

FLETCHER SCHOOL DISTRICT NO. I-009
COMANCHE COUNTY, OKLAHOMA
JUNE 30, 2021

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Fletcher School District No. I-009, Comanche County, Oklahoma
School District Officials
June 30, 2021

BOARD OF EDUCATION

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INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education
Fletcher School District No. I-009
Comanche County, Oklahoma

Board Members:

We have audited the accompanying combined fund type and account group financial statements-regulatory basis of the Fletcher School District No. I-009, Comanche County, Oklahoma, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and qualified audit opinions.

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

As described in Note 1, the financial statements are prepared by Fletcher School District No. I-009 Comanche County, Oklahoma, 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 meet the requirements of the Oklahoma State Department of Education. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the above paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Fletcher School District No. I-009, Comanche County, Oklahoma, as of June 30, 2021, or the changes in its financial position, or, where applicable, its cash flows for the year then ended.

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.

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 Fletcher School District No. I-009, Comanche County, Oklahoma as of June 30, 2021, and the revenues collected, expenditures paid and encumbered, and budgetary results, for the year ended on the regulatory basis of accounting described in Note 1.

Other Matters

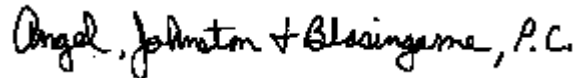
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fletcher School District No. I-009, Comanche County, Oklahoma’s basic financial statements. The combining statements—regulatory basis and the schedule of expenditures of federal awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements-regulatory basis and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 on the regulatory basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2021, on our consideration of the Fletcher School District No. I-009, Comanche County, Oklahoma's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fletcher School District No. I-009, Comanche County, Oklahoma's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standard* in considering Fletcher School District No. I-009, Comanche County, Oklahoma's internal control over financial reporting and compliance.



Chickasha, Oklahoma
October 19, 2021

COMBINED FINANCIAL STATEMENTS

Fletcher School District No. I-9, Comanche County, Oklahoma
Combined Statement of Assets, Liabilities and Fund Balances
Regulatory Basis - All Fund Types and Account Groups
June 30, 2021

	Governmental Fund Types				Fiduciary Fund Types	Account Group	Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency	General Long- Term Debt	June 30, 2021
ASSETS							
Cash and Cash Equivalents	\$ 1,029,110	\$ 316,165	\$ 121,550	\$ 0	\$ 63,355	\$ 0	\$ 1,530,179
Investments	0	0	0	0	0	0	0
Amounts Available in Debt Service Fund	0	0	0	0	0	121,550	121,550
Amounts to be Provided for Retirement of General Long-Term Debt	0	0	0	0	0	528,450	528,450
Amounts to be Provided For Capitalized Lease Agreements	0	0	0	0	0	2,880	2,880
Total Assets	\$ 1,029,110	\$ 316,165	\$ 121,550	\$ 0	\$ 63,355	\$ 652,880	\$ 2,183,059
LIABILITIES AND FUND BALANCES							
Liabilities:							
Warrants Payable	\$ 106,292	\$ 5,280	\$ 0	\$ 0	\$ 0	\$ 0	\$ 111,571
Reserve for Encumbrances	0	0	0	0	0	0	0
Due to Activity Groups	0	0	0	0	63,355	0	63,355
General Obligation Bonds Payable	0	0	0	0	0	650,000	650,000
Capitalized Lease Obligations Payable	0	0	0	0	0	2,880	2,880
Total Liabilities	\$ 106,292	\$ 5,280	\$ 0	\$ 0	\$ 63,355	\$ 652,880	\$ 827,806
Fund Balances:							
Restricted For:							
Debt Service	\$ 0	\$ 0	\$ 121,550	\$ 0	\$ 0	\$ 0	\$ 121,550
Capital Projects	0	0	0	0	0	0	0
Building Programs	0	255,127	0	0	0	0	255,127
Child Nutrition Programs	0	55,758	0	0	0	0	55,758
Cooperative Programs	0	0	0	0	0	0	0
Unassigned	922,818	(0)	0	0	0	0	922,818
Total Fund Balances	\$ 922,818	\$ 310,885	\$ 121,550	\$ 0	\$ 0	\$ 0	\$ 1,355,253
Total Liabilities and Fund Balances	\$ 1,029,110	\$ 316,165	\$ 121,550	\$ 0	\$ 63,355	\$ 652,880	\$ 2,183,059

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

Fletcher School District No. I-9, Comanche 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, 2021

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	June 30, 2021
Revenue Collected:					
Local Sources	\$ 617,614	\$ 99,302	\$ 158,928	\$ 0	\$ 875,844
Intermediate Sources	88,664	0	0	0	88,664
State Sources	2,408,483	2,101	0	0	2,410,584
Federal Sources	454,908	176,991	0	0	631,898
Non-Revenue Receipts	76,539	361	0	0	76,900
Total Revenue Collected	\$ 3,646,208	\$ 278,755	\$ 158,928	\$ 0	\$ 4,083,890
Expenditures Paid:					
Instruction	\$ 2,274,131	\$ 0	\$ 0	\$ 0	\$ 2,274,131
Support Services	1,206,367	25,058	0	0	1,231,425
Operation of Non-Instructional Services	109,835	86,352	0	0	196,187
Facilities Acquisition and Construction	0	10,456	0	0	10,456
Other Outlays	1,539	75,361	0	0	76,900
Other Uses	0	0	0	0	0
Repayments	0	0	0	0	0
Interest Paid on Warrants and Bank Charges	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	160,000	0	160,000
Interest and Fiscal Agent Fees	0	0	20,155	0	20,155
Total Expenditures Paid	\$ 3,591,872	\$ 197,228	\$ 180,155	\$ 0	\$ 3,969,255
<i>Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances</i>	<i>\$ 54,336</i>	<i>\$ 81,527</i>	<i>\$ (21,227)</i>	<i>\$ 0</i>	<i>\$ 114,636</i>
Adjustments to Prior Year Encumbrances	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Financing Sources (Uses):					
Estopped Warrants	\$ 15	\$ 0	\$ 0	\$ 0	\$ 15
Bond Proceeds	0	0	0	0	0
Transfers In	0	0	0	0	0
Transfers Out	0	0	0	0	0
Total Other Financing Sources (Uses)	\$ 15	\$ 0	\$ 0	\$ 0	\$ 15
<i>Excess (Deficiency) of Revenue Collected Over Expenditures Paid and Other Financing Sources (Uses)</i>	<i>\$ 54,351</i>	<i>\$ 81,527</i>	<i>\$ (21,227)</i>	<i>\$ 0</i>	<i>\$ 114,651</i>
Fund Balance - Beginning of Year	868,467	229,358	142,777	0	1,240,602
Fund Balance - End of Year	\$ 922,818	\$ 310,885	\$ 121,550	\$ 0	\$ 1,355,253

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

Fletcher School District No. I-9, Comanche County, Oklahoma
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, 2021

	General Fund			Special Revenue Funds			Debt Service Fund		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
Revenue Collected:									
Local Sources	\$ 518,894	\$ 518,894	\$ 617,614	\$ 105,687	\$ 105,687	\$ 99,302	\$ 150,057	\$ 150,057	\$ 158,928
Intermediate Sources	68,000	68,000	88,664	0	0	0	0	0	0
State Sources	2,367,346	2,367,346	2,408,483	1,700	1,700	2,101	0	0	0
Federal Sources	83,800	656,256	454,908	100,000	100,000	176,991	0	0	0
Non-Revenue Receipts	0	0	76,539	0	0	361	0	0	0
<i>Total Revenue Collected</i>	<u>\$ 3,038,040</u>	<u>\$ 3,610,496</u>	<u>\$ 3,646,208</u>	<u>\$ 207,387</u>	<u>\$ 207,387</u>	<u>\$ 278,755</u>	<u>\$ 150,057</u>	<u>\$ 150,057</u>	<u>\$ 158,928</u>
Expenditures Paid:									
Instruction	\$ 2,891,307	\$ 3,463,763	\$ 2,274,131	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Support Services	937,800	937,800	1,206,367	263,080	263,080	25,058	0	0	0
Operation of Non-Instructional Services	55,000	55,000	109,835	87,847	87,847	86,352	0	0	0
Facilities Acquisition and Construction	0	0	0	10,456	10,456	10,456	0	0	0
Other Outlays	22,400	22,400	1,539	361	361	75,361	292,834	292,834	180,155
Other Uses	0	0	0	0	0	0	0	0	0
Repayments	0	0	0	0	0	0	0	0	0
Interest Paid on Warrants and Bank Charges	0	0	0	0	0	0	0	0	0
<i>Total Expenditures Paid</i>	<u>\$ 3,906,507</u>	<u>\$ 4,478,963</u>	<u>\$ 3,591,872</u>	<u>\$ 361,745</u>	<u>\$ 361,745</u>	<u>\$ 197,228</u>	<u>\$ 292,834</u>	<u>\$ 292,834</u>	<u>\$ 180,155</u>
<i>Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances</i>	<u>\$ (868,467)</u>	<u>\$ (868,467)</u>	<u>\$ 54,336</u>	<u>\$ (154,358)</u>	<u>\$ (154,358)</u>	<u>\$ 81,527</u>	<u>\$ (142,777)</u>	<u>\$ (142,777)</u>	<u>\$ (21,227)</u>
Adjustments to Prior Year Encumbrances	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Other Financing Sources (Uses):									
Estopped Warrants	\$ 0	\$ 0	\$ 15	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Transfers In	0	0	0	0	0	0	0	0	0
Transfers Out	0	0	0	(75,000)	(75,000)	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 15</u>	<u>\$ (75,000)</u>	<u>\$ (75,000)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<i>Excess (Deficiency) of Revenue Collected Over Expenditures Paid and Other Financing Sources (Uses)</i>	<u>\$ (868,467)</u>	<u>\$ (868,467)</u>	<u>\$ 54,351</u>	<u>\$ (229,358)</u>	<u>\$ (229,358)</u>	<u>\$ 81,527</u>	<u>\$ (142,777)</u>	<u>\$ (142,777)</u>	<u>\$ (21,227)</u>
<i>Fund Balance - Beginning of Year</i>	<u>868,467</u>	<u>868,467</u>	<u>868,467</u>	<u>229,358</u>	<u>229,358</u>	<u>229,358</u>	<u>142,777</u>	<u>142,777</u>	<u>142,777</u>
<i>Fund Balance - End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 922,818</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 310,885</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 121,550</u>

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

Fletcher School District No. I-009, Comanche County, Oklahoma
Notes to Combined Financial Statements
For the Year Ended June 30, 2021

Note 1 - Summary of Significant Accounting Policies

The basic financial statements of the Fletcher School District No. I-009, Comanche County, Oklahoma (the "District") have been prepared in conformity with another comprehensive basis of accounting as prescribed by the Oklahoma State Department of Education. The more significant of the District's accounting policies are described below.

1.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 the 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 District has various supporting groups. However, the District does not appoint any of the board members or exercise any oversight authority over these groups and the dollar amounts are not material to the District.

1.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.

Fletcher School District No. I-009, Comanche County, Oklahoma
Notes to Combined Financial Statements
For the Year Ended June 30, 2021

Note 1 - Summary of Significant Accounting Policies, (continued)

1.B. Fund Accounting, (continued)

Funds are classified into two categories: governmental 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).

1. General Fund - The General Fund is used to account for all financial transactions except those required to be accounted for in another fund. Major revenues 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.

2. Special Revenue Funds - The Special Revenue Funds of the District consist of the Building Fund and Child Nutrition Fund.

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.

Child Nutrition Fund - The Child Nutrition Fund consists of monies collected from meals served to students and employees of the District and is expended on food, supplies and salaries to operate the lunchroom. The District also deposits reimbursements received from the National School Lunch and Breakfast programs into this fund.

3. 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 costs. The primary revenue sources are local property taxes levied specifically for debt service and interest earnings from temporary investments.

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, 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.

Fletcher School District No. I-009, Comanche County, Oklahoma
Notes to Combined Financial Statements
For the Year Ended June 30, 2021

Note 1 - Summary of Significant Accounting Policies, (continued)

1.B. Fund Accounting, (continued)

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

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.

1. General Long-Term Debt Account Group - This account group is used 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.

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

Memorandum Only - Total Column

The total column on the general-purpose 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 flows 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.

1.C. Basis of Accounting and Presentation

The District prepares its financial statements in a presentation format that is prescribed by the Oklahoma State Department of Education. This format is essentially the generally accepted form of presentation used by state and local governments prior to the effective date of GASB 34, *Basic Financial Statements-Management's Discussion and Analysis-for State and Local Governments*. This format significantly differs from that required by GASB 34.

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

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

Fletcher School District No. I-009, Comanche County, Oklahoma
Notes to Combined Financial Statements
For the Year Ended June 30, 2021

Note 1 - Summary of Significant Accounting Policies, (continued)

1.C. Basis of Accounting and Presentation, (continued)

- 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 trust funds.

1.D. Budgets and Budgetary Accounting

The District is required by state law to prepare an annual budget. The board of education requests an initial temporary appropriations budget from the county excise board before June 30. Then no later than October 1, the board of education prepares financial statement and estimate of needs and files it with the applicable county clerk and the State Department of Education. The final budget may be revised upon approval of the board of education and the county excise board.

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

1.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 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 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 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.

Fletcher School District No. I-009, Comanche County, Oklahoma
Notes to Combined Financial Statements
For the Year Ended June 30, 2021

Note 1 - Summary of Significant Accounting Policies, (continued)

1.E. Assets, Liabilities and Fund Equity, (continued)

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, 2021, is not material to the basic financial statements.

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

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.

No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. Vested accumulated rights to receive sick pay benefits have not been reported in the general long-term debt account group since the amount is not material to the financial statements.

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

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

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

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

Fletcher School District No. I-009, Comanche County, Oklahoma
Notes to Combined Financial Statements
For the Year Ended June 30, 2021

Note 1 - Summary of Significant Accounting Policies, (continued)

1.E. Assets, Liabilities and Fund Equity, (continued)

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

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

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

Resource Use Policy

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

1.F. Revenue, Expenses, and Expenditures

State Sources - Revenues from state sources for current operations are primarily governed by the state aid formula under provisions of Article XVIII, Title 70, Oklahoma Statutes. The State Board of Education administers the allocation of the 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.

Fletcher School District No. I-009, Comanche County, Oklahoma
Notes to Combined Financial Statements
For the Year Ended June 30, 2021

Note 1 - Summary of Significant Accounting Policies, (continued)

1.F. Revenue, Expenses, and Expenditures, (continued)

The District receives revenue from the state to administer certain categorical education programs. The 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 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 that are properly applicable to another fund, are recorded as expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Transfers in/transfers out may not agree because activity fund transactions are not included.

Note 2 – Deposit and Investment Risk

The District held the following deposits and investments at June 30, 2021:

	<u>Carrying Value</u>
Deposits	
Demand Deposits	\$ 1,533,292
Investments	0
Time Deposits	<u>0</u>
Total Deposits	<u>\$ 1,533,292</u>
Reconciliation to the Combined Statement of Assets, Liabilities and Equity	
Cash and Cash Equivalents/Time Deposits	\$ 1,530,179
Investments	0
Activity Fund Outstanding Checks	<u>3,113</u>
Total Deposits and Investments	<u>\$ 1,533,292</u>

Custodial Credit Risk – Exposure to custodial credit related to deposits exists when the District holds deposits that are uninsured and uncollateralized; collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the District’s name; or collateralized without a written or approved collateral agreement. Exposure to custodial credit risk related to investments exists when the District holds investments that are uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the District’s name.

Fletcher School District No. I-009, Comanche County, Oklahoma
Notes to Combined Financial Statements
For the Year Ended June 30, 2021

Note 2 – Deposit and Investment Risk, (continued)

The District's policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than market value, at least at a level of 100 percent of the uninsured deposits and accrued interest thereon. The investment policy and state law also limit acceptable collateral to U.S. Treasury and agency securities and direct debt obligations of the state, municipalities, counties, and school districts in the state of Oklahoma, surety bonds, and letters of credit. As required by Federal 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the District must have a written collateral agreement approved by the board of directors or loan committee.

The District did not have any custodian credit risk as of June 30, 2021 as defined above.

Investment Credit Risk – The District has no investment policy that limits its investment choices other than the limitations of state law that generally authorize investment in:

1. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
2. Certificates of deposit of banks when such certificates of deposits are secured by acceptable collateral for the deposit of public monies.
3. Savings accounts or saving certificates to the extent that such accounts or certificates are fully insured by the United States Government.
4. Repurchase agreements that have underlying collateral including obligations of the United States government, its agencies and instrumentalities, or the State of Oklahoma.
5. County, municipal or school district debt obligations for which an ad valorem tax may be levied.
6. Money market funds regulated by the SEC and in which investments consist of obligations of the United States, its agencies and instrumentalities.
7. Warrants, bonds or judgments of the school district.
8. Qualified pooled investment programs through an interlocal cooperative agreement formed pursuant to applicable law and to which the board of education has voted to be a member, the investments of which consist of those items specified in paragraphs 1 through 7 above, as well as obligations of the United States agencies and instrumentalities.
9. Any other investment that is authorized by law.

Investment credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The District has no formal policy limiting investments based on credit rating, but discloses any such credit risk associated with their investment by reporting the credit quality ratings of investment in debt securities as determined by nationally recognized statistical rating organizations-rating agencies-as of the year end. Unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

The District did not have any investment credit risk as of June 30, 2021, as defined above.

Investment 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 does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District discloses its exposure to interest rate risk by disclosing the maturity dates of its various investments. The District had no investment interest rate risk as defined above.

Fletcher School District No. I-009, Comanche County, Oklahoma
Notes to Combined Financial Statements
For the Year Ended June 30, 2021

Note 2 – Deposit and Investment Risk, (continued)

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

At June 30, 2021, the District had no concentration of credit risk as defined above.

Note 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 and transportation purposes. These bonds are required to be fully paid serially within 25 years from the date of issue.

General long-term debt of the District consists of bonds payable and lease purchases. Debt service requirements for bonds are payable solely from the 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, 2021:

	Bonds Payable	Capital Lease Obligations	Compensated Absences	Total
Balance July 1, 2020	\$ 810,000	\$ 31,688	\$ 0	\$ 841,688
Additions	0	0	0	0
Retirements	-160,000	-28,808	0	-188,808
Balance, June 30, 2021	<u>\$ 650,000</u>	<u>\$ 2,880</u>	<u>\$ 0</u>	<u>\$ 652,880</u>

A brief description of the outstanding general obligation bond issues at June 30, 2021 is set forth below:

	Interest Rate	Maturity Date	Amount Issued	Amount Outstanding
2019 Building Bond	2.35-2.55%	May 1, 2025	\$ 810,000	\$ 650,000
Totals			<u>\$ 810,000</u>	<u>\$ 650,000</u>

Presented below is a summary of debt service requirements to maturity by years and by each bond issue:

	Principal	Interest	Total
2019 Building Bond			
2021-2022	\$ 160,000	\$ 16,075	\$ 176,075
2022-2023	160,000	11,995	171,995
2023-2024	160,000	7,915	167,915
2024-2025	170,000	3,995	173,995
Total Bonds	<u>\$ 650,000</u>	<u>\$ 39,980</u>	<u>\$ 689,980</u>

Interest paid on general debt during the 2020-2021 year was \$20,155.

Fletcher School District No. I-009, Comanche County, Oklahoma
Notes to Combined Financial Statements
For the Year Ended June 30, 2021

Note 3 - General Long-Term Debt, (continued)

The District has entered into various lease agreements as lessee for financing the acquisition of LED Lighting, Copiers and an Ag Pick up. The lease agreements qualify as capital leases for accounting purposes since title transfers at the end of the lease term and they have been recorded at the present value of the future minimum lease payments. The leases contain a clause which gives the District the ability to terminate the lease agreement at the end of each fiscal year. The LED Lighting and Ag Pickup were paid off during the 2020-2021 year.

As noted 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 above assets as assets in the General fixed assets account group. The District has recorded the liability for future lease payments in the general long-term debt account group for the above leases. The schedule of future minimum lease payments under the capital lease and the present value of the net minimum lease payments at June 30, is as follows:

Year Ending June 30	Toshiba Lease	Total
2022	\$ 2,880	\$ 2,880
Total	\$ 2,880	\$ 2,880
Less: Amount Representing Interest	0	0
Present Value of Future Minimum Lease Payments	<u>\$ 2,880</u>	<u>\$ 2,880</u>

Note 4 - Employee Retirement System

Plan Description - The District participates in the state-administered Oklahoma Teachers' Retirement System (the "System") which is a cost-sharing multiple-employer defined benefit Public Employee Retirement System (PERS). The administration, benefits, and funding of the System are governed by Article XVII, Section 70 of the Oklahoma Statutes. 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. PERS provides retirement, disability and death benefits to plan members and beneficiaries. 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.

The System issues a publicly available financial report that includes financial statements and required supplementary information that can be obtained in writing at the Teachers' Retirement System of Oklahoma, P.O. Box 53524, Oklahoma City, Ok 73152 or by calling (405) 521-2387.

Funding Policy - 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 education institutions who work at least 20 hours per week.

The contribution rates for the District and its employees, which are not actuarially determined, are established by statute and applied to the employee's earnings, plus employer-paid fringe benefits. The District is required by statute to contribute 9.50% applicable compensation for the year ended June 30, 2021. 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 members is 7%.

The District's contributions to the System for the years ending June 30, 2021, 2020, and 2019 were \$202,431, \$192,648, and \$190,538 respectively.

Fletcher School District No. I-009, Comanche County, Oklahoma
Notes to Combined Financial Statements
For the Year Ended June 30, 2021

Note 4 - Employee Retirement System, (continued)

The compensation for employees covered by the System for the year ended June 30, 2021 was \$2,064,096; the District's total compensation was \$2,639,087. In addition to the District's 9.50% contributions, the District was required to pay into the System 7.70% of compensation arising from federal grants \$12,548. There were \$111,237 contributions made by employees during the year ended June 30, 2021.

Note 5 - Contingencies

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

Note 6 – Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; or acts of God. The District purchases commercial insurance to cover these risks, including general and auto liability, property damage, and public official's liability. The District had the following insurance coverage during the year: Commercial property - \$16,090,505; general liability - \$1,000,000; and educator's liability \$1,000,000. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

The School also participates in a risk pool for Workers' Compensation coverage in which there is a transfer or pooling of risks among the participants of that pool. In accordance with GASB No. 10, the school reports the required contribution to the pool, net of refunds, as insurance expense. The risk pool is the Oklahoma School Assurance Group (OSAG), an organization formed for the purpose of providing workers' compensation coverage to participating schools in the State of Oklahoma. In that capacity, OSAG is responsible for providing loss control services and certain fiscal activities, including obtaining contract arrangements for the underwriting, excess insurance agreements, claims processing, and legal defense for any and all claims submitted to them during the plan year. As a member of OSAG the District is required to pay fees set by OSAG according to an established payment schedule. A portion of the fees paid by the District goes into a loss fund for the District. The fee for the loss fund is calculated by projecting losses based on the school's losses for the last five years. OSAG provides coverage in excess of the Loss Fund so the District's liability for claim loss is limited to the balance of the loss fund. If the District does not use their loss fund in three years it is returned to them with no interest.

Note 7 - Use of Estimates

The preparation of financial statements in conformity with the regulatory basis of accounting requires the District to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fletcher School District No. I-009, Comanche County, Oklahoma
Notes to Combined Financial Statements
For the Year Ended June 30, 2021

Note 8 – Surety Bonds

The treasurer is bonded by Western Surety Company, bond number 70757309 for the penal sum of \$100,000 for the term July 21, 2020 to July 21, 2021.

The encumbrance clerk/minute's clerk/activity fund is bonded by the Western Surety Company, bond number 70757294 for the penal sum of \$100,000 for the period July 13, 2020 to July 13, 2021.

The superintendent is bonded by Western Surety Company, bond number 71685789 for the penal sum of \$100,000 for the period July 1, 2020 to July 1, 2021.

Note 9 – Subsequent Events

Management has evaluated subsequent events through the date of the audit report, which is the date the financial statements were available to be issued and has determined that no additional information needs to be added to the financial statements.

Note 10 – Budget Amendments

The General Fund Budget was amended during the year by filing supplemental appropriations forms with the county clerk's office. The supplemental appropriation was filed in the amount of \$276,075 on February 11, 2021 and \$296,380.51 on May 21, 2021. This increased the original General Fund budget from \$3,906,507 to \$4,478,963.

OTHER INFORMATION

Fletcher School District No. I-9, Comanche County, Oklahoma
Combining Statement of Assets, Liabilities and Fund Balances
Regulatory Basis - All Special Revenue Funds
June 30, 2021

<u>ASSETS</u>	<u>Building Fund</u>	<u>Child Nutrition Fund</u>	<u>Total June 30, 2021</u>
Cash and Cash Equivalents	\$ 256,060	\$ 60,105	\$ 316,165
Investments	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u>\$ 256,060</u>	<u>\$ 60,105</u>	<u>\$ 316,165</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Warrants Payable	\$ 932	\$ 4,347	\$ 5,280
Reserve for Encumbrances	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Liabilities</i>	<u>\$ 932</u>	<u>\$ 4,347</u>	<u>\$ 5,280</u>
Fund Balances:			
Restricted	<u>\$ 255,127</u>	<u>\$ 55,758</u>	<u>\$ 310,885</u>
<i>Total Fund Balances</i>	<u>\$ 255,127</u>	<u>\$ 55,758</u>	<u>\$ 310,885</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 256,060</u>	<u>\$ 60,105</u>	<u>\$ 316,165</u>

Fletcher School District No. I-9, Comanche County, Oklahoma
Combining Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances
Regulatory Basis - Special Revenue Funds
For the Year Ended June 30, 2021

	<u>Building Fund</u>	<u>Child Nutrition Fund</u>	<u>Total June 30, 2021</u>
Revenue Collected:			
Local Sources	\$ 90,692	\$ 8,610	\$ 99,302
Intermediate Sources	0	0	0
State Sources	0	2,101	2,101
Federal Sources	0	176,991	176,991
Non-Revenue Receipts	0	361	361
	<u>0</u>	<u>361</u>	<u>361</u>
<i>Total Revenue Collected</i>	<u>\$ 90,692</u>	<u>\$ 188,063</u>	<u>\$ 278,755</u>
Expenditures Paid:			
Instruction	\$ 0	\$ 0	\$ 0
Support Services	25,058	0	25,058
Operation of Non-Instructional Services	0	86,352	86,352
Facilities Acquisition and Construction	10,456	0	10,456
Other Outlays	0	75,361	75,361
Other Uses	0	0	0
Repayments	0	0	0
Interest Paid and Bank Charges	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Expenditures Paid</i>	<u>\$ 35,515</u>	<u>\$ 161,713</u>	<u>\$ 197,228</u>
<i>Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances</i>	<u>\$ 55,178</u>	<u>\$ 26,350</u>	<u>\$ 81,527</u>
Adjustments to Prior Year Encumbrances	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Other Financing Sources (Uses):			
Estopped Warrants	\$ 0	\$ 0	\$ 0
Transfers In	0	0	0
Transfers Out	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<i>Excess (Deficiency) of Revenue Collected Over Expenditures Paid and Other Financing Sources (Uses)</i>	<u>\$ 55,178</u>	<u>\$ 26,350</u>	<u>\$ 81,527</u>
<i>Fund Balance - Beginning of Year</i>	<u>199,950</u>	<u>29,408</u>	<u>229,358</u>
<i>Fund Balance - End of Year</i>	<u>\$ 255,127</u>	<u>\$ 55,758</u>	<u>\$ 310,885</u>

Fletcher School District No. I-9, Comanche 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, 2021

	Building Fund			Child Nutrition Fund		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
Revenue Collected:						
Local Sources	\$ 73,587	\$ 73,587	\$ 90,692	\$ 32,100	\$ 32,100	\$ 8,610
Intermediate Sources	0	0	0	0	0	0
State Sources	0	0	0	1,700	1,700	2,101
Federal Sources	0	0	0	100,000	100,000	176,991
Non-Revenue Receipts	0	0	0	0	0	361
<i>Total Revenue Collected</i>	<u>\$ 73,587</u>	<u>\$ 73,587</u>	<u>\$ 90,692</u>	<u>\$ 133,800</u>	<u>\$ 133,800</u>	<u>\$ 188,063</u>
Expenditures Paid:						
Instruction	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Support Services	263,080	263,080	25,058	0	0	0
Operation of Non-Instructional Services	0	0	0	87,847	87,847	86,352
Facilities Acquisition and Construction	10,456	10,456	10,456	0	0	0
Other Outlays	0	0	0	361	361	75,361
Other Uses	0	0	0	0	0	0
Repayments	0	0	0	0	0	0
Interest Paid	0	0	0	0	0	0
<i>Total Expenditures Paid</i>	<u>\$ 273,537</u>	<u>\$ 273,537</u>	<u>\$ 35,515</u>	<u>\$ 88,208</u>	<u>\$ 88,208</u>	<u>\$ 161,713</u>
<i>Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances</i>	<u>\$ (199,950)</u>	<u>\$ (199,950)</u>	<u>\$ 55,178</u>	<u>\$ 45,592</u>	<u>\$ 45,592</u>	<u>\$ 26,350</u>
Adjustments to Prior Year Encumbrances	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Other Financing Sources (Uses):						
Estopped Warrants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Transfers In	0	0	0	0	0	0
Transfers Out	0	0	0	(75,000)	(75,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (75,000)</u>	<u>\$ (75,000)</u>	<u>\$ 0</u>
<i>Excess (Deficiency) of Revenue Collected Over Expenditures Paid and Other Financing Sources (Uses)</i>	<u>\$ (199,950)</u>	<u>\$ (199,950)</u>	<u>\$ 55,178</u>	<u>\$ (29,408)</u>	<u>\$ (29,408)</u>	<u>\$ 26,350</u>
<i>Fund Balance - Beginning of Year</i>	<u>199,950</u>	<u>199,950</u>	<u>199,950</u>	<u>29,408</u>	<u>29,408</u>	<u>29,408</u>
<i>Fund Balance - End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 255,127</u>	<u>\$ (0)</u>	<u>\$ (0)</u>	<u>\$ 55,758</u>

Fletcher School District No. 1-9, Comanche County, Oklahoma
Combining Statement of Assets, Liabilities and Fund Equity
Regulatory Basis - Activity Fund
June 30, 2021

<u>ASSETS</u>	<u>School Activity Fund</u>
Cash	\$ 63,355
Investments	<u>0</u>
<i>Total Assets</i>	<u>\$ 63,355</u>
<u>LIABILITIES AND FUND EQUITY</u>	
Liabilities:	
Due To Activity Groups	\$ <u>63,355</u>
<i>Total Liabilities</i>	<u>\$ 63,355</u>
Fund Equity:	
Unassigned	\$ <u>0</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$ 63,355</u>

Fletcher School District No. 1-9, Comanche County, Oklahoma
Combining Statement of Changes in Assets and Liabilities
Regulatory Basis - Activity Fund
For the Year Ended June 30, 2021

<u>ACTIVITIES</u>	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Athletics	\$ 20,439	\$ 88,578	\$ 95,339	\$ 13,678
Cheerleaders	3,704	17,236	15,147	5,794
Academic Teams	1,209	2,705	2,847	1,067
Elementary	7,903	21,024	20,470	8,457
FFA	4,527	44,873	41,406	7,994
FCCLA	1,086	0	245	842
General	1,203	612	811	1,004
Investments	0	171	0	171
Juniors	0	3,045	1,496	1,549
Seniors	4,801	690	4,899	592
Student Council	4,852	3,531	2,436	5,948
Yearbook	6,185	4,410	7,274	3,321
Secondary	2,562	5,788	4,992	3,358
Pottery	797	410	400	807
Library	9,013	9,101	9,340	8,774
Total Activities	\$ <u>68,283</u>	\$ <u>202,174</u>	\$ <u>207,103</u>	\$ <u>63,355</u>

Fletcher School District No. I-009, Comanche County, Oklahoma
 Schedule of Expenditure of Federal Awards
 For The Year Ended June 30, 2021

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA#	Pass Through Grantor's Project Number	Deferred Revenue (Accounts Receivable) July 1, 2020	Federal Grant Receipts	Federal Grant Expenditures	Deferred Revenue (Accounts Receivable) June 30, 2021	Indirect Cost Included In Federal Grant Expenditures
U.S. Department of Education							
Direct Programs:							
Title VII, Indian Education	84.060A	561	0	18,490	18,490	0	0
Title VI, Small Rural School Achievement	84.358A	588	0	29,314	29,314	0	0
Impact Aid	84.041	591/592	0	38,045	0	38,045	0
Passed Through Oklahoma State Department of Education:							
Title I, Basic	84.010	511	0	78,695	78,695	0	0
Title I			0	78,695	78,695	0	0
IDEA-B Flowthrough	84.027	621	0	92,053	92,053	0	0
IDEA-B COVID Assist	84.027	617	0	4,864	4,864	0	0
IDEA-B Preschool	84.173	641	0	1,069	1,069	0	0
Special Education Cluster			0	97,986	97,986	0	0
COVID-19 ESSERF/CARES Act	84.425D	788	0	61,193	61,193	0	0
COVID-19 ESSER II Formula Fund	84.425D	793	0	100,141	100,141	0	0
COVID-19 ESSER FUNDS			0	161,334	161,334	0	0
Title II, Part A	84.367	586	0	20,259	20,259	0	0
Title IV, Part A	84.424A	552	0	10,785	10,785	0	0
Total U.S. Department of Education			0	454,908	416,863	38,045	0
U.S. Department of the Interior							
Johnson O'Malley	15.130	563	10,185	0	4,445	5,740	0
Total U.S. Department of the interior			10,185	0	4,445	5,740	0
U.S. Department of Agriculture							
Passed Through State Department of Education:							
Breakfast Program	10.553	764	0	29,550	29,550	0	0
Lunch Program	10.555	763	0	147,441	105,638	41,803	0
Commodities Distributed - Lunch	(Note 3) 10.555	N/A	0	15,294	15,294	0	0
Summer Food Service Program	10.559	766	5,074	0	5,074	0	0
Child Nutrition Cluster			5,074	192,284	155,555	41,803	0
Total U.S. Department of Agriculture			5,074	192,284	155,555	41,803	0
TOTAL FEDERAL ASSISTANCE			15,259	647,192	576,863	85,588	0

Fletcher School District No. I-009, Comanche County, Oklahoma
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Note 1 – Basis of Presentation – The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the School under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School, it is not intended and does not present the financial position, changes in net position or cash flows of the School.

Note 2 – Summary of Significant Accounting Policies – Expenditures reported on the Schedule are reported on the regulatory basis of accounting consistent with the preparation of the combined financial statements except for nonmonetary assistance noted in Note 3. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The School has elected not to use the 10 percent de minimus indirect cost rate allowed under the Uniform Guidance.

Note 3 – Food Distribution – Non-monetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed.



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

The Honorable Board of Education
Fletcher School District No. I-009
Comanche County, Oklahoma

Board Members:

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 Fletcher School District No. I-009, Comanche County, Oklahoma, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated October 19, 2021. The report on these financial statements 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. 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.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Fletcher School District No. I-009, Comanche County, Oklahoma'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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies

in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described below, that we consider to be significant deficiencies.

2021-001 Finding

Statement of Condition – During our testing of the FFA meat sales fundraiser we noted that there were several instances where the district did not timely deposit their collected money.

Criteria – Per Oklahoma State Statute §70-5-129, “Deposits of funds subject to the requirements of this section shall be made by the end of the next business day; however, if the deposit for a day totals less than One Hundred Dollars (\$100.00), a school district may accumulate monies required to be deposited into the fund on a daily basis until the total accumulated balance of deposits equals or exceeds One Hundred Dollars (\$100.00).”

Cause/Effect of Condition – The sponsor was holding monies greater than \$100 for more than one business day before turning it into the proper staff for deposit. By not depositing the funds timely, there is an increased risk of loss, theft or other loss of funds.

Recommendation – The school should follow Title 70, Chapter 1, Section 5-129 requiring the depositing of funds on a daily basis.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Fletcher School District No. I-009, Comanche County, Oklahoma’s, Response to Findings

Fletcher School District No. I-009, Comanche County, Oklahoma’s response to the findings identified in our audit are described in the attached corrective action plan. The District’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Angel, Johnston & Blessingame, P.C.

Chickasha, Oklahoma
October 19, 2021

**Fletcher School District No. I-009, Comanche County, Oklahoma
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2021**

2020-001 Finding

Statement of Condition – The District did not pay teacher retirement on summer lunch salaries.

Criteria – Oklahoma Teachers Retirement System Employer Manual states Each member of the Teachers' Retirement System is required to make contributions to the Retirement Fund. Monthly contributions are a set percent of "regular annual compensation." Regular annual compensation is defined as wages plus fringe benefits, excluding the flexible benefit allowance provided by Section 26-105 of Title 70 of the Oklahoma Statutes, and shall include all normal periodic payments as provided in subsection D of Section 17-116.2 of Title 70 of the Oklahoma Statutes.

Cause/Effect of Condition – This was due to oversight by the District. Teachers retirement was underpaid.

Recommendation – We recommend that the District should verify that teacher's retirement is paid on all eligible salary.

Current Status – This was not noted for the 2020-2021 year.

2020-002 Finding

Statement of Condition – During our testing of gates and concession, we noted that all games tested did not have two signatures of people working the gate or concession.

Criteria – It is in good practice to have two separate individuals work and sign off on the work performed.

Cause/Effect of Condition – School personnel are not always available to work all games for gates and concessions. This in turn could lead to money being collected but not accounted for.

Recommendation – We recommend that two separate individuals work all games for the gates and concessions.

Current Status – This was not noted for the 2020-2021 year.

2020-003 Finding

Statement of Condition – During our testing of appropriated funds disbursements, it was noted that 8 of the 41 tested purchase orders had invoices that were dated after the issuance of the purchase order.

Criteria – Per Oklahoma State Statute Paragraph 70-5-135, "before any purchase is completed a purchase order or encumbrance must be issued" The purchase order should initiate the purchasing process.

Cause/Effect of Condition – Employees are not always following purchasing procedures. This could lead to the school paying for goods and services not actually received or not approved

Recommendation – We recommend that management reinforce the purchasing procedures to employees.

Current Status - This was not noted for the 2020-2021 year.

OTHER OKLAHOMA DEPARTMENT OF EDUCATION REQUIRED INFORMATION

**Fletcher School District No. I-009, Comanche County, Oklahoma
Schedule of Accountant's Professional Liability Insurance Affidavit
For the Year Ended June 30, 2021**

STATE OF OKLAHOMA)
)ss
COUNTY OF GRADY)

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 *Fletcher School District No. I-009, Comanche County, Oklahoma*, for the audit year 2020-2021.

ANGEL, JOHNSTON, & BLASINGAME, P.C.

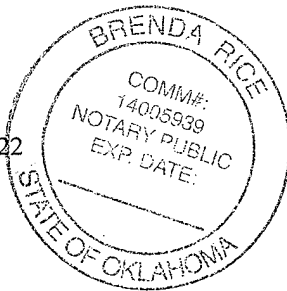
Daniel Johnston

by _____

Subscribed and sworn to before me this 26 day of October, 2021.

Brenda Rice
Notary Public

My Commission Expires 07-01-2022



SCHOOL'S CORRECTIVE ACTION PLAN

FLETCHER

Public Schools



P.O. Box 489 • Fletcher, Oklahoma 73541 • 580.549.3016

www.fletcherschools.org

FLETCHER PUBLIC SCHOOL DISTRICT

COMANCHE COUNTY

**AUDIT FINDINGS
CORRECTIVE ACTION PLAN**

AUDIT YEAR 2021

AUDIT FINDING REFERENCE NUMBER: 2021-001

DESCRIPTION OF FINDING: During the FFA meat sales fundraiser, there were several instances where the district did not timely deposit their collected money.

CONTACT PERSON: Shane Gilbreath

STEPS IMPLEMENTED: The District will make sure and deposit monies in a timely manner.

COMPLETION DATE: 10/19/2021

A handwritten signature in black ink that reads "Shane Gilbreath". The signature is written in a cursive, flowing style.

Shane Gilbreath
Fletcher Public Schools
Superintendent

ADMINISTRATION

Shane Gilbreath – Superintendent
Amanda Grimes – Secondary Principal
Sandra Butler – Elementary Principal

BOARD OF EDUCATION

Ryan Simmons – President
Amber Hendrix – Vice President
Herman Dutton – Clerk
Jayna Mannen – Member
Nicholas Legas – Member