

AUDIT REPORT

CAVE SPRINGS SCHOOL DISTRICT NO. I-30

BUNCH, ADAIR COUNTY, OKLAHOMA

JULY 1, 2021 THROUGH JUNE 30, 2022

AUDITED BY

DREW KIMBLE

CERTIFIED PUBLIC ACCOUNTANT

104 S. Muskogee Ave.

TAHLEQUAH, OKLAHOMA

**CAVE SPRINGS SCHOOL DISTRICT I-30
ADAIR COUNTY, OKLAHOMA
JUNE 30, 2022**

TABLE OF CONTENTS

<u>Independent Auditor's Report</u>	1
<u>Combined Financial Statements</u>	
Combined Statement of Assets, Liabilities, and Fund Balances - Regulatory Basis All Fund Types and Account Groups	5
Combined Statement of Revenues Collected, Expenditures Paid, and Changes in Fund Balances - Regulatory Basis All Governmental Fund Types	6
Combined Statement of Revenues Collected, Expenditures Paid, and Changes in Fund Balances - Budget and Actual - Regulatory Basis - Budgeted Governmental Fund Types	7
<u>Notes to the Financial Statements - Regulatory Basis</u>	9
<u>Supplemental Information</u>	
<u>Combining Financial Statements</u>	
Combining Statement of Assets, Liabilities and Fund Balances Regulatory Basis - All Special Revenue Funds	23
Combining Statement of Revenues Collected, Expenditures Paid, and Changes in Fund Balances - Regulatory Basis Special (Building, Child Nutrition, and Co-Op) Revenue Funds	24
Combining Statement of Revenues Collected, Expenditures Paid, and Changes in Fund Balances - Budget and Actual Regulatory Basis - Special Revenue Funds	25
Statement of Assets, Liabilities and Fund Balances Regulatory Basis - Fiduciary Funds	26
Statement of Changes in Assets and Liabilities Regulatory Basis - Fiduciary Funds	27
Combining Statement of Assets, Liabilities and Fund Balances Regulatory Basis - Fiduciary Funds Sub-Accounts of Agency Funds	28
<u>Supporting Schedule</u>	
Schedule of Federal Awards Expended	30

Reports Required by Government Auditing Standards

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Combined Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	31
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Supporting Schedules and Reports Required by the Uniform Guidance

Independent Auditor's Report on Compliance with Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	33
Schedule of Expenditures of Federal Awards	36
Schedule of Finding and Questioned Costs	36

<u>Statement of Prior Year's Findings</u>	38
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<u>Schedule of Accountant's Professional Liability Insurance Affidavit</u>	39
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<u>Audit Acknowledgment</u>	40
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DREW KIMBLE
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INDEPENDENT AUDITOR'S REPORT

February 15, 2023

The Honorable Board of Education
Cave Springs School District No. I-30
Adair County, Oklahoma

Opinions

We have audited the accompanying combined fund type and account group financial statements-regulatory basis of the Cave Springs School District, No. I-30, Adair County, Oklahoma (District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, as listed in the table of contents.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on Regulatory Basis of Accounting" paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities and fund balance arising from regulatory basis transactions of each fund type and account group of Cave Springs School District, No. I-30, Adair County, Oklahoma, as of June 30, 2022, and the revenues collected and expenditures paid and encumbered for the year then ended on the regulatory basis of accounting described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Cave Springs School District, No. I-30, Adair County, Oklahoma, as of June 30, 2022, the changes in its financial position, or, where applicable, its cash flows for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Cave Springs School District, No. I-30, Adair County, Oklahoma, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Qualified Opinion on Regulatory Basis of Accounting

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

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

As discussed in Note 1, the financial statements are prepared by the Cave Springs School District, No. 1-30, on the basis of the financial reporting provisions of the Oklahoma State Department of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Oklahoma State Department of Education. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determined, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with financial reporting provisions of the Oklahoma State Department of Education to meet financial reporting requirements of the State of Oklahoma. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 opinion. 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 Cave Springs School District, No. I-30, Adair County, Oklahoma'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 Cave Springs School District, No. I-30, Adair County, Oklahoma'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 financial statements that collectively comprise the District's basic financial statements. The combining statements-regulatory basis, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements regulatory basis and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole arising from regulatory basis transactions.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2022 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 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.



Drew Kimble, CPA

COMBINED FINANCIAL STATEMENTS-REGULATORY BASIS

CAVE SPRINGS SCHOOL DISTRICT NO. 1-30
COMBINED STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
REGULATORY BASIS - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2022

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Types</u>	<u>Account Group</u>	Total (Memorandum Only
	<u>General</u>	<u>Special Revenue</u>	<u>Trust and Agency</u>	<u>General Long-Term Debt</u>	<u>Note 1)</u>
					<u>2022</u>
<u>ASSETS</u>					
Cash and Investments	\$ 790,232.39	\$ 120,060.00	\$ 17,162.55	\$ -	\$ 927,454.94
Amount Available in Debt Service Fund	-	-	-	-	-
Amount to be Provided for Retirement of General Long-Term Debt	-	-	-	-	-
Amount to be Provided for Capitalized Lease Agreements	-	-	-	83,036.25	83,036.25
Total Assets	<u>\$ 790,232.39</u>	<u>\$ 120,060.00</u>	<u>\$ 17,162.55</u>	<u>\$ 83,036.25</u>	<u>\$ 1,010,491.19</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Warrants Payable	\$ 175,447.95	\$ -	\$ -	\$ -	\$ 175,447.95
Reserves	3,118.82	-	-	-	3,118.82
Due to Others	-	-	17,162.55	-	17,162.55
General Obligation Bonds Payable	-	-	-	-	-
Capitalized Lease Obligations Payable	-	-	-	83,036.25	83,036.25
Total Liabilities	<u>178,566.77</u>	<u>-</u>	<u>17,162.55</u>	<u>83,036.25</u>	<u>278,765.57</u>
Fund Balances:					
Restricted for Building Projects	-	118,440.31	-	-	118,440.31
Restricted for Co-Op Programs	-	1,619.69	-	-	1,619.69
Unassigned	611,665.62	-	-	-	611,665.62
Total Fund Balances	<u>611,665.62</u>	<u>120,060.00</u>	<u>-</u>	<u>-</u>	<u>731,725.62</u>
Total Liabilities and Fund Balances	<u>\$ 790,232.39</u>	<u>\$ 120,060.00</u>	<u>\$ 17,162.55</u>	<u>\$ 83,036.25</u>	<u>\$ 1,010,491.19</u>

The accompanying notes and auditor's report are an integral part of these financial statements.

CAVE SPRINGS SCHOOL DISTRICT NO. 1-30
COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID,
AND CHANGES IN FUND BALANCES - REGULATORY BASIS
ALL GOVERNMENTAL FUND TYPES
JUNE 30, 2022

	<u>Governmental Fund Types</u>		Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Note 1) 2022</u>
<u>REVENUES:</u>			
Local Sources	\$ 269,506.96	\$ 12,915.92	\$ 282,422.88
Intermediate Sources	21,208.15	-	21,208.15
State Sources	1,267,078.56	40,985.53	1,308,064.09
Federal Sources	<u>1,565,225.91</u>	<u>-</u>	<u>1,565,225.91</u>
Total Revenues Collected	<u>3,123,019.58</u>	<u>53,901.45</u>	<u>3,176,921.03</u>
<u>EXPENDITURES:</u>			
Instruction	1,353,521.51	-	1,353,521.51
Support Services	1,501,707.03	-	1,501,707.03
Non-Instructional Services	132,062.47	-	132,062.47
Capital Outlay	-	-	-
Other Outlays	-	-	-
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Agent Charges	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>2,987,291.01</u>	<u>-</u>	<u>2,987,291.01</u>
Other Financing Sources (Uses):			
Bond Sale Proceeds	-	-	-
Excess of Revenues Over (Under) Expenditures	<u>135,728.57</u>	<u>53,901.45</u>	<u>189,630.02</u>
Adjustments to Prior Year Encumbrances	<u>1,055.49</u>	<u>-</u>	<u>1,055.49</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	136,784.06	53,901.45	190,685.51
Beginning Fund Balances	<u>474,881.56</u>	<u>66,158.55</u>	<u>541,040.11</u>
Ending Fund Balances	<u>\$ 611,665.62</u>	<u>\$ 120,060.00</u>	<u>\$ 731,725.62</u>

The accompanying notes and auditor's report are an integral part of these financial statements.

CAVE SPRINGS SCHOOL DISTRICT NO. I-30
COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - REGULATORY BASIS
BUDGETED GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund			Special Revenue Funds (Building and Child Nutrition Only)		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
<u>REVENUES COLLECTED:</u>						
Local sources	\$ 92,848.00	\$ 92,848.00	\$ 269,506.96	\$ 11,738.66	\$ 11,738.66	\$ 12,915.92
Intermediate sources	15,230.18	15,230.18	21,208.15	-	-	-
State sources	1,149,654.70	1,149,654.70	1,267,078.56	-	-	40,985.53
Federal sources	750,221.39	1,003,542.79	1,565,225.91	-	-	-
Total revenues collected	<u>2,007,954.27</u>	<u>2,261,275.67</u>	<u>3,123,019.58</u>	<u>11,738.66</u>	<u>11,738.66</u>	<u>53,901.45</u>
<u>EXPENDITURES PAID:</u>						
Instruction	822,835.83	1,076,157.23	1,353,521.51	-	-	-
Support services	1,525,000.00	1,525,000.00	1,501,707.03	76,277.52	76,277.52	-
Non-instructional services	135,000.00	135,000.00	132,062.47	-	-	-
Capital outlays	-	-	-	-	-	-
Other outlays	-	-	-	-	-	-
Total expenditures paid	<u>2,482,835.83</u>	<u>2,736,157.23</u>	<u>2,987,291.01</u>	<u>76,277.52</u>	<u>76,277.52</u>	<u>-</u>
Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances	<u>(474,881.56)</u>	<u>(474,881.56)</u>	<u>135,728.57</u>	<u>(64,538.86)</u>	<u>(64,538.86)</u>	<u>53,901.45</u>
Adjustments to prior year encumbrances	<u>-</u>	<u>-</u>	<u>1,055.49</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other resources over expenditures and other financing sources (uses)	(474,881.56)	(474,881.56)	136,784.06	(64,538.86)	(64,538.86)	53,901.45
Fund balance, beginning of year	<u>474,881.56</u>	<u>474,881.56</u>	<u>474,881.56</u>	<u>64,538.86</u>	<u>64,538.86</u>	<u>66,158.55</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 611,665.62</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120,060.00</u>

The accompanying notes and auditor's report are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

**CAVE SPRINGS SCHOOL DISTRICT NO. I-30
NOTES TO THE FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Cave Springs School District No. I-30 (the "District") have been prepared on a regulatory basis of accounting which is another comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America. The accounting policies are prescribed by the Oklahoma Department of Education and conform to the system of accounting authorized by the State of Oklahoma. The following is a summary of the more significant accounting policies.

A. REPORTING ENTITY

The District is a corporate body for public purposes created under Title 70 of the Oklahoma Statutes, and accordingly is a separate entity for operating and financial reporting purposes. The District is part of the public school system of Oklahoma under the general direction and control of the State Board of Education, and is financially dependent on State of Oklahoma support. The general operating authority for the public school system is the Oklahoma School Code contained in Title 70, Oklahoma Statutes.

The governing body of the District is the Board of Education composed of elected members. The appointed superintendent is the executive officer of the District.

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

**CAVE SPRINGS SCHOOL DISTRICT NO. I-30
NOTES TO THE FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. REPORTING ENTITY (continued)

The Board of School Trustees (Board), an elected five member group constituting an on-going entity, is the level of government which has governance responsibilities over all activities related to public school education within the jurisdiction of the Local Independent School District. The Board receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the Board 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.

B. FUND ACCOUNTING

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

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

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

Governmental Fund Types

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

General Fund - The General Fund is used to account for all financial transactions except those required to be accounted for in another fund. Major revenue sources include state and local property taxes and state funding under the Foundation and Incentive Aid Program.

Expenditures include all costs associated with the daily operations of the schools except for programs funded for building repairs and maintenance, school construction and debt service on bonds and other long-term debt. The General Fund includes federal and state restricted monies that must be expended for specific programs.

**CAVE SPRINGS SCHOOL DISTRICT NO. I-30
NOTES TO THE FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Special Revenue Funds - The first Special Revenue Fund is the District's Building Fund. The Building Fund consists of monies derived from property taxes levied for the purpose of erecting, remodeling, or repairing buildings; and for purchasing furniture and equipment.

The second Special Revenue Fund is the Child Nutrition Fund, a Special Revenue Fund used to account for monies derived from federal and state reimbursement and local food service collections.

The third Special Revenue Fund is the Bilingual Education Cooperative Fund, whereby four school districts have pooled bilingual education funding. This fund accounts for these monies.

Debt Service Fund - The Debt Service Fund is the District's Sinking Fund, which is used to account for the accumulation of financial resources for the payment of general long-term 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. The District did not maintain a Debt Service Fund during the 2021-2022 school year.

Capital Projects Fund - The Capital Projects Fund is the District's Bond Fund which 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. The District did not maintain a Capital Projects Fund during the 2021-2022 school year.

Proprietary Fund Types

Proprietary Funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (Enterprise Funds) or to other departments or agencies primarily within the District (Internal Service Funds). The District does not have any Proprietary Funds.

Fiduciary Fund Types

Fiduciary Funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District. When these assets are held under the terms of a formal trust agreement, either a nonexpendable trust fund or an expendable trust fund is used. The terms "nonexpendable" 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 operations.

**CAVE SPRINGS SCHOOL DISTRICT NO. I-30
NOTES TO THE FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Expendable Trust Fund - This trust fund is used to account for insurance proceeds and expenditures related to the resulting loss lowered by insurance.

Account Groups

Account Groups are not funds and consist of a self-balancing set of accounts used only to establish accounting control over long-term debt and general fixed assets not accounted for in Proprietary Funds.

General Long-Term Debt Account Group - This account group was established to account for all long-term debt of the District, which is offset by the amount available in the Debt Service Fund and the amount to be provided in future years to complete retirement of the debt principal. It is also used to account for liabilities for compensated absences and early retirement incentives which are to be paid from funds provided in future years. The District's only debt relates to leases classified as capital leases.

General Fixed Asset Account Group - This account group is used to account for property, plant and equipment of the School District. The District does not maintain a record of its general fixed assets, and accordingly, a statement of general fixed assets, required by accounting principles generally accepted in the United States of America, is not included in the financial statements. Land, buildings, nonstructural improvements, and all other physical assets in all funds are considered expenditures in the year of acquisition and are not recorded as assets for financial statement purposes.

Memorandum Only - Total Column

The total column on the financial statements is captioned "memorandum only" to indicate that it is presented only to facilitate financial analysis. Data on this column does not present financial position or results of operations in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

C. BASIS OF ACCOUNTING

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

**CAVE SPRINGS SCHOOL DISTRICT NO. I-30
NOTES TO THE FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. BASIS OF ACCOUNTING (continued)

of presentation used by the state and local governments prior to the effective date of GASB Statement No. 34, *Basis Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. This format significantly differs from that required by GASB No. 34.

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

- Encumbrances are represented by purchase orders, contracts, and other commitments for the expenditure of monies; and are recorded as expenditures when approved.
- Investments and inventories are recorded as assets when purchased.
- Capital assets in Proprietary Funds are recorded when acquired and depreciated over their useful lives.
- Warrants payable are recorded as liabilities when issued.
- Long-term debt is recorded when incurred.
- Accrued compensated absences are recorded as an expenditure and liability when the obligation is incurred.

This regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, which 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 and liabilities are incurred for Proprietary Fund Types and Trust Funds.

D. BUDGETS AND BUDGETARY ACCOUNTING - ESTIMATE OF NEEDS

The District is required by state law to prepare an annual budget. A preliminary budget must be submitted to the Board of Education by December 31 for the fiscal year beginning the following July 1. If the preliminary budget requires an additional levy, the District must hold an election on the first Tuesday in February to approve the levy. If the preliminary budget does not require an additional levy, it becomes the legal budget. If an election is held and the taxes are approved, then the preliminary budget becomes the legal budget. If voters reject the additional taxes, the District must adopt a budget within the approved tax rate. A budget is legally adopted by the Board of Education for the General Fund and Special Revenue Funds (Building Fund, Child Nutrition Fund, and Coop Fund) that includes revenues and expenditures.

The 2021-2022 Estimate of Needs was approved by the Board, and subsequently filed with the county clerk. The Estimate of Needs was approved by the excise board and the requested levies were made.

**CAVE SPRINGS SCHOOL DISTRICT NO. I-30
NOTES TO THE FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. ENCUMBRANCES

Encumbrances represent commitments 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. Appropriations not used or encumbered lapse at the end of the year.

F. ASSETS, LIABILITIES, AND FUND EQUITY

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

Investments - Investments consist of bank certificates of deposit with maturities greater than three months when purchased. All investments are recorded at cost, which approximates market value.

Inventories - The value of consumable inventories at June 30, 2022, is not material to the financial statements. Purchases for inventory items are considered expenditures at the time the items were encumbered.

Fixed Assets and Property, Plant, and Equipment - The General Fixed Asset Account Group is not presented. The amount that should be recorded in the General Fixed Asset Account Group is not known.

Compensated Absences - Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources has not been reported as an expenditure or a fund liability of the governmental fund that will pay it since the combined financial statements have been prepared on the regulatory basis of accounting. Vested accumulated rights to receive sick pay benefits have not been reported in the General Long-Term Debt Account Group since the combined financial statements have been prepared on the regulatory basis of accounting. These practices differ from accounting principles generally accepted in the United States of America.

**CAVE SPRINGS SCHOOL DISTRICT NO. I-30
NOTES TO THE FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences (continued)

In accordance with the provisions of Statement of Financial Accounting Standards No. 43, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. Vested accumulated rights to receive sick pay benefits have been reported in the General Long-Term Debt Account Group since none of the vested sick leave is expected to be liquidated with expendable available financial resources.

Long-Term Debt - Long-term debt is recognized as a liability of 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 when applicable.

Fund Balance - Fund balance represents the funds not encumbered by purchase order, legal contracts, and outstanding warrants.

G. REVENUES, EXPENSES, AND EXPENDITURES

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

If the first payment is not made timely, the entire tax becomes due and payable on January 2. Second half taxes become delinquent on April 1 of the year following the year of assessment. If not paid by the following October 1, the property is offered for sale for the amount of taxes due. The owner has two years to redeem the property by paying the taxes and penalty owed. If at the end of the two years the owner has not done so, the purchaser is issued a deed to the property.

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.

**CAVE SPRINGS SCHOOL DISTRICT NO. I-30
NOTES TO THE FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

State Revenues (continued)

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

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

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 are properly applicable to another fund are recorded as revenues, expenditures or 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. There were no operating transfers or residual equity transfers during fiscal year 2022.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Risk Management - The District participates in a risk pool for workers' compensation coverage in which there is a transfer of pooling or risks among the participants of that pool. In accordance with GASB No. 10, the District reports the required contribution to the pool, net of refunds, as insurance expense.

**CAVE SPRINGS SCHOOL DISTRICT NO. I-30
NOTES TO THE FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 2: CASH AND INVESTMENTS

The District's investment policies are governed by state statute. Permissible investments include direct obligations of the United States Government and Agencies, certificates of deposit of savings and loan associations, and bank and trust companies, savings accounts or savings certificates of savings and loan associations, and trust companies. Collateral is required for demand deposits and certificates of deposit for all amounts not covered by federal deposit insurance.

In accordance with state statutes, the District's investment policy:

Deposits and Investments - The District's cash deposits and investments at June 30, 2022, were completely insured or collateralized by federal deposit insurance, direct obligations of the United States Government, or securities held by the District or by its agent in the District's name.

Therefore, the District's cash deposits and investments at June 30, 2022, were not exposed to Custodial Credit Risk, Investment Credit Risk, Investment Interest Rate Risk, or Concentration of Investment Credit Risk.

CAVE SPRINGS SCHOOL DISTRICT NO. I-30
NOTES TO THE FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 4: INTERFUND RECEIVABLES AND PAYABLES

There were no interfund receivables or payables at June 30, 2022.

NOTE 5: GENERAL LONG-TERM DEBT

State statutes prohibits the District from becoming indebted in an amount exceeding the revenue to be received for any fiscal year without approval by the District's voters. The general long-term debt of the District consists of capital leases.

General Long-Term Debt of the District consists of a capital lease.

The following is a summary of the long-term debt transactions of the District for the year ended June 30, 2022.

	Bonds Payable	Capital Lease Obligations	Total
Balance July 1, 2021	\$0.00	\$204,020.30	\$204,020.30
Additions	0.00	0.00	0.00
Retirements	<u>0.00</u>	<u>60,079.52</u>	<u>60,079.52</u>
Balance June 30, 2022	\$0.00	\$ 143,940.78	\$ 143,940.78

The District has entered into a lease agreement as lessee for financing the acquisition of a drivers-ed vehicle. The lease agreement qualifies as a capital lease for accounting purposes since the title transfers at the end of the lease term.

As discussed in Note 1 to the financial statements, the District does not record fixed assets in the financial statements. Consistent with this, the District has not recorded the vehicle in the General Fixed Asset Account Group. The District has recorded the liability for future lease payments in the General Long-Term Debt Account Group.

The schedule of future minimum lease payments under the capital lease and the present value of the net minimum lease payment at June 30 is as follows:

Year Ending June 30	<u>Bus Leases</u>
2022	67,980.10
2023	44,625.66
2024	44,625.66
2025	-
Total minimum lease payments	157,231.42
Less: Amount Representing interest	<u>13,290.64</u>
Present Value of future minimum lease payments	\$ <u>143,940.78</u>

**CAVE SPRINGS SCHOOL DISTRICT NO. I-30
NOTES TO THE FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 6: OTHER POST EMPLOYMENT BENEFITS

The District does not offer any early retirement incentive plans.

NOTE 7: EMPLOYMENT RETIREMENT SYSTEM

The District participates in the state administered Oklahoma Teacher's Retirement System (the "System"), which is a cost-sharing, multiple employer public employee retirement system (PERS). Under the system contributions are made by the District, the State of Oklahoma, and the participating employees.

Participation is required for all teachers and other certified employees, and is optional for all other regular employees of public educational institutions who work at least 20 hours per week. A participant's date of membership is the date the first contribution is made to the System. The System is administered by a Board of Trustees which acts as a fiduciary for investing the funds and governing the administration of the System. The District has no responsibility or authority for the operation and administration of the System, nor has it any liability, except for the current contribution requirements.

A participant with five years of creditable service may retire with a normal retirement allowance at the age of sixty-two or with reduced benefits as early as age fifty-five. If joining the system before 1992, the normal retirement allowance paid monthly for life and then to beneficiaries, if certain options are exercised, equals two percent of the average of the highest three earning years of contributory service multiplied by the number of years of credited service. A participant leaving employment before attaining retirement age, but completing ten years of service, may elect to vest his accumulated contributions and defer receipt of a retirement annuity until a later date.

When a participant dies in active service and has completed ten years of credited service, the beneficiary is entitled to a death benefit of \$18,000.00 and the participant's contributions plus interest. If the beneficiary is a surviving spouse, the surviving spouse may, in lieu of the death benefit, elect to receive, subject to the surviving spousal options, the participant's retirement benefits accrued at the time of death.

The contribution rates for the District, which are not actuarial determined, and its employees are established by statute and applied to the employee's earnings, plus employer paid fringe benefits. The District is required by statute to contribute 9.5% of applicable compensation for the year ended June 30, 2019. The District is allowed by the Oklahoma Teacher's Retirement System to make the required contributions on behalf of the participating members. The required contribution for participating member is 7%.

The pension benefit obligation is a standardized disclosure measure of the present value of pension benefits. This pension valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of employee services performed to date, and is adjusted for the effect of projected salary increases. There are no actuarial valuations performed on individual school districts.

**CAVE SPRINGS SCHOOL DISTRICT NO. I-30
NOTES TO THE FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 7: EMPLOYMENT RETIREMENT SYSTEM (continued)

The Oklahoma Teacher Retirement System issues an independent financial report, financial statements, and required supplementary information that can be obtained in writing at the Oklahoma Teacher's Retirement System, P.O. Box 53524, Oklahoma City, OK 73152 or by calling 405-521-2387.

NOTE 8: CONTINGENCIES AND OTHER COMMITMENTS

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

NOTE 9: RISK MANAGEMENT

The District purchases commercial insurance policies covering property casualty loss, public liability, school board member and administrator liability, and worker's compensation. The District also purchases surety bonds for employees in all positions required by state law to be bonded. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District.

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 purchase commercial insurance to cover these risks, including general and auto liability, property damage, and public officials liability. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three years.

NOTE 10: SURETY BONDS

District also purchases surety bonds as follows, all were purchased through Western Surety:

<u>Bond #</u>	<u>Position</u>	<u>Amount</u>	<u>Dated</u>
65128884	Superintendent	\$100,000	07/01/21-07/01/22
71558487	Activity Fund Custodian	\$1,000	07/01/21-07/01/22
54708422	Activity Fund Custodian	\$2,000	09/04/21-09/04/22
72442411	Encumbrance Clerk	\$5,000	02/01/22-02/01/23
72442410	Activity Fund Custodian	\$1,000	02/01/22-02/01/23
72442407	Minutes Clerk	\$1,000	02/01/22-02/01/23
72034076	Treasurer	\$100,000	10/01/21-10/01/22

**CAVE SPRINGS SCHOOL DISTRICT NO. I-30
NOTES TO THE FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 11: SUBSEQUENT EVENTS

Subsequent events have been evaluated through February 15, 2023, which is the date the financial statements were available to be issued.

COMBINING FINANCIAL STATEMENTS

CAVE SPRINGS SCHOOL DISTRICT NO. 1-30
COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
REGULATORY BASIS - ALL SPECIAL REVENUE FUNDS
JUNE 30, 2022

	<u>Building Fund</u>	<u>COOP Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Investments	\$ 118,440.31	\$ 1,619.69	\$ 120,060.00
Total Assets	<u>\$ 118,440.31</u>	<u>\$ 1,619.69</u>	<u>\$ 120,060.00</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Warrants Payable	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
 Fund balances: restricted	 <u>118,440.31</u>	 <u>1,619.69</u>	 <u>120,060.00</u>
 Total Liabilities and Fund Balances	 <u>\$ 118,440.31</u>	 <u>\$ 1,619.69</u>	 <u>\$ 120,060.00</u>

The accompanying notes and auditor's report are an integral part of these financial statements.

CAVE SPRINGS SCHOOL DISTRICT NO. I-30
COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID,
AND CHANGES IN FUND BALANCES - REGULATORY BASIS
ALL SPECIAL REVENUE FUNDS
JUNE 30, 2022

	Building Fund	COOP Fund	Total (Memorandum Only Note 1) 2022
<u>REVENUES:</u>			
Local Sources	\$ 12,915.92	\$ -	\$ 12,915.92
Intermediate Sources	-	-	-
State Sources	40,985.53	-	40,985.53
Federal Sources	-	-	-
Total Revenues Collected	<u>53,901.45</u>	<u>-</u>	<u>53,901.45</u>
<u>EXPENDITURES:</u>			
Instruction	-	-	-
Support Services	-	-	-
Non-Instructional Services	-	-	-
Capital Outlay	-	-	-
Other Outlays	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>53,901.45</u>	<u>-</u>	<u>53,901.45</u>
Adjustments to Prior Year Encumbrances	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	53,901.45	-	53,901.45
Beginning Fund Balances, restricted	<u>64,538.86</u>	<u>1,619.69</u>	<u>66,158.55</u>
Ending Fund Balances, restricted	<u>\$ 118,440.31</u>	<u>\$ 1,619.69</u>	<u>\$ 120,060.00</u>

The accompanying notes and auditor's report are an integral part of these financial statements.

CAVE SPRINGS SCHOOL DISTRICT NO. I-30
COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
REGULATORY BASIS - SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Special Revenue Funds					
	Building Fund			Special Revenue Funds		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
<u>REVENUES COLLECTED:</u>						
Local sources	\$ 11,738.66	\$ 11,738.66	\$ 12,915.92	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	40,985.53	-	-	-
Federal sources	-	-	-	-	-	-
Total revenues collected	<u>11,738.66</u>	<u>11,738.66</u>	<u>53,901.45</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>EXPENDITURES PAID:</u>						
Instruction	-	-	-	-	-	-
Support services	76,277.52	76,277.52	-	-	-	-
Non-instructional services	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-
Other outlays	-	-	-	-	-	-
Total expenditures paid	<u>76,277.52</u>	<u>76,277.52</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances	<u>(64,538.86)</u>	<u>(64,538.86)</u>	<u>53,901.45</u>	<u>-</u>	<u>-</u>	<u>-</u>
Adjustments to prior year encumbrances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other resources over expenditures and other financing sources (uses)	(64,538.86)	(64,538.86)	53,901.45	-	-	-
Fund balance, beginning of year, restricted	<u>64,538.86</u>	<u>64,538.86</u>	<u>64,538.86</u>	<u>1,619.69</u>	<u>1,619.69</u>	<u>1,619.69</u>
Fund balance, end of year, restricted	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118,440.31</u>	<u>\$ 1,619.69</u>	<u>\$ 1,619.69</u>	<u>\$ 1,619.69</u>

The accompanying notes and auditor's report are an integral part of these financial statements.

CAVE SPRINGS SCHOOL DISTRICT NO. I-30
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
REGULATORY BASIS - FIDUCIARY FUNDS
JUNE 30, 2022

	Agency Fund
	Activity Fund
<u>ASSETS</u>	
Cash and Investments	\$ 17,162.55
Total Assets	<u>\$ 17,162.55</u>
 <u>LIABILITIES AND FUND BALANCES</u>	
Liabilities:	
Due to Student Groups	\$ 17,162.55
Total Liabilities	<u>\$ 17,162.55</u>
 Fund Balances:	
Unreserved:	
Undesignated	<u>-</u>
Total Fund Balances	<u>-</u>
 Total Liabilities and Fund Balances	<u>\$ 17,162.55</u>

The accompanying notes and auditor's report are an integral part of these financial statements.

CAVE SPRINGS SCHOOL DISTRICT NO. I-30
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
REGULATORY BASIS - FIDUCIARY FUNDS
JUNE 30, 2022

	Agency Funds		
	Balance July 1, 2021	Additions	Balance June 30, 2022
<u>ACTIVITIES</u>			
Student Activities	\$ 16,713.45	\$ 79,612.87	\$ 79,163.77
Total - All Agency Funds	\$ 16,713.45	\$ 79,612.87	\$ 79,163.77
<u>ASSETS</u>			
Cash	\$ 16,713.45	\$ 79,612.87	\$ 79,163.77
Total Assets	\$ 16,713.45	\$ 79,612.87	\$ 79,163.77
<u>LIABILITIES</u>			
Due to Student Groups	\$ 16,713.45	\$ 79,612.87	\$ 79,163.77
Total Liabilities	\$ 16,713.45	\$ 79,612.87	\$ 79,163.77

The accompanying notes and auditor's report are an integral part of these financial statements.

CAVE SPRINGS SCHOOL DISTRICT NO. I-30
COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
FIDUCIARY FUND - SUB-ACCOUNTS OF AGENCY FUND
JUNE 30, 2022

	Announcements Fund	Annual Fund	Athletics Fund	FFA Fund	4-H Fund	Academic Honor Fund	Fellowship Fund	Arts Fund	Speech Fund	Library Fund	Pictures Fund	H.S. Cheer Fund	Special Ed Fund	Science Fund	Student Council Fund	General Fund
ASSETS																
Cash and Investments	\$ 60.10	\$ 558.34	\$ 3,894.67	\$ 4,505.37	\$ 10.50	\$ 39.36	\$ 24.23	\$ 348.75	\$ 312.11	\$ 678.08	\$ 35.00	\$ 7.60	\$ 20.00	\$ 34.91	\$ 152.50	\$ 89.60
Total Assets	<u>\$ 60.10</u>	<u>\$ 558.34</u>	<u>\$ 3,894.67</u>	<u>\$ 4,505.37</u>	<u>\$ 10.50</u>	<u>\$ 39.36</u>	<u>\$ 24.23</u>	<u>\$ 348.75</u>	<u>\$ 312.11</u>	<u>\$ 678.08</u>	<u>\$ 35.00</u>	<u>\$ 7.60</u>	<u>\$ 20.00</u>	<u>\$ 34.91</u>	<u>\$ 152.50</u>	<u>\$ 89.60</u>
LIABILITIES AND FUND BALANCES																
Liabilities:																
Due to Others	\$ 60.10	\$ 558.34	\$ 3,894.67	\$ 4,505.37	\$ 10.50	\$ 39.36	\$ 24.23	\$ 348.75	\$ 312.11	\$ 678.08	\$ 35.00	\$ 7.60	\$ 20.00	\$ 34.91	\$ 152.50	\$ 89.60
Total Liabilities	<u>\$ 60.10</u>	<u>\$ 558.34</u>	<u>\$ 3,894.67</u>	<u>\$ 4,505.37</u>	<u>\$ 10.50</u>	<u>\$ 39.36</u>	<u>\$ 24.23</u>	<u>\$ 348.75</u>	<u>\$ 312.11</u>	<u>\$ 678.08</u>	<u>\$ 35.00</u>	<u>\$ 7.60</u>	<u>\$ 20.00</u>	<u>\$ 34.91</u>	<u>\$ 152.50</u>	<u>\$ 89.60</u>
Fund Balances:																
Undesignated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Liabilities and Fund Balances	<u>\$ 60.10</u>	<u>\$ 558.34</u>	<u>\$ 3,894.67</u>	<u>\$ 4,505.37</u>	<u>\$ 10.50</u>	<u>\$ 39.36</u>	<u>\$ 24.23</u>	<u>\$ 348.75</u>	<u>\$ 312.11</u>	<u>\$ 678.08</u>	<u>\$ 35.00</u>	<u>\$ 7.60</u>	<u>\$ 20.00</u>	<u>\$ 34.91</u>	<u>\$ 152.50</u>	<u>\$ 89.60</u>

The accompanying notes and auditor's report are an integral part of these financial statements.

CAVE SPRINGS SCHOOL DISTRICT NO. 1-30
COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
FIDUCIARY FUND - SUB-ACCOUNTS OF AGENCY FUND
JUNE 30, 2022

	BPA Fund	Elementary Fund	8th Grade Fund	Wrestling Fund	Robotics Fund	Class 20 Fund	Class 21 Fund	Class 18 Fund	Class 19 Fund	Class 22 Fund	Class 23 Fund	Class 24 Fund	Class 25 Fund	Totals 2022
ASSETS														
Cash and Investments	\$ 124.70	\$ 1,447.23	\$ 808.48	\$ -	\$ 1,197.90	\$ 173.68	\$ 200.56	\$ 82.21	\$ 122.04	\$ 10.77	\$ 1,623.77	\$ 281.00	\$ 319.09	\$ 17,162.55
Total Assets	<u>\$ 124.70</u>	<u>\$ 1,447.23</u>	<u>\$ 808.48</u>	<u>\$ -</u>	<u>\$ 1,197.90</u>	<u>\$ 173.68</u>	<u>\$ 200.56</u>	<u>\$ 82.21</u>	<u>\$ 122.04</u>	<u>\$ 10.77</u>	<u>\$ 1,623.77</u>	<u>\$ 281.00</u>	<u>\$ 319.09</u>	<u>\$ 17,162.55</u>
LIABILITIES AND FUND BALANCES														
Liabilities:														
Due to Others	\$ 124.70	\$ 1,447.23	\$ 808.48	\$ -	\$ 1,197.90	\$ 173.68	\$ 200.56	\$ 82.21	\$ 122.04	\$ 10.77	\$ 1,623.77	\$ 281.00	\$ 319.09	\$ 17,162.55
Total Liabilities	<u>\$ 124.70</u>	<u>\$ 1,447.23</u>	<u>\$ 808.48</u>	<u>\$ -</u>	<u>\$ 1,197.90</u>	<u>\$ 173.68</u>	<u>\$ 200.56</u>	<u>\$ 82.21</u>	<u>\$ 122.04</u>	<u>\$ 10.77</u>	<u>\$ 1,623.77</u>	<u>\$ 281.00</u>	<u>\$ 319.09</u>	<u>\$ 17,162.55</u>
Fund Balances:														
Undesignated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Liabilities and Fund Balances	<u>\$ 124.70</u>	<u>\$ 1,447.23</u>	<u>\$ 808.48</u>	<u>\$ -</u>	<u>\$ 1,197.90</u>	<u>\$ 173.68</u>	<u>\$ 200.56</u>	<u>\$ 82.21</u>	<u>\$ 122.04</u>	<u>\$ 10.77</u>	<u>\$ 1,623.77</u>	<u>\$ 281.00</u>	<u>\$ 319.09</u>	<u>\$ 17,162.55</u>

The accompanying notes and auditor's report are an integral part of these financial statements.

**CAVE SPRINGS SCHOOL DISTRICT NO. I-30
SCHEDULE OF FEDERAL AWARDS EXPENSED
FOR THE YEAR ENDED JUNE 30, 2022**

<u>Grant: Federal Grantor/Pass Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Project Number</u>	<u>Balance at June 30, 2021</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Balance at June 30, 2022</u>
U.S. DEPARTMENT OF EDUCATION						
<u>Direct Programs:</u> - Note 1						
Title VII Indian Education	84.060	561	\$ 24,447.00	\$ 24,447.00	\$ 48,545.59	\$ 48,545.59
Title VIII Impact Aid	84.041	591	(138,823.71)	639,454.00	190,950.65	(587,327.06)
Impact Aid Disabled	84.041	591	(9,925.00)	17,800.00	-	(27,725.00)
Rural Education Achievement	84.358A	588	13,968.00	13,968.00	-	-
<u>Pass-through State Department of Education</u> - Note 1						
COVID 19 Education Stabilization Funds						
CARES	84.425	788	24,138.48	24,138.48	1,796.21	1,796.21
ESSER II	84.425	793	127,209.35	127,209.35	101,309.66	101,309.66
ESSER III	84.425	795	-	-	215,373.76	215,373.76
ESSER Counselor Corps Grant	84.425	722	-	24,000.03	31,336.46	7,336.43
Total COVID 19 ESF			151,347.83	175,347.86	349,816.09	325,816.06
School Support	84.010	515	2,201.20	238,062.19	261,840.24	25,979.25
Title I	84.010	511	33,315.79	62,526.84	127,995.24	98,784.19
Total Title I			35,516.99	300,589.03	389,835.48	124,763.44
Title IV, Part B, 21st Century	84.287	553	55,869.29	165,869.18	172,145.52	62,145.63
IDEA - Part B Flow Through	84.027	621	-	33,103.51	47,550.21	14,446.70
Early Intervening Services	84.027	623	-	6,167.48	10,982.96	4,815.48
ARP - IDEA B	84.027	624	-	-	8,949.27	8,949.27
Total U.S. Department of Education			132,400.40	1,376,746.06	1,218,775.77	(25,569.89)
U.S. DEPARTMENT OF AGRICULTURE						
<u>Pass-through State Department of Education</u>						
Child Nutrition Cluster						
School Breakfast Program - cash assistance	10.553	764	-	29,761.45	29,746.32	(15.13)
National School Lunch Program:						
Supply Chain Assistance	10.550	759	-	8,427.72	-	(8,427.72)
Cash assistance	10.555	763	-	94,788.63	94,788.63	-
Child and Adult Care Food Program	10.558	769	-	-	-	-
Non-cash assistance: commodities	10.550	385	-	8,730.57	8,730.57	-
Total National School Lunch Program			-	103,519.20	103,519.20	-
Total for Program (Cluster)			-	133,280.65	133,265.52	(15.13)
OTHER FEDERAL PROGRAMS						
Johnson O'Malley	15.130	563	-	2,562.66	2,704.00	141.34
TOTAL FEDERAL ASSISTANCE			\$ 132,400.40	\$ 1,512,589.37	\$ 1,354,745.29	\$ (25,443.68)

Note A: Food Distribution: Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed

Note B: This schedule was prepared on a regulatory basis of accounting consistent with the preparation of the combined financial statements,

except for the nonmonetary assistance noted in Note A.

Note C: None of the Federal grant/contracts include any loan programs, loan guarantee programs, has no sub-recipients, and does not use the 10% de minimis cost rate.

DREW KIMBLE
Certified Public Accountant

104 S. Muskogee Ave
Tahlequah, OK 74464
(918) 575 - 1873

**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**

February 15, 2023

The Honorable Board of Education
Cave Springs School District No. I-30
Cherokee 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 accompanying fund type and account group financial statements-regulatory basis within the combined financial statements of the Cave Springs School District, No. I-30, Cherokee County, Oklahoma (District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 15, 2023 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 and did not conform to the presentation requirements of the Governmental Accounting Standards Board. However, our report was qualified for the omission of the general fixed asset account group with respect to the presentation of financial statements on the regulatory basis of accounting authorized by the Oklahoma State Board of Education.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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.

Report on 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, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Drew Kimble". The signature is written in a cursive, slightly stylized font.

Drew Kimble, CPA

DREW KIMBLE
Certified Public Accountant

104 S. Muskogee Ave
Tahlequah, OK 74464
(918) 575 – 1873

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

February 15, 2023

The Honorable Board of Education
Cave Springs School District No. I-30
Adair County, Oklahoma

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Cave Springs School District, No. I-30, Adair County, Oklahoma (the District)'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. 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, Cave Springs School District, No. I-30, Adair County, Oklahoma, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis of 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 Cave Springs School District, No. I-30, Adair County, Oklahoma and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Cave Springs School District, No. I-30, Adair County, Oklahoma'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 Cave Springs School District, No. I-30, Adair County, Oklahoma'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 Cave Springs School District, No. I-30, Adair County, Oklahoma's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Cave Springs School District, No. I-30, Adair County, Oklahoma'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 Cave Springs School District, No. I-30, Adair County, Oklahoma'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 Cave Springs School District, No. I-30, Adair County, Oklahoma'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 Pawnee School District Number 1-1, Adair County, Oklahoma'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.

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, ***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 or 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Drew Kimble, CPA

**CAVE SPRINGS SCHOOL DISTRICT NO. I-30
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

Section I - Summary of Auditor's Results:

Financial Statements

Type of Auditor's Report issued: I have audited the accompanying fund type and account group financial statements - regulatory basis - of Cave Springs School District No. I-30, Adair County, Oklahoma as listed in the table of contents, as of and for the year ended June 30, 2022. In my opinion letter, my report was adverse on U.S. Generally Accepted Accounting Principles because the school district prepares its financial statements on a basis of accounting other than accounting principles generally accepted in the United States of America. This basis of accounting is prescribed by the laws of the State of Oklahoma. Also, my report was qualified with regard to the prescribed basis of accounting because of the omission of the general fixed asset account group.

Internal Control Over Financial Reporting:

Material weaknesses identified?

NO

Reportable conditions identified not considered to be material weaknesses?

NONE REPORTED

Noncompliance material to financial statements noted?

NONE REPORTED

Federal Awards

Internal Control Over Major Programs:

Material weaknesses identified?

NO

Reportable conditions identified not considered to be material weaknesses?

NONE REPORTED

Any audit finding disclosed that are required to be Reported in accordance with The Uniform Guidance

NONE REPORTED

Type of Auditor's Report Issued on

Compliance for Major Programs:

UNQUALIFIED

Identification of Major Programs:

Title I (CFDA 84.010)	\$ 389,835.48
21 st Century (CFDA 84.287)	\$ 172,121.70

The dollar threshold used to distinguish between type A and type B programs was \$750,000.00.
The percentage of coverage of rule was used to achieve 40% of Federal program expenditures.

	<u>YES</u>	<u>NO</u>
Auditee qualified as low-risk auditee?		X

Section II - Financial Statement Findings:

No matters were reported.

Section III - Federal Award Findings and Questioned Costs:

No questioned costs were identified.

**CAVE SPRINGS SCHOOL DISTRICT NO. I-30
STATEMENT OF PRIOR YEAR FINDINGS
JUNE 30, 2022**

PRIOR YEAR FINDINGS:

There were no prior year findings.

**CAVE SPRINGS SCHOOL DISTRICT NO. I-30
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL
LIABILITY INSURANCE AFFIDAVIT
JULY 1, 2021 TO JUNE 30, 2022**

State of Oklahoma

County of Adair

The undersigned auditing firm of lawful age, being first duly sworn on oath, says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with Cave Springs School for the audit year 2021-2022.

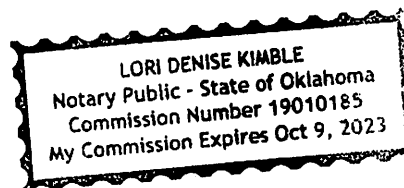
Drew Kimble, C.P.A.

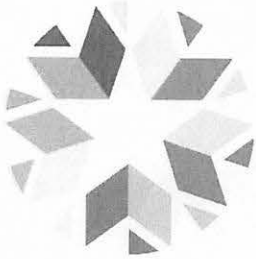
By Drew Kimble
Authorized Agent

Subscribed and sworn to before me this 15 day of February, 2023.

Lori Kimble
Notary Public

My Commission Expires: 10-9-23
My Commission Number: 19010185





OKLAHOMA Education

Audit Acknowledgement

Audit Year: 2021-2022

District Name CAVE SPRINGS SCHOOL

District Number 130

County Name ADAIR

County Code _____

The annual independent audit was presented to the Board of Education in a meeting conducted in

accordance with the Open Meeting Act 25 O.S. Section 301-314 on 03/9/2023.

The audit was presented by DREW KIMBLE

(Independent Auditor)

Date of Meeting

Drew Kimble

(Independent Auditor's Signature)

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

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

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

Signature of the Board of Education:

CDP

Superintendent

Marion Gardner

Board of Education Vice President

Stephanie Ross

Board of Education President

Board of Education Member

Corie Stanley

Board of Education Member

Board of Education Member

Ricky Sam

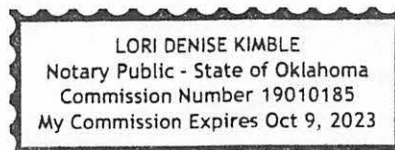
Board of Education Member

Subscribed and sworn before me on 3/9/2023

My Commission expires 10-9-2023

Lori Kimble

(Notary Public)



Updated 7/2021