

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

**HULBERT SCHOOL DISTRICT NO. I-16  
CHEROKEE COUNTY, OKLAHOMA**

**JUNE 30, 2024**

**Audited by**

**DREW KIMBLE  
CERTIFIED PUBLIC ACCOUNTANT**

**104 S. Muskogee Ave.**

**TAHLEQUAH, OKLAHOMA**

**HULBERT SCHOOL DISTRICT No. I-16  
CHEROKEE COUNTY, OKLAHOMA  
JUNE 30, 2024**

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**INDEPENDENT AUDITOR'S REPORT**

January 28, 2025

The Honorable Board of Education  
Hulbert School District No. I-16  
Cherokee County, Oklahoma

**Opinions**

We have audited the accompanying combined fund type and account group financial statements-regulatory basis of the Hulbert School District, No. I-16, Cherokee County, Oklahoma (District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, as listed in the table of contents.

*Qualified Opinion on Regulatory Basis of Accounting*

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on Regulatory Basis of Accounting" paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities and fund balance arising from regulatory basis transactions of each fund type and account group of Hulbert School District, No. I-16, Cherokee County, Oklahoma, as of June 30, 2024, and the revenues collected and expenditures paid and encumbered for the year then ended on the regulatory basis of accounting described in Note 1.

*Adverse Opinion on U.S. Generally Accepted Accounting Principles*

In our opinion, because the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Hulbert School District, No. I-16, Cherokee County, Oklahoma, as of June 30, 2024, the changes in its financial position, or, where applicable, its cash flows for the year then ended.

*Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Hulbert School District, No. I-16, Cherokee County, Oklahoma, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Basis for Qualified Opinion on Regulatory Basis of Accounting***

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

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

As discussed in Note 1, the financial statements are prepared by the Hulbert School District, No. I-16, on the basis of the financial reporting provisions of the Oklahoma State Department of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Oklahoma State Department of Education. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determined, are presumed to be material and pervasive.

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the fund type and account group financial statements-regulatory basis that collectively comprise the District's basic financial statements. The accompanying combining financial statements-regulatory basis and other supplementary information and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements-regulatory basis. The information has been subjected to the auditing procedures applied in the audit of the fund type and account group financial statements within the combined financial statements-regulatory basis and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the financial statements being prepared in compliance with the regulatory basis as prescribed by the Oklahoma State Department of Education as discussed in Note I, the combining financial statements-regulatory basis and other supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the combined financial statements-regulatory basis as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

***DREW KIMBLE***

Drew Kimble, CPA

**REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS**

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

January 28, 2025

The Honorable Board of Education  
Hulbert School District No. I-16  
Cherokee County, Oklahoma

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying fund type and account group financial statements-regulatory basis within the combined financial statements of the Hulbert School District, No. I-16, Cherokee County, Oklahoma (District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 28, 2025, which was adverse with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in the United States because the presentation followed the regulatory basis of accounting for Oklahoma school districts and did not conform to the presentation requirements of the Governmental Accounting Standards Board. However, our report was qualified for the omission of the general fixed asset account group with respect to the presentation of financial statements on the regulatory basis of accounting authorized by the Oklahoma State Board of Education.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of District's internal control. Accordingly, we do not express an opinion on the effectiveness of District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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



Drew Kimble, CPA

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

January 28, 2025

The Honorable Board of Education  
Hulbert School District No. I-16  
Cherokee County, Oklahoma

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Hulbert School District, No. I-16, Cherokee County, Oklahoma (the District)'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Hulbert School District, No. I-16, Cherokee County, Oklahoma, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

***Basis of Opinion on Each Major Federal Program***

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

We are required to be independent of Hulbert School District, No. I-16, Cherokee 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 Hulbert School District, No. I-16, Cherokee County, Oklahoma's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Hulbert School District, No. I-16, Cherokee County, Oklahoma's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Hulbert School District, No. I-16, Cherokee County, Oklahoma's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Hulbert School District, No. I-16, Cherokee County, Oklahoma's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Pawnee School District Number 1-1, Cherokee County, Oklahoma's internal control over compliance. Accordingly, no such opinion is expressed.

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

***Report on Internal Control Over Compliance***

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

**DREW KIMBLE**

Drew Kimble, CPA

**COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS**

**Hulbert School District No. I-16**  
**Schedule of Audit Results, Findings and Questioned Costs and Disposition of Prior Years**  
**Significant Deficiencies and Material Instances of Noncompliance**  
**June 30, 2024**

**SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an adverse opinion on the basic financial statements in conformity with generally accepted accounting principles and an a qualified opinion was issued for the general fixed asset account group on the combined financial statements win conformity with a regulatory basis of accounting prescribed by the Oklahoma State Department of Education.
2. No deficiencies relating to the audit of the financial statements is reported in the Schedule of Findings and Questioned Costs.
3. No instances of noncompliance material to the financial statements of Hulbert School District No. I-16 were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs during the audit are reported in the Independent Auditor's Report on Compliance with Requirements that could have a direct material effect on each major Program and Internal Control over Compliance with OMB Uniform Compliance.
5. The auditor's report on compliance for the major federal award programs for Hulbert School District No. I-16 expresses an unmodified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with Section 200.510(a) of the Uniform Guidance are reported in this schedule.
7. The programs tested as major programs are the COVID-19 Education Stabilization Fund-ESER/ARP/CARES Act Programs (84.425U), and Title I, Part A (84.010).
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. Hulbert School District No. I-16 is not a low risk auditee.

**DISPOSITION OF PRIOR YEAR'S SIGNIFICANT DEFICIENCIES AND MATERIAL INSTANCES OF NONCOMPLIANCE**

**Finding 2023-1 Purchase Orders**

Condition: During the review of the appropriated and activity fund expenditures, we made the following observations:

- Most of the invoices were not signed received by a District employee

- There was a large amount of purchase orders where we were unable to locate supporting documentation or could only locate partial documentation
- Most purchase orders were not signed by purchasing officer
- Most purchase orders that require a non-kickback affidavit, did not have one

**Current Status:** This finding was corrected for the 2023-2024 fiscal year.

#### **FINDINGS – FINANCIAL STATEMENT AUDIT**

1. None

#### **FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWRD PROGRAMS AUDIT**

1. None

**HULBERT SCHOOL DISTRICT NO. I-16**  
**COMBINED STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES**  
**REGULATORY BASIS - ALL FUND TYPES AND ACCOUNT GROUPS**  
**JUNE 30, 2024**

|   | <u>Governmental Fund Types</u> |                            |                         | <u>Fiduciary Fund Types</u>                | <u>Account Group</u>               | Total (Memorandum Only<br>Note 1)<br>2024 |
|---|--------------------------------|----------------------------|-------------------------|--|------------------------------------|---|
|   | <u>General</u>                 | <u>Special<br/>Revenue</u> | <u>Debt<br/>Service</u> | <u>Expendable<br/>Trust and<br/>Agency</u> | <u>General Long-<br/>Term Debt</u> |   |
| <b>ASSETS</b>   |                                |                            |                         |  |                                    |   |
| Cash and Investments  | \$ 1,124,172.46                | \$ 366,961.22              | \$ 41,393.45            | \$ 164,102.88                              | \$ -                               | \$ 1,696,630.01                           |
| Amount Available in Debt Service Fund                             | -                              | -                          | -                       | -  | 41,393.45                          | 41,393.45                                 |
| Amount to be Provided for Retirement of<br>General Long-Term Debt | -                              | -                          | -                       | -  | 118,606.55                         | 118,606.55                                |
| Amount to be Provided for Capitalized<br>Lease Agreements         | -                              | -                          | -                       | -  | -                                  | -   |
| <b>Total Assets</b>   | <u>\$ 1,124,172.46</u>         | <u>\$ 366,961.22</u>       | <u>\$ 41,393.45</u>     | <u>\$ 164,102.88</u>                       | <u>\$ 160,000.00</u>               | <u>\$ 1,856,630.01</u>                    |
| <b>LIABILITIES AND FUND BALANCES</b>                              |                                |                            |                         |  |                                    |   |
| <b>Liabilities:</b>   |                                |                            |                         |  |                                    |   |
| Warrants Payable  | \$ 222,432.90                  | \$ 13,603.29               | \$ -                    | \$ -                                       | \$ -                               | \$ 236,036.19                             |
| Reserves  | 45,294.41                      | 212.20                     | -                       | -  | -                                  | 45,506.61                                 |
| Due to Others   | -                              | -                          | -                       | 164,102.88                                 | -                                  | 164,102.88                                |
| General Obligation Bonds Payable                                  | -                              | -                          | -                       | -  | 160,000.00                         | 160,000.00                                |
| Capitalized Lease Obligations Payable                             | -                              | -                          | -                       | -  | -                                  | -   |
| <b>Total Liabilities</b>  | <u>267,727.31</u>              | <u>13,815.49</u>           | <u>-</u>                | <u>164,102.88</u>                          | <u>160,000.00</u>                  | <u>605,645.68</u>                         |
| <b>Fund Balances:</b>   |                                |                            |                         |  |                                    |   |
| Restricted  | -                              | 353,145.73                 | 41,393.45               | -  | -                                  | 394,539.18                                |
| Unassigned  | 856,445.15                     | -                          | -                       | -  | -                                  | 856,445.15                                |
| <b>Total Fund Balances</b>  | <u>856,445.15</u>              | <u>353,145.73</u>          | <u>41,393.45</u>        | <u>-</u>                                   | <u>-</u>                           | <u>1,250,984.33</u>                       |
| <b>Total Liabilities and Fund Balances</b>                        | <u>\$ 1,124,172.46</u>         | <u>\$ 366,961.22</u>       | <u>\$ 41,393.45</u>     | <u>\$ 164,102.88</u>                       | <u>\$ 160,000.00</u>               | <u>\$ 1,856,630.01</u>                    |

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

**HULBERT SCHOOL DISTRICT NO. I-16**  
**COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND CHANGES IN CASH FUND BALANCES**  
**-ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUSTS- REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

|  | Governmental Fund Types |                      |                      | Fiduciary<br>Fund Types                 | Totals<br>(Memorandum<br>Only) |
|--|-------------------------|----------------------|----------------------|---|--------------------------------|
|  | General                 | Special<br>Revenue   | Debt<br>Service      | Expendable<br>Trust and<br>Agency Funds |                                |
| <b>Revenues Collected:</b>   |                         |                      |                      |   |                                |
| Local Sources  | \$ 832,076.28           | \$ 134,242.40        | \$ 116,891.36        | \$ -                                    | \$ 1,083,210.04                |
| Intermediate Sources   | 76,805.51               | -                    | -                    | -                                       | 76,805.51                      |
| State Sources  | 4,469,428.29            | 95,735.44            | -                    | -                                       | 4,565,163.73                   |
| Federal Sources  | 1,233,733.88            | 409,552.35           | -                    | -                                       | 1,643,286.23                   |
| Total Revenues Collected   | <u>\$ 6,612,043.96</u>  | <u>\$ 639,530.19</u> | <u>\$ 116,891.36</u> | <u>\$ -</u>                             | <u>\$ 7,368,465.51</u>         |
| <b>Expenditures</b>  |                         |                      |                      |   |                                |
| Instruction  | 3,729,202.90            | 41.98                | -                    | -                                       | 3,729,244.88                   |
| Support Services   | 2,603,508.70            | 216,023.64           | -                    | 356,800.06                              | 3,176,332.40                   |
| Operation of Non-Instruction Services  | 74,462.03               | 278,648.37           | -                    | -                                       | 353,110.40                     |
| Facilities Acquisition and Construction Services   | -                       | 15,728.00            | -                    | -                                       | 15,728.00                      |
| Other Outlays:   |                         |                      |                      |   |                                |
| Correcting Entry   | 225.00                  | 179.25               | -                    | -                                       | 404.25                         |
| Debt Service Requirements  | -                       | -                    | 137,000.00           | -                                       | 137,000.00                     |
| Total Liabilities  | <u>6,407,398.63</u>     | <u>510,621.24</u>    | <u>137,000.00</u>    | <u>356,800.06</u>                       | <u>7,411,819.93</u>            |
| Excess of revenues collected over (under)<br>expenditures before other financing<br>sources (uses) | <u>204,645.33</u>       | <u>128,908.95</u>    | <u>(20,108.64)</u>   | <u>(356,800.06)</u>                     | <u>(43,354.42)</u>             |
| Adjustments to prior year encumbrances   | <u>9,846.68</u>         | <u>4,407.54</u>      | <u>-</u>             | <u>-</u>                                | <u>14,254.22</u>               |
| Excess of revenues collected over<br>(under) expenditures  | <u>214,492.01</u>       | <u>133,316.49</u>    | <u>(20,108.64)</u>   | <u>(356,800.06)</u>                     | <u>(29,100.20)</u>             |
| Cash Fund Balances, Beginning of Year  | <u>641,953.14</u>       | <u>219,829.24</u>    | <u>61,502.09</u>     | <u>356,800.06</u>                       | <u>1,280,084.53</u>            |
| Cash Fund Balances, End of Year  | <u>\$ 856,445.15</u>    | <u>\$ 353,145.73</u> | <u>\$ 41,393.45</u>  | <u>\$ -</u>                             | <u>\$ 1,250,984.33</u>         |

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

**HULBERT SCHOOL DISTRICT NO. I-16  
 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, 2024**

|  | Debt Service    |               |               |
|--|-----------------|---------------|---------------|
|  | Original Budget | Final Budget  | Actual        |
| <b><u>REVENUES COLLECTED:</u></b>  |                 |               |               |
| Local sources  | \$ 116,891.36   | \$ 116,891.36 | \$ 116,891.36 |
| Intermediate sources   | -               | -             | -             |
| State sources  | -               | -             | -             |
| Federal sources  | -               | -             | -             |
| Total revenues collected   | 116,891.36      | 116,891.36    | 116,891.36    |
| <b><u>EXPENDITURES PAID:</u></b>   |                 |               |               |
| Support Services   | -               | -             | -             |
| Capital Outlay   | -               | -             | -             |
| Other Outlays  |                 |               |               |
| Principal Retirement   | 130,000.00      | 130,000.00    | 130,000.00    |
| Interest and Fiscal Agent Charges  | 7,000.00        | 7,000.00      | 7,000.00      |
| Total expenditures paid  | 137,000.00      | 137,000.00    | 137,000.00    |
| Excess of revenues collected over (under)<br>expenditures before adjustments to<br>prior year encumbrances     | (20,108.64)     | (20,108.64)   | (20,108.64)   |
| Other Financing Sources (uses):<br>Bond Sale Proceeds  |                 |               |               |
| Adjustments to prior year encumbrances   | -               | -             | -             |
| Excess (deficiency) of revenues and other<br>resources over expenditures and other<br>financing sources (uses) | (20,108.64)     | (20,108.64)   | (20,108.64)   |
| Fund balance, beginning of year  | 61,502.09       | 61,502.09     | 61,502.09     |
| Fund balance, end of year  | \$ 41,393.45    | \$ 41,393.45  | \$ 41,393.45  |

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

**NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS**

**HULBERT SCHOOL DISTRICT NO. I-16  
NOTES TO THE FINANCIAL STATEMENTS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Hulbert School District No. I-16 (the “District”) have been prepared on a regulatory basis of accounting which is another comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America. The accounting policies are prescribed by the Oklahoma Department of Education, and conform to the system of accounting authorized by the State of Oklahoma. The following is a summary of the more significant accounting policies.

**A. REPORTING ENTITY**

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

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

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The basic--but not the only--criterion for including a potential component unit within the reporting entity is the governing body’s ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility included, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations,

**HULBERT SCHOOL DISTRICT NO. I-16  
NOTES TO THE FINANCIAL STATEMENTS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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.

**B. MEASUREMENT FOCUS: FUND ACCOUNTING**

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

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

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

**Governmental Fund Types**

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

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

Expenditures include all costs associated with the daily operations of 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.

**HULBERT SCHOOL DISTRICT NO. I-16  
NOTES TO THE FINANCIAL STATEMENTS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

- Building Fund — The building fund consists mainly of monies derived from property taxes levied for the purpose of erecting, remodeling, repairing, or maintaining school buildings and for purchasing furniture, equipment and computer software to be used on or for school district property, for paying energy and utility costs, for purchasing telecommunications services, for paying fire and casualty insurance premiums for school facilities, for purchasing security systems, and for paying salaries of security personnel.
- Co-op Fund — The co-op fund is established when the boards of education of two or more school districts enter into cooperative agreements and maintain joint programs. The revenues necessary to operate a cooperative program can come from federal, state, or local sources, including the individual contributions of participating school districts. The expenditures for this fund would consist of those necessary to operate and maintain the joint programs.
- Child Nutrition Fund - The child nutrition fund consists of monies derived from federal and state financial assistance and food sales. This fund is used to account for the various nutrition programs provided to students.

**Debt Service Fund** - The Debt Service Fund is the District’s Sinking Fund 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 fund and is used to account for the proceeds of bond sales to be used exclusively for acquiring school sites, constructing and equipping new school facilities, renovating existing facilities and acquiring transportation equipment. The District did not maintain any capital project funds during the 2022-24 fiscal year.

**Fiduciary Fund Types**

Fiduciary Funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District. When these assets are held under the terms of a formal trust agreement, either a nonexpendable trust fund or an expendable trust fund is used. The terms “nonexpendable” and “expendable” refer to whether or not the District is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the District holds on behalf of others as their agent, and do not involve measurement of results of operations.

**HULBERT SCHOOL DISTRICT NO. I-16  
NOTES TO THE FINANCIAL STATEMENTS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Expendable Trust Funds — Expendable trust funds typically include the gifts and endowments fund and the insurance recovery fund. The District maintained an insurance recovery fund during the 2023-24 fiscal year.

- Insurance Recovery Fund — The insurance recovery fund is a separate non-selfinsured fund established to account for receipts and expenditures for all types of insurance coverage and major reimbursements and reserves for property.

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

**Account Groups**

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

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

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

**Memorandum Only - Total Column**

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

**HULBERT SCHOOL DISTRICT NO. I-16  
NOTES TO THE FINANCIAL STATEMENTS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. BASIS OF ACCOUNTING**

The District prepares its financial statements in a presentation format that is prescribed by the Oklahoma State Department of Education. This format is essentially the generally accepted form of presentation used by state and local governments prior to the effective date of GASB Statement No. 34, *Basic Financial Statements - and 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 and inventories are recorded as assets when purchased.
- Inventories of school supplies are recorded as expenditures and not as inventory assets.
- Fixed assets are recorded in the General Fixed Asset Account Group and not in the basic financial statements. Fixed assets are not depreciated.
- Warrants payable are recorded as liabilities when issued.
- Long-term debt is recorded in the General Long-Term Debt Account Group and not in the basic financial statements.
- Accrued compensated absences are recorded as an expenditure and liability when the obligation is incurred.

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

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

**HULBERT SCHOOL DISTRICT NO. I-16  
NOTES TO THE FINANCIAL STATEMENTS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. BUDGETS AND BUDGETARY ACCOUNTING - ESTIMATE OF NEEDS**

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

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

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

**E. ASSETS, LIABILITIES, AND FUND EQUITY**

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

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

**Inventories** - The value of consumable inventories at June 30, 2024, is not material to the financial statements. Purchases for inventory items are considered expenditures at the time the items were encumbered.

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

**HULBERT SCHOOL DISTRICT NO. I-16  
NOTES TO THE FINANCIAL STATEMENTS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Compensated Absences** - Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources has not been reported as an expenditure or a fund

liability of the governmental fund that will pay it since the combined financial statements have been prepared on the regulatory basis of accounting. Vested accumulated rights to receive sick pay

benefits have not been reported in the General Long-Term Debt Account Group since the combined financial statements have been prepared on the regulatory basis of accounting. These practices differ from accounting principles generally accepted in the United States of America.

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

**Encumbrances** — Encumbrances represent commitments related to purchase orders, contracts, other commitments for expenditures or resources, and goods or services received by the District for which a warrant has not been issued. An expenditure is recorded and a liability is recognized for outstanding encumbrances at year end in accordance with the regulatory basis of accounting. While the regulatory basis that is used for the Debt Service Fund approximates full accrual accounting, the accruals recorded are reported to meet regulatory requirements, as opposed to the requirements of generally accepted accounting principles.

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

**Funds Held for School Organizations** — Funds held for school organizations represent the funds received or collected from students or other cocurricular and extracurricular activities conducted in the District, control over which is exercised by the board of education. These funds are credited to the account maintained for the benefit of each particular activity within the school activity fund.

**Warrants/Checks Payable** – Warrants and checks are issued to meet the obligations for goods and services provided to the District. The District recognizes a liability for the amount of outstanding warrants/checks that have yet to be redeemed by the District’s bank.

**HULBERT SCHOOL DISTRICT NO. I-16  
NOTES TO THE FINANCIAL STATEMENTS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***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.
- ***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 include all remaining spendable amounts (except negative balances) that are reported in governmental funds other than the general fund, that are neither restricted nor committed, and amounts in the general fund that are intended to be used for specific purposes in accordance with the provisions of the standard.
- ***Unassigned*** fund balance is the residual classification for the general fund. It represents the amounts that have not been assigned to other funds, and that have not been restricted, committed, or assigned to specific purposes within the general fund.

**F. REVENUES & EXPENDITURES**

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

**HULBERT SCHOOL DISTRICT NO. I-16  
NOTES TO THE FINANCIAL STATEMENTS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

January 1. The second half is due prior to April 1.

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

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

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

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

**Intermediate Revenues** - Revenue from intermediate sources is the amount of money from funds collected by an intermediate administrative unit, or a political subdivision between the District and the state and distributed to Districts in amounts that differ in proportion to those which are collected within such systems.

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

**Nonrevenue Receipts** - Nonrevenue receipts represent receipts deposited into a fund that are not new revenues to the District, but the return of assets.

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

**HULBERT SCHOOL DISTRICT NO. I-16  
NOTES TO THE FINANCIAL STATEMENTS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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 revenues, expenditures, or expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers. There were no operating transfers or residual equity transfers during fiscal year 2024.

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

**Risk Management** - The District participates in a risk pool for worker's 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 District reports that required contribution to the pool, net of refunds, as insurance expense.

**Federal Revenues** — Federal revenues consist of revenues from the federal government in the form of operating grants or entitlements. An operating grant is a contribution to be used for a specific purpose, activity or facility. A grant may be received either directly from the federal government or indirectly as a passthrough from another government, such as the state. Entitlement is the amount of payment to which the District is entitled pursuant to an allocation formula contained in applicable statutes. The majority of the federal revenues received by the District are apportioned to the general fund. The District maintains a separate child nutrition fund and the federal revenues received for the child nutrition programs are apportioned there.

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

**Support Services Expenditures** — Support services expenditures provide administrative, technical (such as guidance and health) and logistical support to facilitate and enhance instruction. These services exist as adjuncts for fulfilling the objectives of instruction, community services and enterprise programs, rather than as entities within themselves.

**HULBERT SCHOOL DISTRICT NO. I-16  
NOTES TO THE FINANCIAL STATEMENTS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Instruction Expenditures** — Instruction expenditures include the activities dealing directly with the interaction between teachers and students. Teaching may be provided for students in a school classroom, in another location, such as a home or hospital, and in other learning situations, such as those involving cocurricular activities. It may also be provided through some other approved medium, such as television, radio, telephone and correspondence. Included here are the activities of teacher assistants of any type (clerks, graders, teaching machines, etc.) which assist in the instructional process. The activities of tutors, translators and interpreters would be recorded here. Department chairpersons who teach for any portion of time are included here. Tuition/transfer fees paid to other LEAs would be included here.

**Operation of Noninstructional Services Expenditures** - Activities concerned with providing noninstructional services to students, staff or the community.

**Facilities Acquisition and Construction Services Expenditures** — Consists of activities involved with the acquisition of land and buildings; remodeling buildings; the construction of buildings and additions to buildings; initial installation or extension of service systems and other built-in equipment; and improvements to sites.

**Other Outlays Expenditures** — A number of outlays of governmental funds are not properly classified as expenditures, but still require budgetary or accounting control. These are classified as Other Outlays. These include debt service payments (principal and interest).

**Other Uses Expenditures** - This includes scholarships provided by private gifts and endowments; student aid and staff awards supported by outside revenue sources (i.e., foundations). Also, expenditures for self-funded employee benefit programs administered either by the District or a third-party administrator.

**Repayment Expenditures** - Repayment expenditures represent checks/warrants issued to outside agencies for refund or restricted revenue previously received for overpayment, non qualified expenditures and other refunds to be repaid from District funds.

**NOTE 2: CASH AND INVESTMENTS**

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

**HULBERT SCHOOL DISTRICT NO. I-16  
NOTES TO THE FINANCIAL STATEMENTS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 2: CASH AND INVESTMENTS (Continued)**

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

**Custodial Credit Risk** — Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to the District. The District's cash deposits and investments at June 30, 2024 were \$1,532,527 at financial institutions, and were completely insured or collateralized by federal depository insurance, direct obligations of the U.S. Government, or securities held by the District or by its agent in the District's name.

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

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

Direct obligations of the U.S. Government, its agencies and instrument to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions. With certain limitation, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper and repurchase agreements with certain limitations. County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district. Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous bullet items.

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

**NOTE 3: INTERFUND RECEIVABLES AND PAYABLES**

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

**HULBERT SCHOOL DISTRICT NO. I-16  
NOTES TO THE FINANCIAL STATEMENTS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 4: GENERAL LONG-TERM DEBT**

State statutes prohibit the District from becoming indebted in an amount exceeding the revenue to be received for any fiscal year without the approval by the District's voters. General long-term debt of the District consists of lease/purchase agreements and outstanding general obligation bonds.

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

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

|                       | <u>Bonds Payable</u> | <u>Capital Lease<br/>Obligations</u> | <u>Total</u>         |
|-----------------------|----------------------|--------------------------------------|----------------------|
| Balance July 1, 2023  | \$ 290,000.00        | \$ 0.00                              | \$ 290,000.00        |
| Additions             | 0.00                 | 0.00                                 | 0.00                 |
| Retirements           | (130,000.00)         | 0.00                                 | (130,000.00)         |
| Balance June 30, 2024 | <u>\$ 160,000.00</u> | <u>\$ 0.00</u>                       | <u>\$ 160,000.00</u> |

A brief description of the outstanding general obligation issues at June 30, 2024, is set forth below:

|   | <u>Amount Outstanding</u> |
|---|---------------------------|
| Building Bonds, Series 2015, original issue \$1,200,000, interest rate of 2.00% to 2.40%, due in annual installments of \$130,000, with the final payment of \$160,000 being due on June 1, 2025. | <u>\$ 160,000.00</u>      |
| Total Outstanding   | <u>\$ 160,000.00</u>      |

**Future Debt Requirements**

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

| Year Ending     | <u>Principal</u>  | <u>Interest</u> | <u>Total</u>      |
|-----------------|-------------------|-----------------|-------------------|
| June 30<br>2025 | \$ <u>160,000</u> | \$ <u>3,840</u> | \$ <u>163,840</u> |
| Total           | \$ 160,000        | 3,840           | 163,840           |

Interest paid on general long-term debt during the 2023-24 fiscal year totaled \$6,700.

**HULBERT SCHOOL DISTRICT NO. I-16  
NOTES TO THE FINANCIAL STATEMENTS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 5: EMPLOYEE RETIREMENT SYSTEM**

**Basis of Accounting**

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

**Funding Policy**

The District, the State of Oklahoma, and the participating employee make contributions. The contribution rates for the District and its employees are established by and may be amended by Oklahoma Statutes. The rates are not actuarially determined. The rates are applied to the employee's earnings plus employer-paid fringe benefits. The required contribution for the participating members is 7.0% of compensation. Contributions received by the System from the State of Oklahoma are used to offset required employer contributions by the local school district. For the 2022-23 fiscal year, the District contributed 9.5% and the State of Oklahoma contributed the remaining amount during the year. The District is allowed by Oklahoma Teachers' Retirement System to make the required contributions on behalf of the participating members. In addition, if a member's salary is paid in part by federal or private funds, the contribution on that portion of the salary paid by those funds must be matched by the District at 8.0%.

**Annual Pension Cost**

Ten-year historical trend information is presented in the Teacher's Retirement System of Oklahoma Annual Report for the year ended June 30, 2024. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due. Please visit [www.ok.gov/TRS](http://www.ok.gov/TRS) for all plan information.

GASB Statement 68 became effective for fiscal years beginning after June 15, 2014, and significantly changes pension accounting and financial reporting for governmental employers who participate in a pension plan, such as the System, and who prepare published financial statements on an accrual basis using Generally Accepted Accounting Principles. Since the District does not prepare and present their financial statements on an accrual basis, the net pension amount is not required to be presented on the audited financial statements.

**HULBERT SCHOOL DISTRICT NO. I-16  
NOTES TO THE FINANCIAL STATEMENTS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2024**

**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 officials' liability. Settled claims resulting from risks have not exceeded the commercial insurance coverage in any of the past three fiscal years. The District 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 District 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 it 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 its loss fund in three years, it is returned to the District with no interest.

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

**NOTE 7: CONTINGENCIES AND OTHER COMMITMENTS**

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

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

**HULBERT SCHOOL DISTRICT NO. I-16  
NOTES TO THE FINANCIAL STATEMENTS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 7: CONTINGENCIES AND OTHER COMMITMENTS (Continued)**

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

**NOTE 8: INSURANCE COVERAGE**

The District purchases commercial insurance policies covering property casualty loss, public liability, school board member and administrator liability, and worker's compensation.

**NOTE 9: SURETY BONDS**

The District has the following surety bonds: Superintendent in the amount of \$100,000.00 bond no. LSM1699955 dated 7/1/2023-7/1/2024 with Western Surety. Treasurer surety bond #LSM1699955 in the amount of \$100,000.00, which is dated 7/1/23-7/1/24 with Western Surety. Payroll & Child Nutrition bond number LSM1699955 in the amount of \$100,000.00 dated 7/1/23-7/1/24 with Western Surety. Encumbrance Clerk and Activity Fund Custodian bond number LSM1699955 in the amount of \$25,000.00 dated 7/1/23-7/1/24. Co-Activity Custodian bond number LSM1699955 in the amount of \$25,000.00 dated 7/1/23-7/1/24. Purchasing Agent bond number LSM1699955 in the amount of \$25,000 dated 7/1/23-7/1/24. Minutes Clerk bond number LSM1699955 in the amount of \$5,000.00 dated 7/1/23-7/1/24.

**NOTE 10: SUBSEQUENT EVENTS**

Subsequent events have been evaluated through January 28, 2025, which is the date the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

**HULBERT SCHOOL DISTRICT NO. I-16**  
**COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES**  
**REGULATORY BASIS - ALL SPECIAL REVENUE FUNDS**  
**JUNE 30, 2024**

|   | Building<br>Fund     | Child<br>Nutrition<br>Fund | Total                |
|---|----------------------|----------------------------|----------------------|
| <b><u>ASSETS</u></b>                            |                      |                            |                      |
| Cash and Investments                            | <u>\$ 269,977.72</u> | <u>\$ 96,983.50</u>        | <u>\$ 366,961.22</u> |
| Total Assets                                    | <u>\$ 269,977.72</u> | <u>\$ 96,983.50</u>        | <u>\$ 366,961.22</u> |
| <br><b><u>LIABILITIES AND FUND BALANCES</u></b> |                      |                            |                      |
| Liabilities:                                    |                      |                            |                      |
| Warrants/Checks Payable                         | \$ 11,766.79         | \$ 1,836.50                | \$ 13,603.29         |
| Encumbrances                                    | <u>212.20</u>        | <u>-</u>                   | <u>212.20</u>        |
| Total Liabilities                               | <u>\$ 11,978.99</u>  | <u>\$ 1,836.50</u>         | <u>\$ 13,815.49</u>  |
| Fund Balances:                                  |                      |                            |                      |
| Restricted                                      | <u>257,998.73</u>    | <u>95,147.00</u>           | <u>353,145.73</u>    |
| Total Fund Balances                             | <u>257,998.73</u>    | <u>95,147.00</u>           | <u>353,145.73</u>    |
| Total Liabilities and Fund Balances             | <u>\$ 269,977.72</u> | <u>\$ 96,983.50</u>        | <u>\$ 366,961.22</u> |

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

**HULBERT SCHOOL DISTRICT NO. I-16**  
**COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND CHANGES**  
**IN CASH FUND BALANCES - BUDGET AND ACTUAL COMPARISON**  
**ALL SPECIAL REVENUE FUNDS - REGULATORY BASIS**  
**JUNE 30, 2024**

|  | <u>Building<br/>Fund</u> | <u>Child<br/>Nutrition<br/>Fund</u> | <u>Total</u>         |
|--|--------------------------|-------------------------------------|----------------------|
| <b>Revenues Collected:</b>   |                          |                                     |                      |
| Local Sources  | \$ 98,195.70             | \$ 36,046.70                        | \$ 134,242.40        |
| Intermediate Sources   | -                        | -                                   | -                    |
| State Sources  | 93,616.60                | 2,118.84                            | 95,735.44            |
| Federal Sources  | 147,989.00               | 261,563.35                          | 409,552.35           |
| Total Revenues Collected   | <u>\$ 339,801.30</u>     | <u>\$ 299,728.89</u>                | <u>\$ 639,530.19</u> |
| <b>Expenditures</b>  |                          |                                     |                      |
| Instruction  | 41.98                    | -                                   | 41.98                |
| Support Services   | 216,023.64               | -                                   | 216,023.64           |
| Operation of Non-Instruction Services  | -                        | 279,134.37                          | 279,134.37           |
| Facilities Acquisition and Construction Services   | 15,728.00                | -                                   | 15,728.00            |
| Other Outlays:   |                          |                                     |                      |
| Correcting Entry   | 100.00                   | 79.25                               | 179.25               |
| Debt Service Requirements  | -                        | -                                   | -                    |
| Total Liabilities  | <u>231,893.62</u>        | <u>279,213.62</u>                   | <u>511,107.24</u>    |
| Excess of revenues collected over (under)<br>expenditures before other financing<br>sources (uses) | <u>107,907.68</u>        | <u>20,515.27</u>                    | <u>128,422.95</u>    |
| Adjustments to prior year encumbrances   | <u>969.75</u>            | <u>3,923.80</u>                     | <u>4,893.55</u>      |
| Excess of revenues collected over<br>(under) expenditures  | <u>108,877.43</u>        | <u>24,439.07</u>                    | <u>133,316.50</u>    |
| Cash Fund Balances, Beginning of Year  | <u>149,121.30</u>        | <u>70,707.93</u>                    | <u>219,829.23</u>    |
| Cash Fund Balances, End of Year  | <u>\$ 257,998.73</u>     | <u>\$ 95,147.00</u>                 | <u>\$ 353,145.73</u> |

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

**HULBERT SCHOOL DISTRICT NO. I-16**  
**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, 2024**

|  | Special Revenue Funds |                     |                      | Special Revenue Funds |                    |                     |
|--|-----------------------|---------------------|----------------------|-----------------------|--------------------|---------------------|
|  | Building Fund         |                     |                      | Child Nutrition Fund  |                    |                     |
|  | Original Budget       | Final Budget        | Actual               | Original Budget       | Final Budget       | Actual              |
| <b>REVENUES COLLECTED:</b>   |                       |                     |                      |                       |                    |                     |
| Local sources  | \$ 91,589.55          | \$ 91,589.55        | \$ 98,195.70         | \$ 26,580.53          | \$ 26,580.53       | \$ 36,046.70        |
| Intermediate sources   | -                     | -                   | -                    | -                     | -                  | -                   |
| State sources  | 100,000.00            | 100,000.00          | 93,616.60            | 2,333.81              | 2,333.81           | 2,118.84            |
| Federal sources  | -                     | -                   | 147,989.00           | 204,025.09            | 204,025.09         | 261,563.35          |
| Total revenues collected   | <u>191,589.55</u>     | <u>191,589.55</u>   | <u>339,801.30</u>    | <u>232,939.43</u>     | <u>232,939.43</u>  | <u>299,728.89</u>   |
| <b>EXPENDITURES PAID:</b>  |                       |                     |                      |                       |                    |                     |
| Instruction  | 100.00                | 100.00              | 41.98                | -                     | -                  | -                   |
| Support services   | 323,110.85            | 323,110.85          | 216,023.64           | 303,547.36            | 303,547.36         | -                   |
| Non-instructional services   | -                     | -                   | -                    | -                     | -                  | 279,134.37          |
| Capital outlays  | 17,000.00             | 17,000.00           | 15,728.00            | -                     | -                  | -                   |
| Other outlays  | 500.00                | 500.00              | 100.00               | 100.00                | 100.00             | 79.25               |
| Total expenditures paid  | <u>340,710.85</u>     | <u>340,710.85</u>   | <u>231,893.62</u>    | <u>303,647.36</u>     | <u>303,647.36</u>  | <u>279,213.62</u>   |
| Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances     | <u>(149,121.30)</u>   | <u>(149,121.30)</u> | <u>107,907.68</u>    | <u>(70,707.93)</u>    | <u>(70,707.93)</u> | <u>20,515.27</u>    |
| Adjustments to prior year encumbrances   | -                     | -                   | 969.75               | -                     | -                  | 3,923.80            |
| Excess (deficiency) of revenues and other resources over expenditures and other financing sources (uses) | (149,121.30)          | (149,121.30)        | 108,877.43           | (70,707.93)           | (70,707.93)        | 24,439.07           |
| Fund balance, beginning of year, restricted  | <u>149,121.30</u>     | <u>149,121.30</u>   | <u>149,121.30</u>    | <u>70,707.93</u>      | <u>70,707.93</u>   | <u>70,707.93</u>    |
| Fund balance, end of year, restricted  | <u>\$ -</u>           | <u>\$ -</u>         | <u>\$ 257,998.73</u> | <u>\$ -</u>           | <u>\$ -</u>        | <u>\$ 95,147.00</u> |

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

**HULBERT SCHOOL DISTRICT NO. I-16**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**REGULATORY BASIS - AGENCY FUNDS**  
**JUNE 30, 2024**

|   | Balance<br>July 1, 2023 | Additions            | Adjustments/<br>Transfers | Deletions            | Balance<br>June 30, 2024 |
|---|-------------------------|----------------------|---------------------------|----------------------|--------------------------|
| <b>ASSETS</b>                               |                         |                      |                           |                      |                          |
| Cash  | <u>\$ 147,264.42</u>    | <u>\$ 301,323.96</u> | <u>\$ (15,305.85)</u>     | <u>\$ 269,179.65</u> | <u>\$ 164,102.88</u>     |
| <b>LIABILITIES</b>                          |                         |                      |                           |                      |                          |
| <b>Funds held for school organizations:</b> |                         |                      |                           |                      |                          |
| Yearbook                                    | \$ 9,808.00             | \$ 8,755.00          | \$ (2,999.96)             | \$ 3,618.73          | \$ 11,944.31             |
| Athletics                                   | 10,145.00               | 77,173.35            | (1,655.20)                | 76,809.25            | 8,853.90                 |
| Class of 2029                               | 1,326.00                | 2,865.00             | 150.14                    | 1,998.97             | 2,342.17                 |
| Class of 2027                               | 66.00                   | 1,371.00             | 49.51                     | 1,142.00             | 344.51                   |
| Class of 2030                               | 2,456.00                | 3,109.00             | (999.10)                  | 3,128.16             | 1,437.74                 |
| Class of 2024                               | 7,789.00                | 5,611.11             | 300.27                    | 13,662.96            | 37.42                    |
| Football                                    | 2,561.00                | 7,610.19             | 259.70                    | 6,047.24             | 4,383.65                 |
| Elementary Athletics                        | 3,184.96                | 1,644.00             | -                         | -                    | 4,828.96                 |
| BPA   | 240.00                  | 35.00                | (65.00)                   | 155.00               | 55.00                    |
| 4H  | 88.00                   | -                    | (65.22)                   | -                    | 22.78                    |
| Elementary                                  | 12,559.00               | 16,318.88            | 2,169.00                  | 24,485.27            | 6,561.61                 |
| Miscellaneous                               | 6,065.00                | 7,894.53             | 933.48                    | 2,721.79             | 12,171.22                |
| National Honor Society                      | 161.00                  | -                    | (64.98)                   | -                    | 96.02                    |
| Junior High Cheerleaders                    | 1,593.24                | 2,232.00             | -                         | 2,323.89             | 1,501.35                 |
| Senior High Cheerleaders                    | 1,963.00                | 150.00               | (12.49)                   | 1,541.05             | 559.46                   |
| Student Council                             | 2,412.00                | 4,060.69             | 245.00                    | 2,523.80             | 4,193.89                 |
| Technology                                  | 420.30                  | -                    | -                         | -                    | 420.30                   |
| Junior High Honor Society                   | 7.49                    | -                    | -                         | -                    | 7.49                     |
| Class of 2025                               | 6,430.00                | 3,830.00             | 249.72                    | 4,179.06             | 6,330.66                 |
| Class of 2026                               | 4,235.26                | 4,879.70             | -                         | 1,294.00             | 7,820.96                 |
| Wrestling                                   | 2,470.00                | 4,723.00             | 309.58                    | 3,960.12             | 3,542.46                 |
| Girls Basketball                            | 6,896.00                | 8,474.00             | (32.43)                   | 9,171.79             | 6,165.78                 |
| Track                                       | 351.00                  | 1,536.00             | (64.64)                   | 342.40               | 1,479.96                 |
| Pride Club                                  | 209.72                  | -                    | -                         | -                    | 209.72                   |
| Boys Basketball                             | 5,687.00                | 9,395.00             | 154.96                    | 7,597.92             | 7,639.04                 |
| Softball                                    | 321.00                  | -                    | (321.00)                  | -                    | -                        |
| Baseball                                    | 985.00                  | 1,000.00             | 502.73                    | 2,487.73             | -                        |
| Achieve                                     | 7,524.00                | 4,645.00             | (3,016.06)                | 3,774.20             | 5,378.74                 |
| Volleyball                                  | 7,434.00                | 6,995.35             | 570.39                    | 8,163.99             | 6,835.75                 |
| Vo-Ag                                       | 12,737.00               | 33,433.40            | (1,064.12)                | 24,560.59            | 20,545.69                |
| Fastpitch Softball                          | 206.00                  | 3,067.00             | 190.64                    | 2,013.44             | 1,450.20                 |
| Junior High Boys Basketball                 | 12.85                   | -                    | -                         | -                    | 12.85                    |
| Junior High Girls Basketball                | 212.85                  | -                    | -                         | -                    | 212.85                   |
| Academics                                   | 49.00                   | -                    | (49.00)                   | -                    | -                        |
| Service Club                                | 7,528.00                | 11,088.26            | (3,000.48)                | 8,202.80             | 7,412.98                 |
| Cross Country                               | 163.20                  | -                    | -                         | -                    | 163.20                   |
| Library                                     | 1,320.93                | 5,793.15             | -                         | 5,656.39             | 1,457.69                 |
| High School Activity                        | 6,932.00                | 25,930.15            | (2,944.23)                | 22,115.70            | 7,802.22                 |
| Band  | 123.00                  | 2,250.00             | (65.49)                   | 685.00               | 1,622.51                 |
| Art Club                                    | 841.10                  | 120.97               | -                         | -                    | 962.07                   |
| SWAT/ROTC                                   | 767.00                  | -                    | (64.57)                   | -                    | 702.43                   |
| Special Olympics                            | 32.62                   | -                    | -                         | -                    | 32.62                    |
| Backpack Program                            | 1,743.49                | 12,703.23            | -                         | 13,222.09            | 1,224.63                 |
| Robotics                                    | 18.22                   | -                    | -                         | -                    | 18.22                    |
| After Grad Party                            | 15.50                   | 3,942.00             | -                         | 3,907.50             | 50.00                    |
| E-Sports Club                               | 29.38                   | -                    | -                         | -                    | 29.38                    |
| Class of 2028                               | 605.00                  | 7,125.00             | 175.20                    | 3,265.50             | 4,639.70                 |
| Girls Golf                                  | 1,843.31                | 3,913.00             | -                         | 1,440.69             | 4,315.62                 |
| Boys Golf                                   | 206.00                  | 500.00               | (65.00)                   | 250.00               | 391.00                   |
| Employee Fund                               | 6,490.00                | 7,150.00             | (5,017.20)                | 2,730.63             | 5,892.17                 |
| <b>Total Activities - All Agency Funds</b>  | <u>\$ 147,264.42</u>    | <u>\$ 301,323.96</u> | <u>\$ (15,305.85)</u>     | <u>\$ 269,179.65</u> | <u>\$ 164,102.88</u>     |

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

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

**HULBERT SCHOOL DISTRICT I-16  
SCHEDULE OF FEDERAL AWARDS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2024**

| <u>Grant: Federal Grantor/Pass<br/>Through Grantor/Program Title</u> | <u>CFDA<br/>Number</u> | <u>Project<br/>Number</u> | <u>Balance at<br/>June 30, 2023</u> | <u>Receipts</u>               | <u>Expenditures</u>           | <u>Balance at<br/>June 30, 2024</u> |
|--|------------------------|---------------------------|-------------------------------------|-------------------------------|-------------------------------|-------------------------------------|
| <b>U.S. DEPARTMENT OF EDUCATION</b>                                  |                        |                           |                                     |                               |                               |                                     |
| <b><u>Direct Programs:</u> - Note 1</b>                              |                        |                           |                                     |                               |                               |                                     |
| Title VIII Indian Education  | 84.060                 | 561                       | \$ -                                | \$ 78,719.00                  | \$ 78,719.00                  | \$ -                                |
| Title VIII Impact Aid  | 84.041                 | 591                       | -                                   | 368,325.00                    | 1,669.00                      | (366,856.00)                        |
| Title VIII Impact Aid, Disabled                                      | 84.041                 | 592                       | -                                   | 15,319.00                     | 3,299.40                      | (12,019.60)                         |
| Title VIII Impact Aid, Buildings                                     | 84.041                 | 593                       | -                                   | 7,457.00                      | -                             | (7,457.00)                          |
| Small Rural School Achievement                                       | 84.358                 | 588                       | -                                   | 35,338.00                     | 35,338.00                     | -                                   |
| Sub Total  |                        |                           | <u>-</u>                            | <u>505,358.00</u>             | <u>119,025.40</u>             | <u>(386,332.60)</u>                 |
| <b><u>Pass-through State Department of Education</u> - Note 1</b>    |                        |                           |                                     |                               |                               |                                     |
| Title I, Part A  | 84.010                 | 511                       | -                                   | 220,626.71                    | 220,626.71                    | -                                   |
| ARP IDEA-B Flow Through  | 84.027X                | 628                       | 950.34                              | 5,277.63                      | 4,237.29                      | (90.00)                             |
| Special Education Professional Development                           | 84.027                 | 615                       | -                                   | 1,499.19                      | 1,499.19                      | -                                   |
| IDEA-B Flow Through  | 84.027                 | 621                       | -                                   | 109,548.52                    | 109,548.52                    | -                                   |
| IDEA-B Preschool   | 84.173                 | 641                       | -                                   | 1,600.00                      | 1,600.00                      | -                                   |
| Title IV, Part A, Stronger Connections                               | 84.424F                | 715                       | -                                   | 119,309.95                    | 119,309.95                    | -                                   |
| <b>COVID-19 - Education Stabilization Fund (ESF):</b>                |                        |                           |                                     |                               |                               |                                     |
| ARP ESSER, School Counselor Grant                                    | 84.425U                | 722                       | -                                   | 16,000.00                     | 16,000.00                     | -                                   |
| ARP - ESSER III  | 84.425U                | 725                       | -                                   | 1,749.00                      | 1,749.00                      | -                                   |
| ARP - ESSER III  | 84.425U                | 795                       | <u>31,819.38</u>                    | <u>355,181.92</u>             | <u>360,986.46</u>             | <u>37,623.92</u>                    |
| Total COVID-19 - ESF   |                        |                           | <u>31,819.38</u>                    | <u>372,930.92</u>             | <u>378,735.46</u>             | <u>37,623.92</u>                    |
| Subtotal   |                        |                           | <u>32,769.72</u>                    | <u>830,792.92</u>             | <u>835,557.12</u>             | <u>37,533.92</u>                    |
| <b>U.S. DEPARTMENT OF AGRICULTURE</b>                                |                        |                           |                                     |                               |                               |                                     |
| <b><u>Pass-through State Department of Education</u></b>             |                        |                           |                                     |                               |                               |                                     |
| <b>Child Nutrition Programs</b>                                      |                        |                           |                                     |                               |                               |                                     |
| School Breakfast Program   | 10.553                 | 764                       |                                     | 72,695.22                     | 57,076.60                     | (15,618.62)                         |
| National School Lunch Program  | 10.555                 | 763                       |                                     | 166,204.60                    | 232.60                        | (165,972.00)                        |
| Emergency Operational Cost   | 10.555                 | 762                       |                                     | 17,775.47                     | 17,775.47                     | -                                   |
| Child and Adult Care Food Program                                    | 10.558                 | 769                       |                                     | 4,888.06                      | 2,504.78                      | (2,383.28)                          |
| Non-Cash Assistance - Commodities                                    | 10.565                 | N/A                       |                                     | 21,463.83                     | 21,463.83                     | -                                   |
| Subtotal   |                        |                           |                                     | <u>283,027.18</u>             | <u>99,053.28</u>              | <u>(183,973.90)</u>                 |
| <b><u>Other Federal Assistance:</u></b>                              |                        |                           |                                     |                               |                               |                                     |
| Johnson O'Malley   | 15.130                 | 563                       | <u>-</u>                            | <u>6,382.31</u>               | <u>11,920.00</u>              | <u>5,537.69</u>                     |
| <b>TOTAL FEDERAL ASSISTANCE</b>                                      |                        |                           | <b><u>\$ 32,769.72</u></b>          | <b><u>\$ 1,625,560.41</u></b> | <b><u>\$ 1,065,555.80</u></b> | <b><u>(527,234.89)</u></b>          |

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

Note B: This schedule was prepared on a regulatory basis of accounting consistent with the preparation of the combined financial statements, except for the nonmonetary assistance noted in Note A.

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

**HULBERT SCHOOL DISTRICT NO. I-16  
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL  
LIABILITY INSURANCE AFFIDAVIT  
REQUIRED BY THE OKLAHOMA STATE DEPARTMENT OF EDUCATION  
JULY 1, 2023 TO JUNE 30, 2024**

State of Oklahoma

County of Cherokee

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 Hulbert School for the audit year 2023-2024.

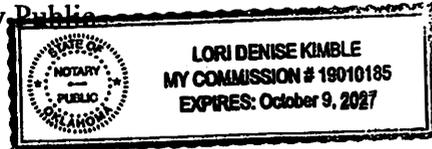
Drew Kimble, C.P.A.

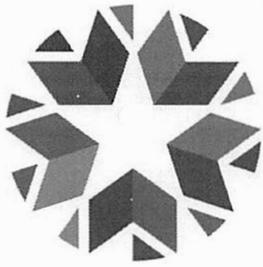
By Drew Kimble  
Authorized Agent

Subscribed and sworn to before me this 28 day of Jan, 2025.

Lori Denise Kimble  
Notary Public

My Commission Expires: 10-9-27  
My Commission Number: 19010185





# OKLAHOMA Education

**Audit Acknowledgement**

**Audit Year: 2023-2024**

District Name HULBERT SCHOOL DISTRICT

District Number I-16

County Name CHEROKEE

County Code 11

The annual independent audit was presented to the Board of Education in a meeting conducted in accordance with the Open Meeting Act 25 O.S. Section 301-314 on 2/13/25.

The audit was presented by DREW KIMBLE Drew Kimble  
(Independent Auditor) (Independent Auditor's Signature)

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

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

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

Signature of the Board of Education:

Jolyn Choate  
Superintendent

Sasha Blackby-Juels  
Board of Education Vice President

Ed M. Dallis  
Board of Education President

Eric Gomez  
Board of Education Member

\_\_\_\_\_  
Board of Education Member

\_\_\_\_\_  
Board of Education Member

Arthur Bell  
Board of Education Member

Subscribed and sworn before me on 2/13/25

My Commission expires 10-9-27

Lori Denise Kimble  
(Notary Public)

