

Marietta School District I-16
Love County, Oklahoma
Financial Statements
Year-End June 30, 2022

Marietta School District I-16
Love County, Oklahoma
Table of Contents
June 30, 2022

Independent Auditor’s Report	1
Fund Type and Account Group Financial Statements:	
Combined Statement of Assets, Liabilities and Fund Equity - Regulatory Basis – All Fund Types and Accounts Groups	4
Combined Statement of Revenues Collected, Expenditures Paid and Changes In Cash Fund Balances – Regulatory Basis – All Governmental Fund Types	5
Combined Statement of Revenues Collected, Expenditures Paid and Changes in Cash Fund Balances – Budget and Actual – Regulatory Basis Budgeted Governmental Fund Types	6
Notes to Combined Financial Statements	8
Supplementary Information:	
Combining Financial Statements:	
Combining Statement of Assets, Liabilities and Fund Equity – Regulatory Basis – All Special Revenue Funds	22
Combining Statement of Revenues Collected, Expenditures Paid and Changes in Cash Fund Balances – Regulatory Basis – All Special Revenue Funds	23
Combining Statement of Revenues Collected, Expenditures Paid and Changes in Cash Fund Balances – Budget and Actual – Regulatory Basis – Building and Child Nutrition Funds	24
Combining Statement of Changes in Cash Balances – Regulatory Basis – Activity Funds	25
Schedule of Expenditures of Federal Awards	26

Marietta School District I-16
Love County, Oklahoma
Table of Contents
June 30, 2022

Government Auditing Standards Section:

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	30
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Single Audit Section:

Independent Auditor's Report on Compliance for each Major Program and Internal Control over Compliance Required by Uniform Guidance	32
Schedule of Findings and Questioned Costs	35
Summary of Prior Year Findings	39

Other Information:

Statement of Statutory, Fidelity and Honesty Bonds (unaudited)	40
Schedule of Accountant's Professional Liability Insurance (unaudited)	41



Independent Auditor's Report

The Honorable Board of Education
Marietta School District I-16
Marietta, Oklahoma 73448

Opinions

We have audited the accompanying financial statements of the Marietta School District I-16, Love County, Oklahoma which comprise the combined statement of assets, liabilities and fund equity – all fund types and account groups as of June 30, 2022, and the related combined statement of revenues collected and expenditures paid and changes in cash fund balances – regulatory basis for the year then ended, and the related notes to the financial statements.

Qualified Opinion on Account Groups

In our opinion, except for the effects of the matter described in the Basis for opinions section of our report, the financial statements referred to above present fairly, in all material respects, the assets and liabilities of the account groups in accordance with the financial reporting provisions of the Oklahoma State Department of Education as described in Note 1.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and fund equity arising from regulatory basis transactions for each fund type of the Marietta School District I-16, Love County, Oklahoma as of June 30, 2022, and the revenues it collected and expenditures it paid and budgetary results for the year then ended, in accordance with the financial reporting provisions of Oklahoma State Department of Education as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Marietta School District I-16, Love County, Oklahoma as of June 30, 2022, or changes in net position, or cash flows thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Marietta School District I-16, Love County, Oklahoma and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Qualified Opinion on the Account Groups

As discussed in Note 1, the combined financial statements referred to above do not include the General Fixed Asset Account Group which should be included to conform with financial reporting provisions of Oklahoma State Department of Education. The amount that should be recorded in the General Fixed Asset Account Group has not been determined.

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

As described in Note 1, the financial statements are prepared by the School District, on the basis of the financial reporting provisions of 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 Oklahoma State Department of Education. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Marietta School District I-16's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement

resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Marietta School District I-16's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Marietta School District I-16's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise School District's financial statements as a whole. The accompanying combining financial statements, combining statement of changes in cash balances – regulatory basis – activity funds, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining

financial statements 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.

Other Information

Management is responsible for the other information included in the report. The other information comprises the statement of statutory fidelity and honesty bonds and schedule of accountant's professional liability insurance but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2022, on our consideration of Marietta School District I-16 Love County, Oklahoma's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contract 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 Marietta School District I-16 Love County, Oklahoma's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering Marietta School District I-16 Love County, Oklahoma's internal control over financial reporting and compliance.

Mary E Johnson & Associates PLLC

Norman, Oklahoma
December 2, 2022

Marietta School District I-16
Love County, Oklahoma
Combined Statement of Assets, Liabilities and Fund Equity
Regulatory Basis – All Fund Types and Account Groups
June 30, 2022

ASSETS	Governmental Fund Types				Fiduciary	Account	Total
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency	General Long Term Debt	(memorandum only - Note 1) June 30, 2022
Cash & Cash Equivalents	\$ 2,520,210	\$ 871,548	\$ 56,358	\$ 119,208	\$ 255,022	\$ -	\$ 3,822,346
Investments	413,101	458,980	541,484	1,295,196	-	-	2,708,761
Amount available in							
Debt service fund	-	-	-	-	-	56,358	56,358
Trustee fund for debt service	-	-	-	-	-	10,186,690	10,186,690
Amount to be provided for							
Retirement of general long term debt	-	-	-	-	-	2,663,642	2,663,642
Total Assets	\$ 2,933,311	\$ 1,330,528	\$ 597,842	\$ 1,414,404	\$ 255,022	\$ 12,906,690	\$ 19,437,797
LIABILITIES AND FUND EQUITY							
Liabilities:							
Warrants payable	\$ 397,085	\$ 4,321	\$ -	\$ -	\$ -	\$ -	\$ 401,406
Encumbrances outstanding	137,197	129,165	-	-	-	-	266,362
Due to others	-	-	-	-	255,022	-	255,022
Amounts provided for by							
Financed purchase	-	-	-	-	-	(2,463,310)	(2,463,310)
Finance purchase payable	-	-	-	-	-	12,650,000	12,650,000
General obligation bonds payable	-	-	-	-	-	2,720,000	2,720,000
Total Liabilities	534,282	133,486	-	-	255,022	12,906,690	13,829,480
Fund Equity:							
Restricted for:							
Debt service	-	-	597,842	-	-	-	597,842
Building programs	-	968,891	-	-	-	-	968,891
Child Nutrition programs	-	228,151	-	-	-	-	228,151
Capital projects	-	-	-	1,414,404	-	-	1,414,404
Undesignated	2,399,029	-	-	-	-	-	2,399,029
Total Cash Fund Balances	2,399,029	1,197,042	597,842	1,414,404	-	-	5,608,317
Total Liabilities and Fund Equity	\$ 2,933,311	\$ 1,330,528	\$ 597,842	\$ 1,414,404	\$ 255,022	\$ 12,906,690	\$ 19,437,797

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

Marietta School District I-16
Love County, Oklahoma
Combined Statement of Revenues Collected, Expenditures Paid and Changes in Cash Fund Balances
Regulatory Basis – All Governmental Fund Types
For the Year Ended June 30, 2022

	Governmental Fund Types				Total (memorandum only - Note 1) June 30, 2022
	General	Special Revenue	Debt Service	Capital Projects	
Revenues collected:					
Local sources	\$ 1,321,388	\$ 326,343	\$ 1,044,063	\$ -	\$ 2,691,794
Intermediate sources	362,019	-	-	-	362,019
State sources	7,182,415	174,589	-	-	7,357,004
Federal sources	2,088,547	603,375	-	-	2,691,922
Total Revenues Collected	10,954,369	1,104,307	1,044,063	-	13,102,739
Expenditures paid:					
Instruction	6,139,760	-	-	-	6,139,760
Support services	4,159,872	158,446	-	-	4,318,318
Non-Instructional services	2,782	569,686	-	-	572,468
Capital outlay	124,153	45,466	-	158,715	328,334
Other outlays	2,630	419	-	-	3,049
Debt service:					
Principal payments	-	-	750,000	-	750,000
Interest and fiscal agent fees	-	-	45,888	-	45,888
Total expenditures paid	10,429,197	774,017	795,888	158,715	12,157,817
Excess of revenues collected over (under) expenditures paid	525,172	330,290	248,175	(158,715)	944,922
Adjustments to prior year encumbrances	55,737	49,190	-	-	104,927
Excess of revenues collected and other sources over (under) expenditures paid and other uses	580,909	379,480	248,175	(158,715)	1,049,849
Cash fund balances, beginning of year	1,818,120	817,562	349,667	1,573,119	4,558,468
Cash fund balances, end of year	<u>\$ 2,399,029</u>	<u>\$ 1,197,042</u>	<u>\$ 597,842</u>	<u>\$ 1,414,404</u>	<u>\$ 5,608,317</u>

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

Marietta School District I-16
Love County, Oklahoma

Combined Statement of Revenues Collected, Expenditures Paid and Changes in Cash Fund Balances – Budget and Actual
Regulatory Basis – Budgeted Governmental Fund Types
For the Year Ended June 30, 2022

	General Fund				Building and Child Nutrition Funds			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Beginning cash fund balances - Budgetary basis	\$ 1,818,120	\$ 1,818,120	\$ 1,818,120	\$ -	\$ 817,562	\$ 817,562	\$ 817,562	\$ -
Revenues collected:								
Local sources	1,287,296	1,287,296	1,321,388	34,092	323,650	323,650	326,343	2,693
Intermediate sources	301,000	301,000	362,019	61,019	-	-	-	-
State sources	6,250,931	6,250,931	7,182,415	931,484	42,500	42,500	174,589	132,089
Federal sources	2,440,069	2,440,069	2,088,547	(351,522)	299,000	299,000	603,375	304,375
Total Revenues Collected	<u>10,279,296</u>	<u>10,279,296</u>	<u>10,954,369</u>	<u>675,073</u>	<u>665,150</u>	<u>665,150</u>	<u>1,104,307</u>	<u>439,157</u>
Expenditures paid:								
Instruction	6,200,000	6,200,000	6,139,760	60,240	-	-	-	-
Support services	4,162,000	4,162,000	4,159,872	2,128	158,500	158,500	158,446	54
Non-Instructional services	3,000	3,000	2,782	218	573,845	573,845	569,686	4,159
Capital outlay	125,000	125,000	124,153	847	46,200	46,200	45,466	734
Other outlays	1,607,416	1,607,416	2,630	1,604,786	737,167	737,167	419	736,748
Total Expenditures paid	<u>12,097,416</u>	<u>12,097,416</u>	<u>10,429,197</u>	<u>1,668,219</u>	<u>1,515,712</u>	<u>1,515,712</u>	<u>774,017</u>	<u>741,695</u>
Excess of revenues collected over (under) expenditures paid	<u>(1,818,120)</u>	<u>(1,818,120)</u>	<u>525,172</u>	<u>2,343,292</u>	<u>(850,562)</u>	<u>(850,562)</u>	<u>330,290</u>	<u>1,180,852</u>
Adjustment to prior year encumbrances	<u>-</u>	<u>-</u>	<u>55,737</u>	<u>55,737</u>	<u>33,000</u>	<u>33,000</u>	<u>49,190</u>	<u>16,190</u>
Ending cash fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,399,029</u>	<u>\$ 2,399,029</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,197,042</u>	<u>\$ 1,197,042</u>

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

**Marietta School District I-16
Love County, Oklahoma**

**Combined Statement of Revenues Collected, Expenditures Paid and Changes in Cash Fund Balances – Budget and Actual
Regulatory Basis – Budgeted Governmental Fund Types
For the Year Ended June 30, 2022**

	Debt Service Fund			
	Original Budget	Final Budget	Actual	Variance
Beginning cash fund balances - Budgetary basis	\$ -	\$ -	\$ 349,667	\$ 349,667
Revenues collected:				
Local sources	1,048,999	1,048,999	1,044,063	(4,936)
Total Revenues Collected	1,048,999	1,048,999	1,044,063	(4,936)
Expenditures paid:				
Debt service:				
Principal payments	995,000	995,000	750,000	245,000
Interest and fiscal agent fees	53,999	53,999	45,888	8,111
Total expenditures paid	1,048,999	1,048,999	795,888	253,111
Excess of revenues collected over (under) expenditures paid	-	-	248,175	248,175
Ending cash balances	\$ -	\$ -	\$ 597,842	\$ 597,842

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

Marietta School District I-16
Love County, Oklahoma
Notes to Combined Financial Statements
June 30, 2022

1. Summary of Significant Accounting Policies

The basic financial statements of the Marietta School District Number I-16, Love 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 accounting policies are described below.

A. The Reporting Entity

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

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

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.

Marietta School District I-16
Love County, Oklahoma
Notes to Combined Financial Statements
June 30, 2022

1. Summary of Significant Accounting Policies – (continued)

B. Fund Accounting

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

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

Funds are classified into 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).

General Fund - The general fund is used to account for all financial transactions except those required to be accounted for in another fund. Major revenue sources include state and local property taxes and state funding under the Foundation and Incentive Aid Program. Expenditures include all costs associated with the daily operations of the schools except for programs funded for building repairs and maintenance, school construction and debt service on bonds and other long-term debt. The general fund includes federal and state restricted monies that must be expended for specific programs.

Special Revenue Fund - The special revenue fund consists of 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 local sources for meals. Reimbursements are received from state and federal sources for reimbursement of free and reduced lunches.

Marietta School District I-16
Love County, Oklahoma
Notes to Combined Financial Statements
June 30, 2022

1. Summary of Significant Accounting Policies – (continued)

B. Fund Accounting – (continued)

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.

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

Fiduciary Fund Types

Agency Fund - 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.

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.

General Fixed Asset Account Group - This account group is used to account for property, plant and equipment of the school district. The district does not maintain the fixed asset records necessary to account for this account group.

Marietta School District I-16
Love County, Oklahoma
Notes to Combined Financial Statements
June 30, 2022

1. Summary of Significant Accounting Policies – (continued)

Memorandum Only - Total Column

The total column on the basic regulatory 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.

C. Basis of Accounting and Presentation

The District prepares its financial statements in a presentation format that is prescribed by the Oklahoma State Department of Education. This format is essentially the generally accepted form of presentation used by state and local governments prior to the effective date of GASB Statement No. 34, *Basic Financial Statements-Management's Discussion and Analysis-for State and Local Governments*. This format significantly differs from that required by GASB 34.

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

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

This regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, which 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.

Estimates - The preparation of financial statements in conformity with the regulatory basis of accounting requires the District to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Marietta School District I-16
Love County, Oklahoma
Notes to Combined Financial Statements
June 30, 2022

1. Summary of Significant Accounting Policies – (continued)

Noncash Transactions - The District received federal food commodities in the amount of \$59,721.

D. Budgets and Budgetary Accounting

The District is required by state law to prepare an annual budget. No later than October 1, each Board of Education shall prepare a financial statements and estimate of needs to be filed with the applicable county clerk and the State Department of Education. Once the county excise board has approved the estimate of needs, the Board shall adopt a final budget within 45 days or the second regularly schedule board meeting. No later than 15 days prior to adoption of a final budget, the Board must conduct a public hearing for purposes of taking public comments

A final budget may be revised upon approval of the Board of Education in open meeting.

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

E. Assets, Liabilities and Fund Equity

*Cash and Cash Equivalent*s - The District considers all cash on hand, demand deposits, money market checking and certificates of deposit, held at an individual bank which are subject to early withdrawal penalties no matter what the maturity period, to be cash. All short-term cash surpluses are maintained in a cash pool, the earnings from which are allocated to each fund based on month-end deposit balances. State statutes require collateral for deposits in excess of insured amounts. The collateral's market value must exceed the insured deposit.

Investments – The District's investment policies are governed by Oklahoma Statutes. Permissible investments include direct obligations of the United States government and agencies, certificates of deposits of savings and loan associations, and bank and trust companies; and savings accounts or savings certificates of savings and loan associations, banks and trust companies. Collateral is required for all amounts not covered by FDIC insurance.

Marietta School District I-16
Love County, Oklahoma
Notes to Combined Financial Statements
June 30, 2022

1. Summary of Significant Accounting Policies – (continued)

Inventories - The value of consumable inventories at June 30, 2022 is not material to the financial statements.

Compensated Absences - Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure of the governmental funds that will pay it. There are no amounts of vested or accumulated vacation leave.

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 funds not encumbered by purchase order, legal contracts, and outstanding warrants.

E. Revenue, Expenses and Expenditures

Property Tax Revenues - The District is authorized by state law to levy property taxes which consist of ad valorem taxes on real and personal property within the District. The County Assessor, upon receipt of the certification of tax levies from the county excise board, extends the tax levies on the 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 halves of taxes are due prior to January 1 and the balance 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 for a period of three years or more as of the date of such taxes first become due, the property is offered for sale of the amount of taxes due.

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. Approximately 66% of the District's general fund revenue comes from state sources.

Marietta School District I-16
Love County, Oklahoma
Notes to Combined Financial Statements
June 30, 2022

1. *Summary of Significant Accounting Policies – (continued)*

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

The District receives revenue from the state to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for these programs be expended only for the program for which the money is provided and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical programs. The State Department of Education requires that categorical education 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 which are reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers.

2. *Cash and Investments*

Custodial Credit Risk - Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned or the District will not be able to recover collateral securities in the possession of an outside party. The District's policy requires collateral for demand deposits and certificates of deposit for all amounts not covered by federal deposit insurance. As of June 30, 2022, cash deposits were fully insured or collateralized by a pledging bank's agent in the District's name. All funds were held as demand deposits at a local bank.

Investments - The District participates in an external investment pool, Oklahoma Public School Liquid Asset Pool (OLAP). The plan is sponsored by the Oklahoma State School Boards Association, Cooperative Council of Oklahoma School Administration, Organization of Rural Oklahoma Schools and the Oklahoma Association of School Business Officials. OLAP is governed through an inter local cooperative agreement and the investment advisors and other professionals are competitively selected. OLAP reported value and fair market

Marietta School District I-16
Love County, Oklahoma
Notes to Combined Financial Statements
June 30, 2022

2. *Cash and Investments -- (continued)*

value are equal at June 30, 2022. To receive a copy of the Oklahoma Public School Liquid Asset Pool annual audit report, call toll free 1-866-472-6527 or visit www.OLAPonline.org. OLAP's portfolio consists of cash and short-term investments valued at amortized cost which approximates fair value. OLAP invest in obligations of the U.S Government, its agencies and instrumentalities and repurchase agreements, provided that the underlying collateral consists of obligations of the U.S. government, its agencies and instrumentalities and the OLAP custodian takes delivery of the collateral. Total external pool investments at June 30, 2022 are \$2,708,761 which are shown on the combined statement of assets, liabilities and fund equity regulatory basis, all fund types and account groups.

Credit Risk - Investments – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The District does not have a formal policy limiting its exposure arising from concentration of investments. Investments held by the District in investment pools (sweep accounts and external investment pools) are considered unclassified as to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form. OLAP held securities of \$2,708,761 have Standard & Poor's ratings of 8.78 percent AA+, 1.18 percent AAAm, 29.02 percent A+. 12.6 percent N/A and 48.42 percent NR. Securities with NR rating are bank deposit accounts.

Investment Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. Due to the nature of the District's external investment pool, there are no defined maturity dates. The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses from increasing interest rates.

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.

Marietta School District I-16
Love County, Oklahoma
Notes to Combined Financial Statements
June 30, 2022

3. General Long Term Debt – (continued)

General long-term debt of the District consists of bonds payable, and financed purchases. 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, 2022:

	<i>Bonds Payable</i>	<i>Financed Lease</i>
	<i>(Direct Placement)</i>	<i>Purchase (Direct Borrowing)</i>
Balance July 1, 2021	\$ 3,470,000	\$ 12,650,000
Additions	-	-
Retirements	(750,000)	-
Balance June 30, 2022	\$ 2,720,000	\$ 12,650,000

General Obligation Bonds

A brief description of the outstanding general obligations bond issues at June 30, 2022, is set forth below:

	<i>Amount Outstanding</i>
Independent School District, I-16 General Obligation Building Bonds of 2018, original issue of \$1,205,000, interest rates from 2.75% to 3.00%. Bond maturities begin November 1, 2020 in increments of \$185,000 the first year with following three years a payment of \$255,000, with final maturity of \$255,000 on November 1, 2024.	\$ 765,000
Independent School District, I-16 General Obligation Building Bonds of 2021, original issue of \$1,955,000, interest rates from 0.50% to 0.70%. Bond maturities begin June 1, 2023 of \$975,000 the first year with final maturity of \$980,000 on June 1, 2024.	1,955,000
	\$ 2,720,000

Marietta School District I-16
Love County, Oklahoma
Notes to Combined Financial Statements
June 30, 2022

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

<u><i>Year Ended June 30,</i></u>	<u><i>Principal</i></u>	<u><i>Interest</i></u>	<u><i>Total</i></u>
2023	\$ 1,230,000	\$ 29,575	\$ 1,259,575
2024	1,235,000	15,419	1,250,419
2025	255,000	3,506	258,506
Total	<u>\$ 2,720,000</u>	<u>\$ 48,500</u>	<u>\$ 2,768,500</u>

State statute prohibits the District from becoming indebted in an amount exceeding the revenue to be received for any fiscal year without approval by the District's voters. 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. General obligation bonded debt of the District is limited by state law to 10% of the assessed valuation of the District. The legal debt limit at June 30, 2022 is approximately \$3,584,000.

The District has entered financing arrangements with the Love County Educational Facilities Authority (see Note 9). These financing arrangements are accounted for as financed purchases. The leases contain a clause which gives the District the ability to terminate the lease agreements at the end of each fiscal year.

The schedule of future minimum lease payments under the financed purchase and the present value of the net minimum lease payments for years ending June 30th are as follows:

<u><i>Year Ended June 30,</i></u>	<u><i>Amount Due</i></u>
2024	\$ 1,044,150
2025	1,068,900
2026	1,068,900
2027	1,068,900
2028	1,068,900
Thereafter	<u>11,460,900</u>
	16,780,650
Less: Interest	<u>(4,130,650)</u>
Total	<u>\$ 12,650,000</u>

Marietta School District I-16
Love County, Oklahoma
Notes to Combined Financial Statements
June 30, 2022

3. General Long Term Debt – (continued)

Pledged Revenues

The District has pledged \$17,035,000 of future issuances of general obligation bonds to repay \$12,650,000 lease revenue bonds plus interest lease revenue bonds with Love County Education Facilities Authority (LCEFA) in 2021. Proceeds from the lease revenue bonds are to be for the construction and placement of improvements on real property. The general obligation bonds will be issued prior the lease purchase payment due dates to Love County Educational Facilities Authority. One hundred percent of the general obligation bonds will be used to pay the lease revenue bond payments and bond issuance costs. The annual payments start December 1, 2023 and will continue with final payment due to LCEFA on December 1, 2038.

Property Tax Revenues collected by the District are pledged to repay the District's General Obligation Bonds. As of June 30, 2022, \$17,035,000 general obligations were outstanding. Principal and interest paid for current year and revenues collected were \$750,000 and \$45,888 respectively.

4. Employee Retirement System

Teachers' Retirement System of Oklahoma

Plan Description – The System provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The ability to establish and amend benefit provisions is the responsibility of the state legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the employees of the District. The System issues a publicly available financial report that can be obtained at <http://www.ok.gov/trs/>.

Benefits Provided – The System provides defined retirement benefits based on members' final compensation, age, and term of service. In addition, the retirement program provides for benefits upon disability and to survivors upon the death of eligible members. Title 70 O.S. Sec. 17-105 defines all retirement benefits. The authority to establish and amend benefit provisions rests with the State Legislature.

Funding Policy—Under the System, contributions are made by the District, the State of Oklahoma and participating employees. Participation is required for all teachers and other certified staff and is options for all other employees of public education institutions who work at least 20 hours per week.

Marietta School District I-16
Love County, Oklahoma
Notes to Combined Financial Statements
June 30, 2022

4. *Employee Retirement System (continued)*

Contributions – In accordance with *Oklahoma Statutes*, System members are required to contribute 7.00% of applicable compensation. For the year ended June 30, 2022, qualifying employee contributions were reduced by a retirement credit of \$57,972 provided by Enrolled House Bill 1873 and paid by the State of Oklahoma as on-behalf payments. For the year ended June 30, 2022, the District had a statutory contribution rate of 9.5% plus 7.90% as a match for salaries funded by federal programs. The contribution requirements of System members and the District are established and may be amended by the state legislature. For the year ended June 30, 2022, the District’s contributions to the System were \$617,039.

Pension plan fiduciary net position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued TRS financial report that can be obtained at <http://www.ok.gov/trs/>.

5. *Other Post-Employment Benefits (OPEB)*

In addition to the retirement plan described in Note 4, the District participates in the state-administered Supplemental Health Insurance Program (OPEB Plan) within Teachers’ Retirement System of Oklahoma (the OPEB System), which is a cost-sharing multiple-employer defined benefit OPEB plan administered by the Teacher Retirement System (TRS).

Plan Description – The OPEB System provides pays a monthly health insurance premium supplement for each retired member who is enrolled in the health insurance plan provided by the State and Education Employees Group Health and Dental Insurance plan or in an insurance program provided by a participating education employer who provides health insurance coverage to former employees, provided the retired member had at least ten (10) years of Oklahoma service prior to retirement.

Benefits Provided – All retirees are eligible except for special retirees (as defined) and spouses and beneficiaries as long as they have at least 10 years of service. Retirees who elect such coverage receive the smaller of (i) a Medicare supplement benefit, if eligible, or (ii) an amount between \$100 and \$105 per month, depending on service and final average compensation. Payments made on the retirees’ behalf to the Employees Group Insurance Division of the Office of Management and Enterprise Services, if the member continues health coverage under that Plan, or (ii) to the member’s former employer, if the member retains health coverage under a plan maintained by the former employer.

Marietta School District I-16
Love County, Oklahoma
Notes to Combined Financial Statements
June 30, 2022

5. *Other Post-Employment Benefits (OPEB) (continued)*

Contributions – Employer and employee contributions are made based upon the TRS Plan provisions contained in State Statute Title 70, as amended. However, the statutes do not specify or identify any particular contribution source to pay the health insurance subsidy. The cost of the subsidy averages 0.13% of normal cost, as determined by an actuarial valuation.

OPEB plan fiduciary net position – Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued TRS financial report that can be obtained at <http://www.ok.gov/trs/>.

6. *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.

The District entered into HVAC project contract related to construction project of the middle/high school projects during the fiscal year. As of June 30, 2022, the District had outstanding construction-related commitments totaling \$1,480,727, in which will be from the District Building Fund related to federal fund project.

During 2022, the worldwide coronavirus pandemic declared in March 2020 continues to impacted local, national and global economies. The District is closely monitoring their operations and available fund balances and actively working to minimize current and future impacts of the unprecedented situation. As of date of issuance of these financial statements, the current and future full impact to the District is not known.

7. *Risk Management*

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from prior year and settlements have not exceeded coverage in the past three years.

Marietta School District I-16
Love County, Oklahoma
Notes to Combined Financial Statements
June 30, 2022

8. *Tax Abatement*

The State of Oklahoma has authorized Oklahoma State Statutes Title 31 to offer Homestead and Veterans exemptions to Ad Valorem property taxes. These exemptions reduce ad valorem taxes remitted to the District. For the year ended June 30, 2022, the District had approximately \$76,300 in abated ad valorem tax revenues.

9. *Lease Revenue Bond Agreements*

On June 1, 2021, the District entered into ground lease and sublease agreements with the Love County Educational Facilities Authority (LCEFA), a public trust, for the purpose of facilitating the issuance of the bonds, to provide security for payment of the bonds, and to enable the District to utilize the bond proceeds for the construction and placement of improvements on real property. The lease agreements will remain in effect to June 30, 2039. The Authority advanced \$12,650,000 in lease revenue bonds, series 2021, to the District for the acquisition and construction of buildings and improvements. The District also received a premium of \$2,105,057 which was deposited into the District's improvement trustee fund. The District will use money received from General Obligation Debt to repay the lease. The advanced funds are being held in a trust and District remits applications for payments. The District reports the balance of advanced funds as Trustee funds for debt services in the General Long Term Debt Group on the statement of assets, liabilities and fund equity. The remaining premium balance is reported as funds provided for by financed purchase in the liability section of the statement of assets, liabilities and fund equity.

10. *Subsequent Event*

The District has evaluated subsequent events through the date which the financial statements were available to be issued.

Marietta School District I-16
Love County, Oklahoma
Supplementary Schedule
Combining Statement of Assets, Liabilities and Fund Equity – Regulatory Basis
All Special Revenue Funds
June 30, 2022

	Building Fund	Child Nutrition Fund	Special Revenue Total
<u>ASSETS</u>			
Cash	\$ 614,183	\$ 257,365	\$ 871,548
Investments	404,448	54,532	458,980
Total Assets	\$ 1,018,631	\$ 311,897	\$ 1,330,528
 <u>LIABILITIES AND FUND EQUITY</u>			
Liabilities:			
Warrants payable	\$ 550	\$ 3,771	\$ 4,321
Encumbrances outstanding	49,190	79,975	129,165
Total Liabilities	49,740	83,746	133,486
 Fund Equity:			
Unreserved:			
Undesignated	\$ 968,891	\$ 228,151	\$ 1,197,042
Total Cash Fund Balances	968,891	228,151	1,197,042
Total Liabilities and Fund Equity	\$ 1,018,631	\$ 311,897	\$ 1,330,528

Marietta School District I-16
Love County, Oklahoma
Supplementary Schedule
Combining Statement of Revenues Collected, Expenditures Paid and
Changes in Cash Fund Balances – Regulatory Basis
All Special Revenue Funds
For the Year Ended June 30, 2022

	<u>Building Fund</u>	<u>Child Nutrition Fund</u>	<u>Special Revenue Total</u>
Revenues collected:			
Local sources	\$ 257,894	\$ 68,449	\$ 326,343
State Sources	144,594	29,995	174,589
Federal Sources	47,262	556,113	603,375
Total Revenues Collected	<u>449,750</u>	<u>654,557</u>	<u>1,104,307</u>
Expenditures paid:			
Support Services	158,446	-	158,446
Non-Instructional Services	-	569,686	569,686
Capital outlay	45,466	-	45,466
Other Outlays	-	419	419
Total expenditures paid	<u>203,912</u>	<u>570,105</u>	<u>774,017</u>
Excess of revenues collected over (under) expenditures paid	<u>245,838</u>	<u>84,452</u>	<u>330,290</u>
Adjustments to prior year encumbrances	<u>49,190</u>	<u>-</u>	<u>49,190</u>
Excess of revenues collected and other sources over (under) expenditures paid and other uses	295,028	84,452	379,480
Cash fund balances, beginning of year	<u>673,863</u>	<u>143,699</u>	<u>817,562</u>
Cash fund balances, end of year	<u>\$ 968,891</u>	<u>\$ 228,151</u>	<u>\$ 1,197,042</u>

Marietta School District I-16
Love County, Oklahoma
Supplementary Schedule
Combining Statement of Revenues Collected, Expenditures Paid and
Changes in Cash Fund Balances – Budget and Actual – Regulatory Basis
Building and Child Nutrition Funds
For the Year Ended June 30, 2022

	Building Fund			Child Nutrition Fund			Total		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
Beginning cash fund balances - Budgetary basis	\$ 673,863	\$ 673,863	\$ 673,863	\$ 143,699	\$ 143,699	\$ 143,699	\$ 817,562	\$ 817,562	\$ 817,562
Revenues collected:									
Local sources	234,604	234,604	257,894	89,046	89,046	68,449	323,650	323,650	326,343
State sources	-	-	144,594	42,500	42,500	29,995	42,500	42,500	174,589
Federal sources	-	-	47,262	299,000	299,000	556,113	299,000	299,000	603,375
Total Revenues Collected	<u>234,604</u>	<u>234,604</u>	<u>449,750</u>	<u>430,546</u>	<u>430,546</u>	<u>654,557</u>	<u>665,150</u>	<u>665,150</u>	<u>1,104,307</u>
Expenditures paid:									
Support Services	158,500	158,500	158,446	-	-	-	158,500	158,500	158,446
Non-Instructional Services	-	-	-	573,845	573,845	569,686	573,845	573,845	569,686
Capital outlay	46,200	46,200	45,466	-	-	-	46,200	46,200	45,466
Other outlays	736,767	736,767	-	400	400	419	737,167	737,167	419
Total expenditures paid	<u>941,467</u>	<u>941,467</u>	<u>203,912</u>	<u>574,245</u>	<u>574,245</u>	<u>570,105</u>	<u>1,515,712</u>	<u>1,515,712</u>	<u>774,017</u>
Excess of revenues collected over (under) expenditures paid	<u>(706,863)</u>	<u>(706,863)</u>	<u>245,838</u>	<u>(143,699)</u>	<u>(143,699)</u>	<u>84,452</u>	<u>(850,562)</u>	<u>(850,562)</u>	<u>330,290</u>
Adjustment to prior year encumbrance	<u>33,000</u>	<u>33,000</u>	<u>49,190</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,000</u>	<u>33,000</u>	<u>49,190</u>
Ending cash balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 968,891</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 228,151</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,197,042</u>

Marietta School District I-16
Love County, Oklahoma
Supplementary Schedule
Combining Statement of Changes in Cash Balances – Regulatory Basis
Activity Funds
For the Year Ended June 30, 2022

	BEGINNING BALANCE	RECEIPTS	CHECKS	ENDING BALANCE
801 YEARBOOK	\$ 13,277	\$ 17,892	\$ 13,530	\$ 17,639
803 ATHLETICS	26,126	35,597	33,755	27,968
804 BOYS BASKETBALL	9,482	990	5,442	5,030
805 GIRLS BASKETBALL	15,337	2,059	14,378	3,018
806 BASEBALL	10,656	26,907	20,974	16,589
807 BAND	5,379	9,488	8,086	6,781
809 CHOIR	5,033	12,678	11,363	6,348
812 ELEMENTARY SCHOOL	14,519	5,232	14,759	4,992
813 ELEMENTARY LIBRARY	8,686	16,626	15,764	9,548
814 FFA	15,649	121,954	115,797	21,806
815 FCCLA	3,065	16,194	15,849	3,410
816 JR. CLASS	938	25,805	17,457	9,286
817 MISCELLANEOUS	14,821	49,010	51,044	12,787
819 HS CHEERLEADERS	8,739	11,354	18,165	1,928
821 MS CHEERLEADERS	4,332	2,308	5,300	1,340
823 SCHOLARSHIPS	2,505	7,020	4,650	4,875
826 SPEECH	4,010	1,210	2,410	2,810
827 HS STUDENT COUNCIL	1,184	2,292	1,697	1,779
828 MIDDLE SCHOOL	2,015	156	739	1,432
831 SEWELL SCHOLARSHIP	7,392	13	1,000	6,405
834 SOFTBALL	15,842	11,257	16,190	10,909
839 T/F CLUB	14,026	18,359	12,774	19,611
842 MS STUDENT COUNCIL	2,855	932	1,227	2,560
846 HIGH SCHOOL	(1,102)	7,133	5,833	198
847 ELL	351	302	106	547
848 MS/HS LIBRARY	2,230	2,840	2,121	2,949
849 MS/HS ACADEMIC TEAM	172	-	-	172
854 PRIMARY ELEMENTARY	17,065	34,616	35,673	16,008
855 ELEMENTARY MUSIC	3,907	2,507	1,924	4,490
856 R WILLIS MEMORIAL	1,500	-	-	1,500
859 MIGHTY INDIANS	11,771	6,572	5,193	13,150
861 FOOTBALL	2,726	20,206	12,946	9,986
862 4-H	100	1,461	1,088	473
864 OUTDOOR CLASSROOM	2,581	-	-	2,581
865 FOOD/CLOTHING	3,870	-	-	3,870
866 NHS	218	-	-	218
867 SENIOR CLASS	29	-	-	29
	<u>\$ 251,286</u>	<u>\$ 470,970</u>	<u>\$ 467,234</u>	<u>\$ 255,022</u>

Marietta School District I-16
Love County, Oklahoma
Supplementary Schedule
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

<u>Federal Grant / Pass-Through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass - Through Grantor's Project Number</u>	<u>Balance 6/30/2021</u>	<u>Federal Grant Receipts</u>	<u>Federal Grant Expenditures</u>	<u>Balance 6/30/2022</u>
U.S. Department of Defense						
<i>Passed Through Love County, Oklahoma</i>						
Payments to States in Lieu of Real Estate Taxes	12.112	770	\$ 69	\$ 127	\$ -	\$ 196
U.S. Department of Interior						
<i>Passed Through Chickasaw Nation:</i>						
Johnson O'Malley	15.130	563	(664.00)	4,328	5,828	(2,164)
Federal Communication Commission						
<i>Direct Program:</i>						
COVID-19 Emergency Connectivity Fund Program	32.009	772	-	-	38,613	(38,613)
U.S. Department of Education						
<i>Direct Program:</i>						
Title VII - Indian Education	84.060A	561	(34.00)	26,800	26,800	(34)
Title VIII- Impact Aid	84.041	591	-	23,250	23,250	-
<i>Passed Through Oklahoma Department of Career and Technology Education</i>						
Vocational Education - Basic Grant to States	84.048	424	500	-	-	500
<i>Passed Through State Department of Education:</i>						
Title I, Grants to Local Education Agencies	84.010	511/515	(300)	422,409	422,109	-
Special Education - Flow-Through	84.027	621	-	171,970	182,060	(10,090)
COVID-19-ARP-IDEA B Coordinated Early Intervening Services	84.027X	624	-	9,136	9,136	-
Early Intervening Services	84.027	623	-	33,373	33,373	-
Special Education - Preschool	84.173	641	-	4,484	4,484	-
Special Education Cluster			-	218,963	229,053	(10,090)
Title III, Part A, English Language Acquisition	84.365	572	-	17,038	18,168	(1,130)
Title VI - Part B Rural Education	84.358	587	-	25,547	25,547	-
Title IX-Education for Homeless Children and Youth, Part A	84.196	596	-	9,731	11,355	(1,624)
State Professional Development Grant	84.323A	651	-	1,700	1,367	333

Marietta School District I-16
Love County, Oklahoma
Supplementary Schedule
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Federal Grant / Pass-Through Grantor / Program Title	Federal CFDA Number	Pass - Through Grantor's Project Number	Balance 6/30/2021	Federal Grant Receipts	Federal Grant Expenditures	Balance 6/30/2022
<i>Passed Through State Department of Education:</i>						
COVID-19 Education Stabilization Funds -American Rescue Plan (ARP) Elementary and Secondary School Emergency Relief (ESSER III) Fund	84.425U	795	-	316,531	394,553	(78,022)
COVID-19 Education Stabilization Funds - Elementary and Secondary School Emergency Relief (ESSER) Fund II	84.425D	793	(153,237)	1,069,384	947,141	(30,994)
Total ESF-ESSER			(153,237)	1,385,915	1,341,694	(109,016)
<i>Passed Through Oklahoma State Regents for Higher Education</i>						
GEAR-UP Grant	84.334	771	871	-	-	871
Total U.S. Department of Education			\$ (152,200)	\$ 2,131,353	\$ 2,099,343	\$ (120,190)
U.S. Department of Agriculture:						
<i>Passed Through Oklahoma State Department of Education:</i>						
<i>Cash Assistance:</i>						
National School Lunch Program	10.555	763	\$ 73,473	\$ 428,847	\$ 253,850	\$ 248,470
Commodity Credit Corporation (CCC)-Supply Chain Assistance	10.555	759	-	27,368	-	27,368
Emergency Operational Cost Reimbursement (SBP & NSLP)	10.555	762	-	17,538	-	17,538
School Breakfast Program	10.553	764	49,121	81,746	106,963	23,904
Cash Assistance Subtotal:			122,594	555,499	360,813	317,280
<i>Passed Through Oklahoma State Department of Human Services:</i>						
<i>Non-Cash Assistance (Commodities)</i>						
National School Lunch Program	10.555		-	59,721	59,721	-
Non-Cash Assistance Subtotal:			-	59,721	59,721	-
Child Nutrition Cluster			122,594	615,220	420,534	317,280
<i>Passed Through Oklahoma State Department of Education:</i>						
Pandemic Electronic Benefit Transfer(P-EBT) Administrative Costs Grant	10.649	760	-	614	-	614
Total U.S. Department of Agriculture			\$ 122,594	\$ 615,834	\$ 420,534	\$ 317,894
Total Expenditures of Federal Awards			\$ (30,201)	\$ 2,751,642	\$ 2,564,318	\$ 157,123

Marietta School District I-16
Love County, Oklahoma
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Note A: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Marietta School District I-16 Love County, Oklahoma under programs of the federal government for the year ended June 30, 2022. 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 Marietta School District I-16 Love County, Oklahoma, it is not intended to and does not present the basic financial statements as listed in the table of contents, of Marietta School District I-16 Love County, Oklahoma.

Note B: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on using the cash basis of accounting. Encumbrances are included when paid rather than when incurred. Some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, where certain types of expenditures are not allowable or are limited as to reimbursement. Nonmonetary assistance is reported in the schedule at the fair market value of commodities received.

Note C: Indirect Cost Rate

Marietta School District I-16 Love County, Oklahoma has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note D: Subrecipients

Marietta School District I-16 Love County, Oklahoma did not have any awards that have been passed through to subrecipients.

Note E: Transfers between Federal Programs

Marietta School District I-16 Love County, Oklahoma received \$33,595 for program CFDA#84.367 Title II, Part A funds, and received \$25,118 for program CFDA#84.424 Title IV which were allowed to be transferred to be used for Title I CFDA#84.010, and thus was reported above in the Title I revenues agree with corresponding expenditures.

**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
Marietta School District I-16
Marietta, Oklahoma 73448

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 of Marietta School District I-16, Love County Oklahoma, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Marietta School District I-16, Love County Oklahoma's basic regulatory financial statements and have issued our report thereon dated December 2, 2022. Our report included an adverse opinion on U.S. Generally Accepted Accounting Principles and a qualified opinion due to the omission of the general fixed asset account group.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Marietta School District I-16, Love 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 effectiveness Marietta School District I-16, Love County, Oklahoma's internal control. Accordingly, we do not express an opinion on the effectiveness of Marietta School District I-16, Love County, Oklahoma's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2022-002 that we consider to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2022-001 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Marietta School District I-16, Love County Oklahoma'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2022-002.

Marietta School District I-16's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Marietta School District I-16's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Marietta School District I-16's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.



Norman, Oklahoma
December 2, 2022

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

The Honorable Board of Education
Marietta School District I-16
Marietta, Oklahoma 73448

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Marietta School District I-16, Love County, Oklahoma's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Marietta School District I-16, Love County, Oklahoma's major federal programs for the year ended June 30, 2022. Marietta School District I-16, Love County, Oklahoma's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Marietta School District I-16, Love County, Oklahoma, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Marietta School District I-16, Love County, Oklahoma and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Marietta School District I-16'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 Marietta School District I-16's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Marietta School District I-16's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Marietta School District I-16'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 Marietta School District I-16's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Marietta School District I-16'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 Marietta School District I-16's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2022-003. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Marietta School District I-16's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Marietta School District I-16's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-003 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our 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.

Government Auditing Standards requires the auditor to perform limited procedures on Marietta School District I-16's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Marietta School District I-16's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Norman, Oklahoma
December 2, 2022

Marietta School District I-16
Love County, Oklahoma
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section I – Summary of Auditor’s Results

Financial Statements:

Type of audit report:	Qualified Opinion Regulatory Basis
Internal control over financial reporting:	
Material weakness(es) identified?	<u> X </u> Yes <u> </u> No
Significant Deficiency(ies) identified that are not considered to be material weaknesses?	<u> X </u> Yes <u> </u> None Reported
Noncompliance material to financial statement	<u> X </u> Yes <u> </u> No

Federal Awards:

Internal control over major program:	
Material weakness(es) identified?	<u> X </u> Yes <u> </u> No
Significant Deficiency(ies) identified that are not considered to be material weaknesses?	<u> </u> Yes <u> X </u> None Reported

Type of auditors' report issued on compliance for major programs:	Unmodified Opinion
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Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	<u> X </u> Yes <u> </u> No
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Identification of Major Programs:	
<u>Assistance/CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.425D & 84.425U	COVID-19 Education Stabilization Funds- Elementary and Secondary School Emergency Relief (ESSER II) Fund & American Rescue Plan (ARP) Elementary and Secondary School Emergency Relief (ESSER III) Fund

Dollar threshold used to distinguish between Type A and Type B	\$ 750,000
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Auditee qualified as a low-risk auditee?	<u> </u> Yes <u> X </u> No
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Marietta School District I-16
Love County, Oklahoma
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section II – Financial Statement Findings

2022-001 Financial Reporting

Condition: The District does not have a financial reporting system in place to ensure that all financial information is disclosed in the appropriate accounting period and in accordance with the regulatory basis of accounting and State Department of Education guidelines. In addition, the District does not report a general fixed asset account group as required by the State Department of Education guidelines.

Criteria: The responsibility for the financial statements remains with management even when the preparation of the financial statements is transferred to a service provider. An individual with sufficient awareness of disclosure requirements should be designated to oversee the preparation of the financial statements.

Cause: The internal control structure of the District focuses primarily on daily operations. The District does have a system of financial reporting that determines the trial balances used in financial statement preparation are final. The District does not currently have a system in place to determine appropriate financial statement disclosures. The District also does not have a system for accounting for general fixed assets.

Effect: Potential that financial statement disclosures will be incomplete. Scope limitation on the audit for the general fixed asset account group.

Recommendation: We recommend that the District evaluate the costs of providing for the additional assistance needed for the year-end financial reporting process to determine it is in accordance with accounting and regulatory requirements.

*Views of Responsible Officials
and Planned Corrective*

Action: The District's current budget constraints do not allow for the addition of an outside consultant to assist in the year-end financial reporting process. Management reviews disclosures as presented to determine that they are accurate.

Marietta School District I-16
Love County, Oklahoma
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

2022-002 Purchase Procedures

Condition: Public construction project was completed but was not publicly bid.

Criteria: OK State Statute Title 61-103a Unless otherwise provided by law, all public construction contracts exceeding One Hundred Thousand Dollars (\$100,000.00) or construction management trade contracts or subcontracts exceeding Fifty Thousand Dollars (\$50,000.00) shall be let and awarded to the lowest responsible bidder, by open competitive bidding after solicitation for sealed bids, in accordance with the provisions of the Public Competitive Bidding Act of 1974.

Cause: Quotes were obtained on various purchase orders, but it was all one project, which then was over the \$100,000 requirement to have a public bid as required.

Effect: Potential for misappropriation of assets.

Recommendation: We recommend that all public construction contracts in excess of state law limits be competitively bid. We recommend that projects which are construction in nature be fully evaluated before any materials/services are purchased to ensure that purchase procedures are properly followed.

*Views of Responsible Officials
and Planned Corrective*

Action: The District will review future projects to ensure purchase procedures are followed. There was confusion in the initial purchase of the greenhouse materials, which did not include the labor or slab, which was not known at the time of purchase. Therefore, additional purchase orders were created for labor and concrete slab.

Marietta School District I-16
Love County, Oklahoma
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section III – Federal Award Findings and Questioned Costs

2022-003 **Federal Agency:** U.S. Department of Education
Pass Thru Entity: Oklahoma State Department of Education
Federal Program: COVID-19 Education Stabilization Fund-Elementary & Secondary School Emergency Relief (ESSER II & American Rescue Plan (ARP) Elementary & Secondary School Emergency Relief (ESSER III)) Fund
Assistance Listing: COVID-19 84.425D & 84.425U (OCAS Projects 793 & 795)

Condition: Property purchased with federal funds was not tracked and maintained as property in accordance as federal regulations

Criteria: 2 CFR 200.313(d)(1) requires property records must be maintained that include a description of the property, serial number or other identification number, the source of funding for the property, who holds title, the acquisition date, the cost of the property, the percentage of the federal project costs in which the property was acquired, the location, use and condition of property and an ultimate disposition data including the date of disposal and sale price of the property.

Context: All property/equipment expenditures were reviewed. Three out of eleven were not properly identified and included on federal listing. Eleven out of eleven did not have all required elements required by regulations.

Cause: Due to new COVID Funding, property expenditures were allowed, and District did not have functioning controls to ensure all required elements were tracked.

Effect: Potential noncompliance with Uniform Guidance

Recommendation: We recommend that all property purchased with federal funds be tracked as required by federal regulations. We recommend that controls be implemented to properly maintain records for property obtained with federal funds.

*Views of Responsible Officials
and Planned Corrective*

Action: The District has reviewed all federal property inventory listings and updated as necessary with additional information to bring the District into compliance with Federal Regulations. Additionally, controls will be added to fiscal year end procedures to ensure all federal property purchases have been identified and recorded on the federal property inventory listing.

Marietta School District I-16
Love County, Oklahoma
Summary of Prior Year Findings
For the Year Ended June 30, 2022

Financial Statement Findings

2021-001 Financial Reporting

Condition: The District does not have a financial reporting system in place to ensure that all financial information is disclosed in the appropriate accounting period and in accordance with the regulatory basis of accounting and State Department of Education guidelines. In addition, the District does not report a general fixed asset account group as required by the State Department of Education guidelines.

Recommendation: The Auditor recommended that the District evaluate the costs of providing for the additional assistance needed for the year-end financial reporting process to determine it is in accordance with accounting and regulatory requirements

Current Status: Condition still exists see current year finding 2022-001

2021-002 Coding of Revenues and Expenditures

Condition: Federal revenues and expenditures were not properly coded as federal in the Oklahoma Cost Accounting System (OCAS).

Recommendation: The Auditor recommend that all federal funds be properly coded in OCAS. The Auditor also recommend that procedures be implemented for all new revenue received to determine source of funds are properly coded when received and used.

Current Status: Condition has been resolved.

Federal Award Findings and Questioned Costs

2021-003 Preparation of Schedule of Expenditures of Federal Awards (SEFA)

Condition: Federal award was not properly coded as federal in the Oklahoma Cost Accounting System (OCAS).

Recommendation: The Auditor recommend that all federal funds be properly coded in OCAS. The Auditor also recommend that procedures be implemented for all new revenue received to determine source of funds are properly coded when received and used.

Current Status: Condition has been resolved.

Marietta School District I-16
Love County, Oklahoma
Statement of Statutory Fidelity, and Honest Bonds (unaudited)
For the Year Ended June 30, 2022

The treasurer is bonded by The Ohio Casualty Company, bond number 601135869 for the penal sum of \$100,000, term beginning June 14, 2021 and ending June 30, 2022. This is a renewal of a continuous bond.

The Superintendent, encumbrance clerk, minutes clerk, encumbrance clerk and activity fund custodian are bonded by Western Surety Insurance Company, bond number 70761294 for the penal sum of \$100,000 term beginning July 1, 2021 and ending July 1, 2022. This is a renewal of a continuous bond.

The deputy treasurer is bonded by The Ohio Casualty Company, bond number 601135871 for the penal sum of \$100,000, term beginning June 14, 2021 and ending June 30, 2022 This is a renewal of a continuous bond.

Marietta School District I-16
Love County, Oklahoma
Schedule of Accountant's Professional Liability Insurance Affidavit (unaudited)
For the Year Ended June 30, 2022

State of Oklahoma)
) ss
County of Cleveland)

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 Marietta School District I-16 for the audit year 2021-2022.

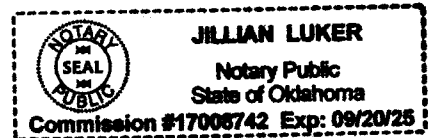
MARY E. JOHNSON & ASSOCIATES, PLLC

Mary E. Johnson

BY: _____
 Authorized Agent

Subscribed and sworn to before me on this 30th day of, December, 2022.

Jillian Luker
Notary Public



Commission Number: 17008742

My commission expires on: 20th day of, Sept, 2025.