

FINANCIAL STATEMENTS AND REPORTS OF
CHANDLER SCHOOL DISTRICT NO. I-1
LINCOLN COUNTY, OKLAHOMA
JUNE 30, 2023

RALPH OSBORN
CERTIFIED PUBLIC ACCOUNTANT
500 SOUTH CHESTNUT
P.O. BOX 1015
BRISTOW, OKLAHOMA 74010-1015

CHANDLER SCHOOL DISTRICT NO. I-1
LINCOLN COUNTY, OKLAHOMA
JUNE 30, 2023

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CHANDLER SCHOOL DISTRICT NO. I-1
LINCOLN COUNTY, OKLAHOMA
SCHOOL DISTRICT OFFICIALS
JUNE 30, 2023

BOARD OF EDUCATION

President
Vice-President
Member
Member
Member

Joseph Irby
Tony Lee
Doug Bridge
Mike Christy
Matt White

School District Treasurer

Natalie Ussrey

Encumbrance/Board Clerk

Kristy Cunningham

Superintendent of Schools

Scott Baade

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education
Chandler School District No. I-1
Chandler, Lincoln County, Oklahoma

OPINIONS

I have audited the accompanying combined fund type and account group financial statements—regulatory basis of Chandler School District No. I-1, Lincoln County, Oklahoma (District), as of and for the year ended June 30, 2023 and the related notes to the financial statements, as listed in the table of contents.

QUALIFIED OPINION ON REGULATORY BASIS OF ACCOUNTING

In my 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 balances arising from regulatory basis transactions of each fund type and account group of Chandler School District No. I-1, Lincoln County, Oklahoma, as of June 30, 2023, 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 my opinion, because the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the basic financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Chandler School District No. I-1, Lincoln County, Oklahoma as of June 30, 2023, the changes in its financial position, or, where applicable, its cash flows for the year then ended.

BASIS FOR OPINIONS

I conducted my 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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Chandler School District No. I-1, Lincoln County, Oklahoma, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Chandler School District No. I-1, 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.

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 RESPONSIBILITY for the AUDIT of the FINANCIAL STATEMENTS

My 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 my 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, I:

- 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 Chandler School District No. I-1, Lincoln 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Chandler School District No. I-1, Lincoln County, Oklahoma 's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

SUPPLEMENTARY INFORMATION

My 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 my 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, I have also issued my report dated February 12, 2024 on my consideration of the District's internal control over financial reporting and on my 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 my 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.

Sincerely,



Ralph Osborn
Certified Public Accountant
Bristow, Oklahoma
February 12, 2024

CHANDLER SCHOOL DISTRICT NO. I-1
 LINCOLN COUNTY, OKLAHOMA
 COMBINED STATEMENT OF ASSETS, LIABILITIES, AND EQUITY
 REGULATORY BASIS - ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 2023

	<u>Governmental Fund Type</u>			<u>Fiduciary</u>	<u>Account</u>	<u>Total</u> <u>(Memorandum</u> <u>Only)</u>	
	<u>General</u>	<u>Special</u> <u>Revenue</u>	<u>Debt</u> <u>Service</u>	<u>Trust</u> <u>And</u> <u>Agency</u>	<u>General</u> <u>Long-Term</u> <u>Debt</u>		
ASSETS							
Cash and cash equivalents	\$ 2,462,816	\$ 795,719	\$ 39,997	\$ 3,768,916	\$ 235,943	\$ -	\$ 7,303,391
Amount available in Debt Service fund	-	-	-	-	-	39,997	39,997
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	3,840,003	3,840,003
Total Assets	\$ 2,462,816	\$ 795,719	\$ 39,997	\$ 3,768,916	\$ 235,943	\$ 3,880,000	\$ 11,183,391
LIABILITIES AND FUND EQUITY							
LIABILITIES							
Warrants payable	\$ 696,051	\$ 1,813	\$ -	\$ -	\$ -	\$ -	\$ 697,864
Encumbrances	-	-	-	-	-	-	-
Due to other groups	-	-	-	-	235,943	-	235,943
Long-term debt:							
Bonds payable	-	-	-	-	-	3,880,000	3,880,000
Total Liabilities	696,051	1,813	-	-	235,943	3,880,000	4,813,807
FUND EQUITY							
Unreserved							
Designated for capital projects	-	-	-	3,768,916	-	-	3,768,916
Designated for debt service	-	-	39,997	-	-	-	39,997
Undesignated	1,766,765	793,906	-	-	-	-	2,560,671
Total fund equity	1,766,765	793,906	39,997	3,768,916	-	-	6,369,584
Total liabilities and fund equity	\$ 2,462,816	\$ 795,719	\$ 39,997	\$ 3,768,916	\$ 235,943	\$ 3,880,000	\$ 11,183,391

The accompanying notes are an integral part of this statement.

CHANDLER SCHOOL DISTRICT NO. I-1
LINCOLN COUNTY, OKLAHOMA
COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES
PAID, AND CHANGES IN FUND BALANCES
REGULATORY BASIS - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2023

	General	Special Revenue	Debt Service	Capital Projects	Total (Memorandum Only)
Revenues Collected					
Local Resources	\$ 2,155,321	\$ 358,022	\$ 687,307	\$ -	\$ 3,200,650
Intermediate Sources	516,545	-	15,818	-	532,363
State Sources	5,552,418	55,893	42	-	5,608,353
Federal Sources	1,442,558	344,526	-	-	1,787,084
Non-Revenue Receipts	4,389	-	78	-	4,467
Total Revenues Collected	9,671,231	758,441	703,245	-	11,132,917
Expenditures Paid					
Instruction	5,876,290	-	-	-	5,876,290
Support Services	3,652,226	310,960	-	167,286	4,130,472
Non-Instruction Services	-	377,166	-	-	377,166
Capital Outlay	-	27,295	-	860,063	887,358
Other Outlays	1,950	-	-	-	1,950
Debt Service:					
Principal Retirement	-	-	710,000	-	710,000
Interest and Fiscal Agent Charges	-	-	19,525	-	19,525
Total Expenditures Paid	9,530,466	715,421	729,525	1,027,349	12,002,761
Excess of Revenues Collected Over(Under)Expenditures Paid	140,765	43,020	(26,280)	(1,027,349)	(869,844)
Adjustments to Prior Year					
Estopped Warrants	-	-	-	-	-
Lapsed Encumbrances	-	-	-	-	-
Total Adjustments	-	-	-	-	-
Other Financing Sources (Uses)					
Bond Sale Proceeds	-	-	-	3,880,000	3,880,000
Excess (Deficiency) of Revenue Collected Over (Under) Expenditures Paid And Other Financing Sources (Uses)	140,765	43,020	(26,280)	2,852,651	3,010,156
Fund Balance, Beginning	1,626,000	750,886	66,277	916,265	3,359,428
Fund Balance, Ending	\$ 1,766,765	\$ 793,906	\$ 39,997	\$3,768,916	\$ 6,369,584

The accompanying notes are an integral part of this statement.

CHANDLER SCHOOL DISTRICT NO. I-1
 LINCOLN COUNTY, OKLAHOMA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 REGULATORY BASIS - BUDGETED GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 2023

	General Fund			Special Revenue Funds			Debt Service Fund		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
Revenues Collected									
Local Sources	\$ 1,859,574	\$ 1,859,574	\$ 2,155,321	\$ 265,009	\$ 265,009	\$ 358,022	\$ 663,248	\$ 663,248	\$ 687,307
Intermediate Sources	488,696	488,696	516,545	-	-	-	-	-	15,818
State Sources	5,441,968	5,441,968	5,552,418	4,758	4,758	55,893	-	-	42
Federal Sources	1,420,775	1,420,775	1,442,558	534,405	534,405	344,526	-	-	-
Non-Revenue Receipts	4,779	4,779	4,389	-	-	-	-	-	78
Total Revenues Collected	9,215,792	9,215,792	9,671,231	804,172	804,172	758,441	663,248	663,248	703,245
Expenditures Paid									
Instruction	10,770,412	10,770,412	5,876,290	837,965	837,965	-	-	-	-
Support Services	71,380	71,380	3,652,226	717,093	717,093	310,960	-	-	-
Non-Instruction Services	-	-	-	-	-	377,166	-	-	-
Capital Outlays	-	-	-	-	-	27,295	-	-	-
Other Outlays	-	-	1,950	-	-	-	-	-	-
Repayments	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal Retirement	-	-	-	-	-	-	710,000	710,000	710,000
Interest and Fiscal Agent Charges	-	-	-	-	-	-	19,525	19,525	19,525
Total Expenditures Paid	10,841,792	10,841,792	9,530,466	1,555,058	1,555,058	715,421	729,525	729,525	729,525
Excess of Revenues Collected									
Over(Under) Expenditures Paid Before Adjustments									
To Prior Year	(1,626,000)	(1,626,000)	140,765	(750,886)	(750,886)	43,020	(66,277)	(66,277)	(26,280)
Adjustments to Prior Year									
Estopped Warrants	-	-	-	-	-	-	-	-	-
Lapsed Encumbrances	-	-	-	-	-	-	-	-	-
Total Adjustments	-	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenue Collected Over (Under)									
Expenditures Paid And Other									
Financing Sources (Uses)	(1,626,000)	(1,626,000)	140,765	(750,886)	(750,886)	43,020	(66,277)	(66,277)	(26,280)
Fund Balance, Beginning	1,626,000	1,626,000	1,626,000	750,886	750,886	750,886	66,277	66,277	66,277
Fund Balance, Ending	\$ 0	\$ 0	\$ 1,766,765	\$ 0	\$ 0	\$ 793,906	\$ 0	\$ 0	\$ 39,997

The accompanying notes are an integral part of this statement.

CHANDLER SCHOOL DISTRICT NO. I-1
LINCOLN COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

1. Summary of Significant Accounting Policies

The basic financial statements of Chandler Public Schools Independent District No. I-1, Lincoln County, Oklahoma (the District) have been prepared in conformity with an other comprehensive basis of accounting as prescribed by the Oklahoma State Department of Education. The more significant of the District's policies are described below.

A. Reporting Entity

The District is a corporate body for public purposes created under Title 70 of Oklahoma Statutes and accordingly is a separate entity for operating and financial reporting purposes.

The District is part of the public school system of Oklahoma under the general direction and control of the State Board of Education and is financially dependent on State of Oklahoma support. The general operating authority for the public school system is the Oklahoma School Code contained in Title 70, Oklahoma Statutes.

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

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

CHANDLER SCHOOL DISTRICT NO. I-1
LINCOLN COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

B. Fund Accounting and Description of Funds

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 governments's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects fund), and the servicing of general long-term debt (debt service fund).

General Fund - The general fund is used to account for all 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 Salary Incentive Aid Program. Expenditures include all costs associated with the daily operation of the schools except the programs funded for building repairs and maintenance, child nutrition, school construction, and debt service on bonds and other long-term debt. The general fund includes federal and state restricted monies that must be expended for specific programs.

Special Revenue Fund - The special revenue fund includes the District's Building Fund and Child Nutrition 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 Child Nutrition Fund derives monies from the operation of the school lunch and breakfast programs.

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 debt principal, interest, and related cost. The primary revenue source is local property taxes levied specifically for debt service.

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.

CHANDLER SCHOOL DISTRICT NO. I-1
LINCOLN COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Proprietary Fund Types

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

Fiduciary Fund Types

Fiduciary funds are used to account for assets held on behalf of outside partners, including other governments, or on behalf of other funds within the District. When these assets are held under the terms of a trust agreement, trust funds are used for their accounting and reporting. 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.

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.

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 have information necessary to include this group in its combined financial statements.

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 in this column does not present financial position, results of operations, or cash flow in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

CHANDLER SCHOOL DISTRICT NO. I-1
LINCOLN COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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

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

- Encumbrances represented by purchase orders, contracts, and other commitments for the expenditure of monies 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

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 second Tuesday in February to approve the levy. If the preliminary budget does not require an additional levy, it becomes a legal budget. If an election is held and the taxes are approved, then the preliminary budget becomes the legal budget. If voters reject the additional taxes, the District must adopt a budget within the approved tax rate.

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

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

CHANDLER SCHOOL DISTRICT NO. I-1
LINCOLN COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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

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

If the first payment is not made timely, the entire tax becomes due and payable on January 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.

Inventories - The value of consumable inventories at June 30, 2023 is not known but is not believed to be material to the basic financial statements.

Capital Assets - The General Fixed Assets Account Group is not presented. The amount which would be included in it is not known.

Compensated Absences - Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. There are no amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources.

Employees are allowed varying amounts of sick leave during the year in accordance with Oklahoma Statutes. Sick leave used during the year is recorded as an expense in the governmental fund. Vested accumulated rights to receive sick pay benefits may be used in subsequent years, transferred to another District, or added to years of service upon retirement. Based on the District's experience it is not probable that District will pay for vested accumulated rights to receive sick leave. Therefore, a liability for vested accumulated sick leave has not been recorded.

CHANDLER SCHOOL DISTRICT NO. I-1
LINCOLN COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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

F. Revenue, Expenses, and Expenditures

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

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

The District receives revenue from the state to administer certain categorical education 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. These rules also 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 the 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 expenditure/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the fund that is reimbursed.

All other 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.

CHANDLER SCHOOL DISTRICT NO. I-1
LINCOLN COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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; and savings accounts or savings certificates of saving 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.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of failure of counterparty, the District will not be able to recover the value of its deposits or investments. Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. Investment securities are exposed to custodial credit risk if they are uninsured, are not registered in the name of the District, and are held by counterparty or the counterparty's trust department but not in the name of the District. The District's policy requires that all deposits and investments in excess of amounts covered by federal deposit insurance be fully collateralized by the entity holding the deposits or investments.

Deposits

The District had deposits at financial institutions with a carrying amount of approximately \$7,303,391 at June 30, 2023. The bank balance of the deposits at June 30, 2023 was approximately \$7,310,014.

Credit Risk

Fixed-income securities are subject to credit risk. However, the District did not have fixed income securities at June 30, 2023.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's Treasurer and Board of Education monitor the District's investment performance on an ongoing basis to limit the District's interest rate risk. As of June 30, 2023, all of the District's deposits consisted of demand deposits and/or certificates of deposit.

3. General Long-Term Debt

State statutes prohibit the District from becoming indebted in an amount exceeding the revenue to be received for any fiscal year without approval by the District's voters. Bond issues have been approved by the voters and issued by the District for various capital improvements. These bonds are required to be fully paid serially within 25 years from the date of issue.

CHANDLER SCHOOL DISTRICT NO. I-1
LINCOLN COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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

The following is a summary of the long-term debt transactions of the District for the year ended June 30, 2023:

	Bonds Payable	Capital Lease Obligation	Total
Balance, July 1, 2022	\$ 710,000	\$ -	\$ 710,000
Additions	3,880,000	-	3,880,000
Retirements	(710,000)	-	(710,000)
Balance, June 30, 2023	\$ 3,880,000	\$ -	\$ 3,880,000

A brief description of the outstanding general obligation bond issues at June 30, 2023 is set forth below:

Independent School District No. I-1 Building Bonds, series 2023, original issue \$3,880,000, interest rate of 3.75%, due in four installments of \$970,000 the final due May 1, 2028.	<u>3,880,000</u>
Total debt service principal	<u>\$3,880,000</u>

The annual debt service requirements of bond principal and payment of interest are as follows:

Year ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ -	\$ 145,500	\$ 145,500
2025	970,000	145,500	1,115,500
2026	970,000	109,125	1,079,125
2027	970,000	72,750	1,042,750
2028	970,000	36,375	1,006,375
	\$ 3,880,000	\$ 509,250	\$ 4,389,250

Interest expense on general long-term debt incurred during the current year totaled \$19,525.

The District has entered into lease agreements as lessee for financing the acquisition of equipment. The lease agreement qualifies as a capital lease for accounting purposes since title transfers at the end of the lease term and it has been recorded at the present value of the future minimum lease payments. The lease contains a clause, which gives the District the ability to terminate the lease agreement at the end of each fiscal year. This lease was paid in full during the year.

CHANDLER SCHOOL DISTRICT NO. I-1
LINCOLN COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

4. Employee Retirement System

The District participants in the state-administered Oklahoma Teachers' Retirement System (the "System"), which is a cost-sharing, multiple-employer Public Employee Retirement System administered by the Board of Trustees of the Oklahoma Teachers' Retirement 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 Oklahoma Statutes establishes benefit provisions and may be amended only through legislative action.

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

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 contribution rates for the Districts, which are not actuarially determined, and its employees are established by statute and applied to the employee's earnings, plus employer-paid fringe benefits. The required contribution for participating members is 7% of compensation. The District is required by statute to contribute 9.5% of compensation. Additionally, OTRS receives federal matching contributions for positions whose funding comes from federal sources or certain grants. The District is required to pay an additional matching contribution at 7.7% of applicable compensation. Contributions received by the System from the State of Oklahoma are from 3.54% of its revenue from sales tax, use tax, corporate income tax, and individual income tax. The District is allowed by the Oklahoma Teacher's Retirement System to make the required contributions on behalf of the participating members.

Ten-year historical trend information is presented in the Teacher's Retirement System of Oklahoma Annual Report for the year ended June 30, 2023. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due. The annual report may be obtained by writing to Oklahoma Teacher's Retirement System, PO Box 53524, Oklahoma City, OK, 73152 or by calling 405-521-2387.

The Districts total contributions for 2023, 2022, and 2021 were \$298,997, \$286,488, and \$280,307 respectively.

CHANDLER SCHOOL DISTRICT NO. I-1
LINCOLN COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

5. Contingencies

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

6. Risk Management

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

7. Subsequent Events

The District has considered subsequent events through February 12, 2024, the date which the financial statements were available for release. The District is not aware of any subsequent events which would require disclosure.

CHANDLER SCHOOL DISTRICT NO. I-1
 LINCOLN COUNTY, OKLAHOMA
 COMBINING STATEMENT OF ASSETS, LIABILITIES, AND CASH FUND BALANCES
 REGULATORY BASIS - ALL SPECIAL REVENUE FUNDS
 JUNE 30, 2023

	<u>Building Fund</u>	<u>Child Nutrition</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 566,600	\$ 229,119	\$ 795,719
Total Assets	<u>\$ 566,600</u>	<u>\$ 229,119</u>	<u>\$ 795,719</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Warrants Payable	\$ 1,764	\$ 49	\$ 1,813
Encumbrances	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>1,764</u>	<u>49</u>	<u>1,813</u>
Fund Equity:			
Unreserved Undesignated	<u>564,836</u>	<u>229,070</u>	<u>793,906</u>
Total Fund Equity	<u>564,836</u>	<u>229,070</u>	<u>793,906</u>
Total Liabilities and Fund Equity	<u>\$ 566,600</u>	<u>\$ 229,119</u>	<u>\$ 795,719</u>

The accompanying notes are an integral part of this statement.

CHANDLER SCHOOL DISTRICT NO. I-1
LINCOLN COUNTY, OKLAHOMA
COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES
PAID, AND CHANGES IN CASH BALANCES - REGULATORY BASIS
ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Building Fund</u>	<u>Child Nutrition</u>	<u>Total</u>
Revenues Collected:			
Local Sources	\$ 274,709	\$ 83,313	\$ 358,022
State Sources	51,551	4,342	55,893
Federal Sources	-	344,526	344,526
Non-Revenue Receipts	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>326,260</u>	<u>432,181</u>	<u>758,441</u>
Expenditures Paid:			
Support Services	310,960	-	310,960
Non-instruction	-	377,166	377,166
Capital Outlay	<u>27,295</u>	<u>-</u>	<u>27,295</u>
Total Expenditures Paid	<u>338,255</u>	<u>377,166</u>	<u>715,421</u>
Excess of Revenues Collected Over(Under) Expenses Paid Before Adjustments to Prior Year	<u>(11,995)</u>	<u>55,015</u>	<u>43,020</u>
Adjustments to Prior Year Lapsed Encumbrances	<u>-</u>	<u>-</u>	<u>-</u>
Total Adjustments	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenue Collected Over(Under) Expenditures Paid and Other Financing Sources (Uses)	(11,995)	55,015	43,020
Fund Balance - Beginning of Year	<u>576,831</u>	<u>174,055</u>	<u>750,886</u>
Fund Balance - Ending of Year	<u>\$ 564,836</u>	<u>\$ 229,070</u>	<u>\$ 793,906</u>

The accompanying notes are an integral part of this statement.

CHANDLER SCHOOL DISTRICT NO. I-1
 LINCOLN COUNTY, OKLAHOMA
 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, 2023

	Building Fund			Child Nutrition Fund			Total		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
Revenue Collected:									
Local Sources	\$ 261,134	\$ 261,134	\$ 274,709	\$ 3,875	\$ 3,875	\$ 83,313	\$ 265,009	\$ 265,009	\$ 358,022
State Sources	-	-	51,551	4,758	4,758	4,342	4,758	4,758	55,893
Federal Sources	-	-	-	534,405	534,405	344,526	534,405	534,405	344,526
Non-Revenue Receipts	-	-	-	-	-	-	-	-	-
Total Revenue Collected	<u>261,134</u>	<u>261,134</u>	<u>326,260</u>	<u>543,038</u>	<u>543,038</u>	<u>432,181</u>	<u>804,172</u>	<u>804,172</u>	<u>758,441</u>
Expenditures Paid:									
Instruction	837,965	837,965	-	-	-	-	837,965	837,965	-
Support Services	-	-	310,960	717,093	717,093	-	717,093	717,093	310,960
Non-Instruction Services	-	-	-	-	-	377,166	-	-	377,166
Capital Outlay	-	-	27,295	-	-	-	-	-	27,295
Other Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures Paid	<u>837,965</u>	<u>837,965</u>	<u>338,255</u>	<u>717,093</u>	<u>717,093</u>	<u>377,166</u>	<u>1,555,058</u>	<u>1,555,058</u>	<u>715,421</u>
Excess of Revenues Collected Over(Under)Expenditures Paid Before Adjustments To Prior Year	<u>(576,831)</u>	<u>(576,831)</u>	<u>(11,995)</u>	<u>(174,055)</u>	<u>(174,055)</u>	<u>55,015</u>	<u>(750,886)</u>	<u>(750,886)</u>	<u>43,020</u>
Adjustments to Prior Year									
Estopped Warrants	-	-	-	-	-	-	-	-	-
Lapsed Encumbrances	-	-	-	-	-	-	-	-	-
Total Adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess(Deficiency) of Revenue Collected Over(Under) Expenditures Paid and Other Financing Sources (Uses)	(576,831)	(576,831)	(11,995)	(174,055)	(174,055)	55,015	(750,886)	(750,886)	43,020
Fund Balance - Beginning	<u>576,831</u>	<u>576,831</u>	<u>576,831</u>	<u>174,055</u>	<u>174,055</u>	<u>174,055</u>	<u>750,886</u>	<u>750,886</u>	<u>750,886</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 564,836</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 229,070</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 793,906</u>

The accompanying notes are an integral part of this statement.

CHANDLER SCHOOL DISTRICT NO. I-1
 LINCOLN COUNTY, OKLAHOMA
 COMBINING STATEMENT OF ASSETS, LIABILITIES, AND CASH FUND BALANCES
 REGULATORY BASIS - ALL CAPITAL PROJECTS FUNDS
 JUNE 30, 2023

	<u>Bond 35</u>	<u>Bond 36</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 2,980	\$ 3,765,936	\$ 3,768,916
Total Assets	<u>\$ 2,980</u>	<u>\$ 3,765,936</u>	<u>\$ 3,768,916</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Warrants Payable	\$ -	\$ -	\$ -
Encumbrances	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund Equity:			
Unreserved			
Undesignated	<u>2,980</u>	<u>3,765,936</u>	<u>3,768,916</u>
Total Fund Equity	<u>2,980</u>	<u>3,765,936</u>	<u>3,768,916</u>
Total Liabilities and Fund Equity	<u>\$ 2,980</u>	<u>\$ 3,765,936</u>	<u>\$ 3,768,916</u>

The accompanying notes are an integral part of this statement.

CHANDLER SCHOOL DISTRICT NO. I-1
LINCOLN COUNTY, OKLAHOMA
COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES
PAID, AND CHANGES IN CASH BALANCES - REGULATORY BASIS
ALL CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Bond 35</u>	<u>Bond 36</u>	<u>Total</u>
Revenues Collected:			
Local Sources	\$ -	\$ -	\$ -
State Sources	-	-	-
Federal Sources	-	-	-
Non-Revenue Receipts	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures Paid:			
Support Services	98,436	68,850	167,286
Non-instruction	-	-	-
Capital Outlay	<u>814,849</u>	<u>45,214</u>	<u>860,063</u>
Total Expenditures Paid	<u>913,285</u>	<u>114,064</u>	<u>1,027,349</u>
Excess of Revenues Collected Over(Under) Expenses Paid Before Adjustments to Prior Year	<u>(913,285)</u>	<u>(114,064)</u>	<u>(1,027,349)</u>
Other Financing Sources(Uses)			
Bond Proceeds	<u>-</u>	<u>3,880,000</u>	<u>3,880,000</u>
Excess (Deficiency) of Revenue Collected Over(Under) Expenditures Paid and Other Financing Sources (Uses)	(913,285)	3,765,936	2,852,651
Fund Balance - Beginning of Year	<u>916,265</u>	<u>-</u>	<u>916,265</u>
Fund Balance - Ending of Year	<u>\$ 2,980</u>	<u>\$ 3,765,936</u>	<u>\$ 3,768,916</u>

The accompanying notes are an integral part of this statement.

CHANDLER SCHOOL DISTRICT NO. I-1
 LINCOLN COUNTY, OKLAHOMA
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND EQUITY
 REGULATORY BASIS - ALL AGENCY FUNDS
 JUNE 30, 2023

	<u>Agency Fund Activity Funds</u>	<u>Total</u>
ASSETS		
Cash and Cash Equivalents	\$ 235,943	\$ 235,943
Total Assets	<u>\$ 235,943</u>	<u>\$ 235,943</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Due to Others	\$ 235,943	\$ 235,943
Total Liabilities	<u>235,943</u>	<u>235,943</u>
Fund Equity:		
Unreserved/Undesignated	<u>-</u>	<u>-</u>
Total Liabilities and Fund Equity	<u>\$ 235,943</u>	<u>\$ 235,943</u>

The accompanying notes are an integral part of this statement.

CHANDLER SCHOOL DISTRICT NO. I-1
LINCOLN COUNTY, OKLAHOMA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
REGULATORY BASIS - ACTIVITY FUND
FOR THE YEAR ENDED JUNE 30, 2023

	<u>July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2023</u>
Academic Banquet	\$ 4,837	\$ -	\$ 400	\$ 4,437
Art Club	160	-	-	160
Athletics	66,571	227,297	229,757	64,111
Junior High Cheerleaders	2,963	26,012	28,399	576
High School Cheerleaders	10,700	39,191	46,063	3,828
American Cancer Society	2,689	600	822	2,467
Concession Equipment	-	2,249	-	2,249
FCA	44	663	690	17
FLC	256	-	-	256
FFA	7,007	79,655	77,458	9,204
FCCLA	4,575	2,945	4,648	2,872
Eastside Vending	24,142	30,496	24,309	30,329
Park Road Elementary Vending	14,115	39,995	34,871	19,239
Junior High Student Council	2,031	4,376	4,922	1,485
Junior/Senior High Vending	21,427	61,946	60,359	23,014
Interest Earned/Miscellaneous	1,731	172	102	1,801
Eastside Library	4,056	7,120	4,940	6,236
Park Road Library	2,500	7,046	5,979	3,567
High School Library	1,319	2,551	3,570	300
Speech and Drama	746	3,799	3,502	1,043
High School Student Council	2,266	1,300	1,363	2,203
Technology Education/TSA	2	-	-	2
Vocal Music	6,572	22,891	22,871	6,592
Elementary Yearbook	1,720	5,597	4,641	2,676
High School Yearbook	4,822	4,467	4,980	4,309
Band(All Schools)	18,155	19,163	27,079	10,239
HS Pom Squad/Drill Team	4,077	35,495	38,737	835
JR High Pom Squad	2,592	13,283	10,613	5,262
Special Olympics	2,912	690	813	2,789
NASA	-	157	-	157
PSI	417	5,620	3,929	2,108
Business Professional of America	81	8,601	8,273	409
Class of 2018	-	-	-	-
Class of 2019	-	-	-	-
Class of 2020	-	-	-	-
Class of 2021	-	-	-	-
Class of 2022	5,132	-	5,132	-
Class of 2023	17,453	1,640	17,211	1,882
Class of 2024	-	44,993	25,704	19,289
Total Activities	<u>\$ 238,070</u>	<u>\$ 700,010</u>	<u>\$ 702,137</u>	<u>\$ 235,943</u>

The accompanying notes are an integral part of this statement.

CHANDLER SCHOOL DISTRICT NO. I-1
LINCOLN COUNTY, OKLAHOMA
SCHEDULE OF FEDERAL AWARDS EXPENDED
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass Through Grantor/Program Title	Federal Grantor's CFDA# Number	Approved Balance at			Balance at	
		Amount	July1,2022	Receipts	Expenditures* June30,2023	
U.S. Department of Education Direct Programs						
Title VII	84.060	\$ -	\$ -	\$ 100,559	\$ 100,559	\$ -
Federal Communications Commission Direct Programs						
COVID 19 Emergency Connectivity	32.009	-	-	177,500	-	-
Total Direct Programs		-	-	278,059	100,559	-
Passed Through State Dept. of Educ.						
Title I Basic	84.010	-	-	187,539	237,383	-
Title I Part A, Neglected	84.010	-	-	2,216	2,216	-
Total Title I Cluster		-	-	189,755	239,599	-
IDEA-B, Special Education	84.027	-	-	1,500	1,500	-
IDEA-B, Flow Through PL	84.027	-	-	240,139	237,594	-
IDEA-B, American Rescue Plan	84.027X	-	-	794	-	-
Subtotal Flow Through		-	-	242,433	239,094	-
IDEA-B, Preschool	84.173	-	-	6,066	6,644	-
Total Sp Ed Prof Devlp Cluster		-	-	248,499	245,738	-
ESSER II/CARES Act1	84.425D	-	-	102,092	93,337	-
ESSER II/Set-Aside Funds	84.425D	-	-	12,308	14,655	-
ARP ESSER III	84.425U	-	-	446,196	395,325	-
ARP ESSER III-Counselor	84.425U	-	-	62,975	63,000	-
ARP ESSER III-Student Teacher	84.425U	-	-	5,247	5,247	-
ARP ESSER III-Science of Read	84.425U	-	-	5,168	5,168	-
Subtotal CARES Act		-	-	633,986	576,732	-
Comm Srv for Susp Student	84.424A	-	-	13,368	-	-
T-6 Sub. 2 (SDE)	84.358B	-	-	25,239	25,239	-
Title II, Part A	84.367	-	-	39,592	1,200	-
Total Passed Through State Dept. of Educ.		-	-	1,150,439	1,088,508	-
Passed Through State Dept. of Rehabilitation						
Job Training-OJT	84.126	-	-	2,565	2,592	-
Total Passed Through State Dept. Of Rehabilitation		-	-	2,565	2,592	-
Passed Through State Dept. of Career and Tech						
Carl Perkins Secondary	84.048	-	-	11,495	12,603	-
Total Passed Through State Dept. Of Career and Tech		-	-	11,495	12,603	-
Total U.S. Dept. Of Education		-	-	1,442,558	1,204,262	-
U.S. Dept Of Agriculture Passed Through State Dept.of Education						
P-EBT Local Admin Funds	10.649	-	-	628	628	-
School Breakfast Program	10.553	-	-	121,229	125,991	-
School Lunch Program	10.555	-	243,395	222,669	230,507	230,795
Subtotal Dept of Agriculture		-	243,395	344,526	357,126	230,795
Passed Through State Dept. of Human Services						
Child Nutrition Cluster Non-Cash Asst. (Commodities)	10.555	-	-	44,923	44,923	-
Total Child Nutrition Cluster		-	243,395	389,449	402,049	230,795
Total Expenditures of Federal Awards		\$ -	\$243,395	\$1,832,007	\$ 1,606,311	\$ 230,795

Note 1 - * Represents federal share of expenditures only.

Note 2 - Commodities received in the amount of \$15,933 were of a nonmonetary nature and therefore the total revenue does not agree with the financial statements by this amount.

Note 3 - This schedule is prepared using the regulatory basis of accounting described in Note 1C.

Note 4 - The District has elected not to use the 10% de minimis indirect cost rate as allowed under Uniform Guidance.

CHANDLER SCHOOL DISTRICT NO. I-1
LINCOLN COUNTY, OKLAHOMA
STATEMENT OF STATUTORY, FIDELITY, AND HONESTY BONDS
FOR THE YEAR ENDED JUNE 30, 2023

<u>Bond Type</u>	<u>Bonding Company</u>	<u>Bond Number</u>	<u>Amount</u>	<u>Effective Date</u>
Treasurer/Minutes Clerk	Western Surety Co	70689644	\$ 75,000	03/02/22 - 03/02/23
Treasurer/Minutes Clerk	Western Surety Co	70689644	\$ 100,000	03/02/23 - 03/02/24
Encumbrance Clerk	Western Surety Co	62041772	\$ 50,000	05/01/22 - 05/01/23
Encumbrance Clerk	Western Surety Co	62041772	\$ 50,000	05/01/23 - 05/01/24
Activity Fund Clerk	Western Surety Co	72218711	\$ 10,000	12/16/21 - 12/16/22
Activity Fund Clerk	Western Surety Co	72218711	\$ 10,000	12/16/22 - 12/16/23
Superintendent	Western Surety Co	63714742	\$ 100,000	07/01/22 - 07/01/23

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

To the Board of Education
Chandler School District No. I-1
Lincoln County
Chandler, Oklahoma

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the accompanying basic financial statements - regulatory basis of the governmental activities, each major fund, and the aggregate remaining fund information of Chandler School District No. I-1, Lincoln County, Oklahoma (District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued my report thereon dated February 12, 2024 which was adverse with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America 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. The report was qualified on the regulatory basis because it did not include the General Fixed Assets Account Group.

Internal Control Over Financial Reporting

In planning and performing my audit, I 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 my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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 combination of deficiencies, in internal control such that there is 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.

My 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 deficiencies, significant deficiencies or material weaknesses. Given these limitations, during my audit I did not identify any deficiencies in internal control that I 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, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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 my testing of internal control 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.

Sincerely,



Ralph Osborn
Certified Public Accountant
Bristow, Oklahoma
February 12, 2024

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

To the Honorable Board of Education
Independent School District No. I-1
Chandler, Lincoln County, Oklahoma
Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

I have audited Chandler School District No. I-4, Lincoln 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, 2023. 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 my opinion, Chandler School District No. I-1, Lincoln 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, 2023.

Basis of Opinion on Each Major Federal Program

I conducted my 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). My responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

I am required to be independent of Chandler School District No. I-1, Lincoln County, Oklahoma and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major federal program. My audit does not provide a legal determination of Chandler School District No. I-1, Lincoln 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 Chandler School District No. I-1, Lincoln County, Oklahoma's federal programs.

Auditor's Responsibilities for the Audit of Compliance

My 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 Chandler School District No. I-1, Lincoln County, Oklahoma's compliance based on my 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 Chandler School District No. I-1, Lincoln 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 Chandler School District No. I-1, Lincoln County, Oklahoma's compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.
- Obtain an understanding of Chandler School District No. I-1, Lincoln 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 Chandler School District No. I-1, Lincoln County, Oklahoma's internal control over compliance. Accordingly, no such opinion is expressed.

I am 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 I 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 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.

My 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 my audit I did not identify any deficiencies in internal control over compliance that I 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.

My 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 my 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.

A handwritten signature in cursive script that reads "Ralph Osborn".

Ralph Osborn
Certified Public Accountant
Bristow, Oklahoma
February 12, 2024

CHANDLER SCHOOL DISTRICT NO. I-1
 LINCOLN COUNTY, OKLAHOMA
 STATUS OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2023

Section I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Qualified on regulatory basis of accounting

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiency identified that is not considered to be material weakness(es)? Yes None Reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

Material Weakness(es) identified? Yes No

Significant deficiency identified that is not considered to be material weakness(es)? Yes None Reported

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

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? Yes No

Programs tested as Major Programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425D/84.425U	ESSER/CARES
84.010	Title I, Part A Basic

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

Auditee qualified as low-risk auditee? Yes No

Section II - Financial Statement Findings

No matters were noted.

Section III - Federal Award Findings and Questioned Cost

No matters were noted.

CHANDLER SCHOOL DISTRICT NO. I-1
LINCOLN COUNTY, OKLAHOMA
SCHEDULE OF ACCOUNTANTS' PROFESSIONAL LIABILITY INSURANCE AFFIDAVIT
JULY 1, 2022 TO JUNE 30, 2023

State of Oklahoma)
County of Lincoln)

The undersigned auditing firm of lawful age, being first duly sworn on oath, says that 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 Chandler School District No. I-1 for the audit year 2022-2023.

Ralph Osborn, CPA
Auditing Firm

Ralph Osborn

By _____
Authorized Agent

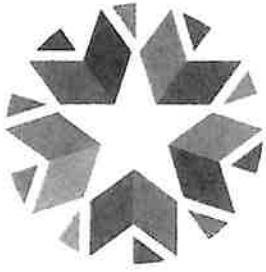
Subscribed and sworn to before me
on this 13th day of February 2023.

Corn
Notary Public

My commission expires on:
1st day of June, 2026

My commission number:
22007533





OKLAHOMA Education

AUDIT ACKNOWLEDGMENT

Audit Year: 2022-2023

District Name Chandler School District District Number I-1
County Name Lincoln County County Code 41

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 February 12, 2024.
(Date of Meeting)

Ralph Osborn

The audit was presented by Ralph Osborn, CPA (Independent Auditor) _____ (Independent Auditor's Signature)

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

A copy of the audit, including this acknowledgment 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:

[Signature]
Superintendent

[Signature]
Board of Education President

[Signature]
Board of Education Vice -President

[Signature]
Board of Education Member

[Signature]
Board of Education Member

[Signature]
Board of Education Member

[Signature]
Board of Education Member

Subscribed and sworn before me on 2/12/2024 My commission expires 9-11-2027.
(Sworn On)

[Signature]