs = 44.42%

Note 1 - Basis of Presentation - The accompanying schedule of expenditures of federal awards includes the federal activity of the District for the year ended June 30, 2024. This information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended and does not present the financial position, changes in net assets, or cash flows of the District.

Note 2 - Summary of Significant Accounting Policies - Expenditures reported on this schedule are reported on the regulatory basis of accounting consistent with the preparation of the combined financial statements except as noted in Note 3. Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance. None of the federal programs include any loan programs, loan guarantee programs, and has no sub-recipients.

Note 3 - Non-Monetary Assistance - Commodities received by the District were of a non-monetary nature.

ATOKA INDEPENDENT SCHOOL DISTRICT NO. 15, ATOKA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - REGULATORY BASIS
PREPARED FOR THE OKLAHOMA STATE DEPARTMENT OF EDUCATION
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor / Pass Through Grantor / Program Title	Federal Assistance Listing Number	OCAS Project No.	Program or Award Amount	Balance at 7/1/23	Revenue Collected	Total Expenditures	Balance at 6/30/24
<u>U.S. Department of Education</u>							
<u>Direct Programs:</u>							
Indian Education	84.060	561	\$ 57,956		45,963	57,956	11,993
Impact Aid	84.041	591	223,293		135,929	176,890	
Impact Aid Disabled	84.041	592	64,190		2,818	2,818	
Sub Total			345,439	0	184,710	237,664	11,993
<u>Passed Through State Department of Education:</u>							
Title I Basic Program	84.010	511	317,489		226,301	306,957	80,656
Title I Basic Program 2022-23	84.010	799		89,046	89,046		
Title II, Part A	84.367	541	36,044		26,800	30,800	4,000
Title IV, Part A	84.424	552	22,398		22,009	22,009	
Title IV, Part A 2022-23	84.424	799		3,433	3,433		
Title V, Part B	84.358	587	25,900		21,065	25,333	4,268
Title V, Part B 2022-23	84.358	799		2,654	2,654		
21st Century CLC	84.287	553	344,791		182,947	239,746	56,799
21st Century CLC 2022-23	84.287	799		127,620	127,620		
Title V, Part F School Climate 2022-23	84.184	799		4,767	4,767		
Oklahoma Aware	93.243	782	507,174		298,236	392,649	94,413
Oklahoma Aware 2022-23	93.243	799		42,190	42,190		
CDC Reopening Schools 2022-23	94.323	799		112,729	112,729		
IDEA-B Flow Through	84.027	621	238,260		201,001	238,260	37,259
IDEA-B Flow Through 2022-23	84.027	799		37,594	37,594		
IDEA-B Professional Development	84.027	613	993			993	993
IDEA-B Professional Development	84.027	615	2,645			2,645	2,645
IDEA-B Professional Development 2022-23	84.027	799		758	758		
IDEA-B Transition Development	84.027	618	5,504		5,504	5,504	
IDEA-B Preschool	84.173	641	10,108		10,108	10,108	
<u>COVID-19 Education Stabilization Fund (ESF) -</u>							
ARP ESSER III	84.425U	795	950,409		705,037	950,409	245,372
ARP ESSER III 2022-23	84.425U	799		105,906	105,906		
ARP ESSER Homeless II	84.425U	797	11,802		8,672	11,802	3,130
ARP ESSER Homeless II 2022-23	84.425U	799		657	657		
ARP ESSER Counselor Corps Grant	84.425U	722	79,000		64,000	75,000	11,000
ARP ESSER Counselor Corps Grant 2022-23	84.425U	799		11,718	11,718		
Total COVID-19 ESF			1,041,211	118,281	895,990	1,037,211	259,502
Sub Total			2,552,517	539,072	2,310,752	2,312,215	540,535
<u>Passed Through State Department of Career and Technology Education:</u>							
Carl Perkins	84.048	421	15,000		15,000	15,000	
Carl Perkins 2022-23	84.048	799		17,802	17,802		
Sub Total			15,000	17,802	32,802	15,000	0
<u>U.S. Department of Agriculture:</u>							
<u>Passed Through State Department of Education</u>							
<u>Child Nutrition Programs:</u>							
School breakfast program	10.553	764			166,950	146,515	
National school lunch program	10.555	763			321,926	305,711	
Summer food program	10.559	766				12,727	
Supply chain assistance	10.555	759			25,162	25,162	
Non-cash assistance - Commodities	10.555	N/A			30,363	30,363	
Sub Total					544,401	520,478	
<u>Other Child Nutrition Programs:</u>							
CAFCP	10.558	769			427,653	333,754	
<u>Other Federal Assistance:</u>							
Johnson O'Malley	15.130	563	17,355			17,355	17,355
Johnson O'Malley 2022-23	15.130	799		9,895	9,895		
Medicaid	93.778	698	35,076		25,214	35,076	
Rehabilitation Services	84.126	456	23,941		21,949	23,941	
Gear Up	N/A	771	1,300		1,300	1,300	
In-lieu Public Housing	N/A	774	9,957		9,957	9,957	
Sub Total			87,629	9,895	68,315	87,629	17,355
Total Federal Assistance			\$ 3,000,585	566,769	3,568,633	3,506,740	569,883

Note 1 - This schedule was prepared on a regulatory basis of accounting consistent with the preparation of the combined financial statements, except for the non-cash assistance noted in Note 2.

Note 2 - Food Distribution - Non-cash assistance is reported in this schedule at the fair market value of the commodities received and disbursed.

ATOKA INDEPENDENT SCHOOL DISTRICT NO. I-15, ATOKA COUNTY
STATEMENT OF STATUTORY, FIDELITY AND HONESTY 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>
CNA Surety Company	Treasurer	68911091	\$ 100,000	7/1/23 - 7/1/24
	Encumbrance Clerk	68911091	5,000	7/1/23 - 7/1/24
	Activity Fund	68911091	5,000	7/1/23 - 7/1/24
	Minutes Clerk	68911091	5,000	7/1/23 - 7/1/24
	Superintendent	68911091	100,000	7/1/23 - 7/1/24
	Assistant Treasurer	68911091	5,000	7/1/23 - 7/1/24

ATOKA INDEPENDENT SCHOOL DISTRICT NO. 15, ATOKA COUNTY
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE
AFFIDAVIT
JULY 1, 2023 TO JUNE 30, 2024

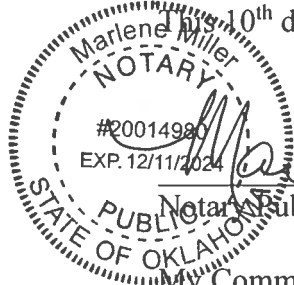
State of Oklahoma)
) ss
County of Tulsa)


The undersigned auditing firm of lawful ages, 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 Atoka Public Schools for the audit year 2023-24.

Bledsoe, Hewett & Gullekson
Certified Public Accountants, PLLLP
Auditing Firm

By _____
Authorized Agent

Subscribed and sworn to before me
The 10th day of September, 2024



_____
Notary Public (or Clerk or Judge)
My Commission Expires: 12/11/2024
Commission No. 20014980



BLEDSON, HEWETT & GULLEKSON
CERTIFIED PUBLIC ACCOUNTANTS, PLLLP

Eric M. Bledsoe, CPA
Jeffrey D. Hewett, CPA
Christopher P. Gullekson, CPA

P.O. BOX 1310 • 121 E. COLLEGE ST. • BROKEN ARROW, OK 74013 • (918) 449-9991 • (800) 522-3831 • FAX (918) 449-9779

September 10, 2024

Mr. Christopher Karch, Superintendent
Atoka Public Schools
PO Box 720
Atoka, Oklahoma 74525

Dear Mr. Karch,

Listed below are the observations and recommendations from the final audit work we performed for you. Please review them very carefully, along with the review copy of your audit report. If you have questions or desire additional information, please call us so that any discrepancies may be resolved.

The following section contains the observations relayed to management that are immaterial instances of noncompliance, which we feel need to be communicated to you so appropriate action may be taken to correct these deficiencies. These items are not included, but are referred to, in your audit report

Federal Programs

We observed some instances where the amounts claimed for reimbursement did not match the actual amounts coded to that project code, according to OCAS reports. It is possible that the District will be contacted by the State Department of Education about these variances, and they will require a written response regarding these differences. The amounts that are included on the Schedule of Expenditures of Federal Awards (SEFA) in your audit report will be the actual amounts expended and claimed, not necessarily the amounts according to OCAS. These programs had less expenditures coded than what was originally claimed and drawn down.

We recommend that the District establish a procedure which requires that an employee, other than the one filing the claims, perform a reconciliation at the end of the fiscal year between the expenditures claimed for reimbursement and the expenditures actually coded to the program's project code on the detailed expenditure reports.

Gift Cards

We observed during the audit that in a couple instances gift cards were given to students or staff as rewards, incentives, or tokens of appreciation. We recommend that when these types of items are given to individuals, a listing of all persons receiving the gift cards, the specific amount of each gift card, and a signature from each person next to their name which would indicate receipt of the gift card listed be included as supporting documentation. Many school districts now use gift cards, due to the ease and advantages for both parties. However, the inherent risk of abuse should be considered when using these cards, and every effort should be made to assure proper use and distribution. The proper use and procedures for gift cards is an issue that should be reviewed with all staff members each year.

Athletic Gate Records

Following our 2022-23 audit recommendation, the District did begin keeping supporting documentation for athletic events, which included a ticket reconciliation sheet and retaining the ticket stubs. However, the beginning and ending ticket numbers were not identified on the reconciliation sheet. In addition, we were unable to trace the tickets stubs to the corresponding event since the specific game and date was not always listed on the bag. As an additional internal control procedure over athletic sales, we recommend that the athletic director, or another designated employee separate from the ticket seller, record the beginning ticket number on the reconciliation sheet before providing the tickets to the seller. At the conclusion of each event, the ticket seller should record the last ticket sold (or first unsold ticket number) on the reconciliation and the athletic director (or activity fund custodian) should verify that the ticket numbers are correct and reconcile to the amount sold. Any discrepancy should be documented on the reconciliation sheet and large discrepancies should be investigated. Further, the specific game and event date should be recorded on the bag where the ticket stubs are stored so that auditors can verify the actual ticket stubs agree with the reconciliation sheets. The District did strengthen its internal controls during the 2023-24 fiscal year, however, these are additional recommendations that should be implemented for the 2024-25 fiscal year.

Sales Tax Fund Appropriations

We observed during the audit that the applicable forms for adding supplemental appropriations were not properly completed in a timely manner. This resulted in the sales tax fund expenditures exceeding approved appropriations during the fiscal year, however, the District had an adequate amount of cash on hand to cover all of the expenditures made. We recommend that the District implement procedures to ensure that supplemental appropriation forms be completed and executed in a timely manner and that the appropriations ledger be reconciled periodically with expenditure reports to ensure that expenditures do not exceed approved appropriations at any time, in any fund, during the year as required by Oklahoma Statutes.

We take this opportunity to thank you and your professional staff for the outstanding cooperation and invaluable assistance you gave us during our recent onsite audit work.

Sincerely,

A handwritten signature in black ink, appearing to read 'C.P. Gullekson', with a stylized flourish at the end.

Christopher P. Gullekson

For

Bledsoe, Hewett, Gullekson
Certified Public Accountants, PLLLP