

NEW LIMA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-6
SEMINOLE COUNTY, OKLAHOMA
Financial Statements
June 30, 2021
With Independent Auditors' Report Thereon

NEW LIMA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-6
SEMINOLE COUNTY, OKLAHOMA
June 30, 2021

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**NEW LIMA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-6
SEMINOLE COUNTY, OKLAHOMA**

June 30, 2021

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**NEW LIMA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-6
SEMINOLE COUNTY, OKLAHOMA**

June 30, 2021

Board of Education

President	Rex Hailey
Vice-President	Darrel Streater
Clerk	Shelly Wood
Member	John Henson
Member	Samuel Barnes

School District Treasurer/Minute Clerk

Rebecca J. Green

Encumbrance Clerk

Melinda K. Spears

Superintendent of Schools

James W. Mathews

JOHNSTON & BRYANT

Certified Public Accountants

Pete Johnston, C.P.A.
Allen Bryant, Jr., C.P.A.

P.O. Box 1564
Ada, Oklahoma 74821-1564
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MEMBER
American Institute of Certified Public Accountants
Oklahoma Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Board of Education
New Lima Independent School District Number I-6
New Lima, Seminole County, Oklahoma

Report on the Financial Statements

We have audited the accompanying combined fund type and account group financial statements-regulatory basis of the New Lima School District I-6, New Lima, Oklahoma (District), as of and for the year ended June 30, 2021, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

As discussed in Note 1, the financial statements are prepared by the New Lima School District Number I-6 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.

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 New Lima School District Number I-6 New Lima, Oklahoma as of June 30, 2021, the changes in its financial position, or, where applicable, its cash flows for the year then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

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

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities, and fund balances arising from regulatory basis transactions of each fund type and account group of New Lima School District Number I-6, New Lima, Oklahoma, as of June 30, 2021, and the revenues collected and expenditures paid and encumbered for the year then ended on the regulatory basis of accounting described in Note 1.

Other Matters

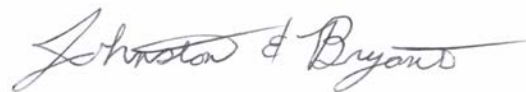
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining statements-regulatory basis, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Oklahoma State Department of Education, and is also not a required part of the basic financial statements.

The combining statements-regulatory basis, and the other supplementary information, including the schedule of expenditures of federal awards, are the responsibility of management and were derived from and relate directly to the underlying accounting records used to prepare the combined financial statements-regulatory basis. Such 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 financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements-regulatory basis and the other supplementary information, including 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 on the regulatory basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated August 3, 2021 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.



August 3, 2021
Ada, Oklahoma

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NEW LIMA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-6
SEMINOLE COUNTY, OKLAHOMA
Statement of Assets, Liabilities and Fund Balance
All Fund Types and Account Groups – Regulatory Basis
June 30, 2021

	Governmental Fund Types		
	General	Special Revenue	Co-Op
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 872,444	\$ 212,928	\$ 2,783
Amounts Available In Debt Services Fund	-	-	-
Amounts to be Provided for Retirement of General Long-Term Debt	-	-	-
TOTAL ASSETS	\$ 872,444	\$ 212,928	\$ 2,783
<u>LIABILITIES AND FUND BALANCE:</u>			
<u>LIABILITIES:</u>			
Warrants Payable	\$ 67,466	\$ -	\$ 2,766
Encumbrances	-	-	-
Long-Term Debt Bonds Payable	-	-	-
TOTAL LIABILITIES	67,466	-	2,766
<u>FUND BALANCE:</u>			
Restricted	-	212,928	17
Unassigned	804,978	-	-
TOTAL FUND BALANCE	804,978	212,928	17
TOTAL LIABILITIES AND FUND BALANCE	\$ 872,444	\$ 212,928	\$ 2,783

See accompanying notes.

<u>Fiduciary Fund Types</u>	<u>Totals (Memorandum Only)</u>
<u>Trust and Agency</u>	

\$ 105,613	\$ 1,193,768
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<u>\$ 105,613</u>	<u>\$ 1,193,768</u>
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3,399	73,631
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<u>3,399</u>	<u>73,631</u>
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66,136	279,081
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36,078	841,056
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<u>102,214</u>	<u>1,120,137</u>
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<u>\$ 105,613</u>	<u>\$ 1,193,768</u>
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NEW LIMA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-6
SEMINOLE COUNTY, OKLAHOMA
Statement of Revenues Collected, Expenditures Paid
and Changes in Fund Balances
All Governmental Fund Types – Regulatory Basis
Year Ended June 30, 2021

	Governmental Fund Types			Totals
	General Fund	Special Revenue Fund	Co-op Fund	(Memorandum Only)
<u>REVENUES COLLECTED:</u>				
District Sources	\$ 334,212	\$ 44,826	\$ 15,618	\$ 394,656
Intermediate Sources	53,139	-	-	53,139
State Sources	1,616,145	-	-	1,616,145
Federal Sources	550,272	-	87,151	637,423
TOTAL REVENUE COLLECTED	2,553,768	44,826	102,769	2,701,363
<u>EXPENDITURES PAID:</u>				
Instruction	1,485,556	56,685	102,769	1,645,010
Support Services	1,019,807	80,000	-	1,099,807
Non-Instruction Services	162,397	-	-	162,397
Capital Outlay	27,561	-	-	27,561
Debt Service	-	-	-	-
TOTAL EXPENDITURES PAID	2,695,321	136,685	102,769	2,934,775
Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments	(141,553)	(91,859)	-	(233,412)
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers In	-	-	-	-
Excess Of Revenues Collected Over (Under) Expenditures Paid and Other Financing Sources (Uses)	(141,553)	(91,859)	-	(233,412)
FUND BALANCE, BEGINNING OF YEAR	946,531	304,787	17	1,251,335
FUND BALANCE, END OF YEAR	\$ 804,978	\$ 212,928	\$ 17	\$ 1,017,923

See accompanying notes.

**NEW LIMA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-6
SEMINOLE COUNTY, OKLAHOMA**

Statement of Revenues Collected, Expenditures Paid
And Changes in Fund Balance – Budget and Actual – Regulatory Basis
Budgeted Governmental Fund – General Fund
Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>REVENUES COLLECTED:</u>				
District Sources	\$ 269,441	\$ 269,441	\$ 334,212	\$ 64,771
Intermediate Sources	49,374	49,374	53,139	3,765
State Sources	1,669,869	1,669,869	1,616,145	(53,724)
Federal Sources	236,564	722,704	550,272	(172,432)
TOTAL REVENUE COLLECTED	2,225,248	2,711,388	2,553,768	(157,620)
<u>EXPENDITURES PAID:</u>				
Instruction	1,977,826	2,447,966	1,485,556	962,410
Support Services	1,019,807	1,019,807	1,019,807	-
Non-Instruction Services	146,585	162,585	162,397	188
Capital Outlay	-	-	-	-
Other Outlays	27,561	27,561	27,561	-
TOTAL EXPENDITURES PAID	3,171,779	3,657,919	2,695,321	962,598
Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments	(946,531)	(946,531)	(141,553)	804,978
OTHER FINANCING SOURCES(USES)				
Operating Transfers In	-	-	-	-
Excess Of Revenues Collected Over (Under) Expenditures Paid and Other Financing Sources (Uses)	(946,531)	(946,531)	(141,553)	804,978
FUND BALANCE, BEGINNING OF YEAR	946,531	946,531	946,531	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ 804,978	\$ 804,978

See accompanying notes.

**NEW LIMA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-6
SEMINOLE COUNTY, OKLAHOMA**

Combined Statement of Revenues Collected, Expenditures Paid
And Changes in Fund Balance – Budget and Actual – Regulatory Basis
Budgeted Governmental Fund – Special Revenue
Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>REVENUES COLLECTED:</u>				
District Sources	\$ 38,492	\$ 38,492	\$ 44,826	\$ 6,334
State Sources	-	-	-	-
Federal Sources	-	-	-	-
TOTAL REVENUE COLLECTED	38,492	38,492	44,826	6,334
<u>EXPENDITURES PAID:</u>				
Instruction	57,000	57,000	56,685	315
Support Services	286,279	286,279	80,000	206,279
Non-Instruction Services	-	-	-	-
Capital Outlay	-	-	-	-
Other Outlays	-	-	-	-
TOTAL EXPENDITURES PAID	343,279	343,279	136,685	206,594
Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments	(304,787)	(304,787)	(91,859)	212,928
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers In	-	-	-	-
Excess Of Revenues Collected Over (Under) Expenditures Paid and Other Financing Sources (Uses)	(304,787)	(304,787)	(91,859)	212,928
FUND BALANCE, BEGINNING OF YEAR	304,787	304,787	304,787	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ 212,928	\$ 212,928

See accompanying notes.

NEW LIMA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-6
SEMINOLE COUNTY, OKLAHOMA
Statement of Revenues Collected, Expenditures Paid
And Changes in Fund Balance - Budget and Actual – Regulatory Basis
Budgeted Governmental Fund Types – Co-op Fund
Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>REVENUES COLLECTED:</u>				
District Sources	\$ -	\$ -	\$ 15,618	\$ 15,618
Intermediate Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	78,216	104,964	87,151	(17,813)
TOTAL REVENUE COLLECTED	<u>78,216</u>	<u>104,964</u>	<u>102,769</u>	<u>(2,195)</u>
<u>EXPENDITURES PAID:</u>				
Instruction	78,233	104,981	102,769	2,212
Support Services	-	-	-	-
Non-Instruction Services	-	-	-	-
Capital Outlays	-	-	-	-
Other Outlays	-	-	-	-
TOTAL EXPENDITURES PAID	<u>78,233</u>	<u>104,981</u>	<u>102,769</u>	<u>2,212</u>
Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments	(17)	(17)	-	17
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers In	-	-	-	-
Excess Of Revenues Collected Over (Under) Expenditures Paid and Other Financing Sources (Uses)	(17)	(17)	-	17
FUND BALANCE, BEGINNING OF YEAR	<u>17</u>	<u>17</u>	<u>17</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 17</u></u>	<u><u>\$ 17</u></u>

See accompanying notes.

**NEW LIMA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-6
SEMINOLE COUNTY, OKLAHOMA**

Notes to Financial Statements

June 30, 2021

Note 1. Summary of Significant Accounting Policies

The financial statements of the New Lima Public Schools Independent District No. I-6 (the "District") have been prepared in conformity with another comprehensive basis of accounting prescribed or permitted by Oklahoma Department of Education. The more significant of the District's accounting policies are described below.

A. Reporting Entity

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

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

In evaluating how to define the district, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The basis -- but not the only -- criterion for including a potential component unit in the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involved 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. 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.

NEW LIMA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-6
SEMINOLE COUNTY, OKLAHOMA
Notes to Financial Statements
June 30, 2021

Note 1. Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

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

Funds are classified into three categories: Governmental, Proprietary and Fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental Fund Types

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds).

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

Special Revenue Fund - The special revenue fund of the District consists of the Building Fund and Child Nutrition Fund.

Building Fund - The Building Fund consists of monies derived from property taxes levied for the purpose of constructing, remodeling, or repairing buildings and for purchasing furniture and equipment.

Child Nutrition Fund - The Child Nutrition Fund consists of monies collected from meals served to students and employees of the district and is expended on food, supplies and salaries.

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 program.

NEW LIMA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-6
SEMINOLE COUNTY, OKLAHOMA
Notes to Financial Statements
June 30, 2021

Note 1. Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

Debt Service Fund - Debt Service fund is the District's Sinking Fund and is used to account for the accumulation of financial resources for the payment of general long-term debt principal, interest and related costs. The primary revenue sources are local property taxes levied specifically for debt service and interest earning 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.

Proprietary Fund Types

Proprietary Funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (Enterprise Funds) or to other departments or agencies primarily within the District (internal service fund).

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 principle. 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.

Agency Fund - The Agency Fund is the Schools Athletic and Activities Fund which is used to account for monies collected principally through fundraising efforts and athletic events 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.

**NEW LIMA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-6
SEMINOLE COUNTY, OKLAHOMA**

Notes to Financial Statements

June 30, 2021

Note 1. Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

General Long-Term Debt Account Group - This account group was established to account for all long-term debt of the District, which is offset by the amount available in the debt-service fund and the amount to be provided in future years to complete retirement of the debt principal.

General Fixed Asset Account Group - This account group is used to account for property, plant and equipment of the school district. The district has not presented this account group.

Memorandum Only - Total Column

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

C. Basis of Accounting

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

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

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

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.

NEW LIMA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-6
SEMINOLE COUNTY, OKLAHOMA
Notes to Financial Statements
June 30, 2021

Note 1. Summary of Significant Accounting Policies (continued)

D. Encumbrance Accounting

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Encumbrances outstanding at June 30, 2021 that were provided in the subsequent year's budget are:

General Fund	\$	-
Building Fund		-
Capital Projects Fund		-
		<hr/>
Total	\$	<hr/> <hr/>

E. Budgets and Budgetary Accounting

A budget is legally adopted by the Board of Education for the General Fund and Special Revenue Fund that includes revenues and expenditures.

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.

F. Assets, Liabilities and Fund Equity

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

Investments -- The District's financial instruments include cash and investments. The District's estimate of the fair value of all financial instruments does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of assets, liabilities, and fund balances. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

Inventories -- Inventories consist of minimal amounts of expendable supplies held for consumption. The value of consumable inventories at year-end is not material to the District's financial statements. The cost of inventories are recorded as expenditures when encumbered and purchased rather than when consumed.

**NEW LIMA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-6
SEMINOLE COUNTY, OKLAHOMA**

Notes to Financial Statements

June 30, 2021

Note 1. Summary of Significant Accounting Policies (continued)

F. Assets, Liabilities and Fund Equity (continued)

Fixed Assets and Property, Plant and Equipment - The District has not maintained a record of its general fixed assets, and, accordingly, a General Fixed Asset Account Group required by the regulatory basis of accounting prescribed by the Oklahoma State Board 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.

Compensated Absences – The District provides vacation and sick leave benefits in accordance with Title 70 of the Oklahoma Statutes, Article 6-104, which provides for annual sick leave and personal business days. District policy allows certified employees to accumulate such days to a maximum number of days. None of the benefits are payable upon retirement or death. Accrued vacation and sick leave benefits are not reflected in the financial statements because such statements are prepared on the regulatory basis of accounting. This practice differs from generally accepted accounting principles.

Long-Term Debt - Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year.

Due to Activity Groups - Due to Activity groups represent the funds received from school related groups and organizations over which the board of education exercises control. These funds are credited to the account maintained by the District for the benefit of the group or organization.

Reserved for Debt Service - The balance of the sinking fund is restricted by Oklahoma statutes to be used only for paying of the principal and interest on bonds and judgments (to the extent of all outstanding obligations of the District).

Fund Balances – In the fund 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 amount 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.

**NEW LIMA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-6
SEMINOLE COUNTY, OKLAHOMA**

Notes to Financial Statements

June 30, 2021

Note 1. Summary of Significant Accounting Policies (continued)

F. Assets, Liabilities and Fund Equity (continued)

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

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

G. Revenue, Expenses and Expenditures

Local Sources - Revenues from local sources is the money generated from within the District's boundaries. It includes ad valorem tax, interest income, tuition, fees, rentals, disposals, commissions and reimbursements.

Intermediate Sources - Revenues from intermediate sources are monies collected by an intermediate administrative unit (i.e. county government) between the District and the state levels, and distributed to the District in amounts that are different than the proportion collected within the District's boundaries.

State Sources - 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.

**NEW LIMA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-6
SEMINOLE COUNTY, OKLAHOMA**

Notes to Financial Statements

June 30, 2021

Note 1. Summary of Significant Accounting Policies (continued)

G. Revenue, Expenses and Expenditures (continued)

State Sources (continued)

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

The District receives revenues from the state to administer certain categorical educational programs. State Board of Education rules require that revenue ear-marked 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 revenue be accounted for in the general fund.

Federal Sources - Revenues from federal sources are monies received from the federal government in the form of grants or entitlements (either directly or passed through another entity). A grant is monies received which must be spent for a specific purpose or activity. An entitlement is an amount given to the District based upon an allocation formula.

Instruction Expenditures - Instruction expenditures include the activities dealing directly with the interaction between teachers and students.

Support Services Expenditures - Support services expenditures provide administrative, technical (such as guidance and health) and logistical support to facilitate and enhance instruction.

Operation of Non-Instructional Services Expenditures - This expenditures category consists of activities which provide non-instructional services to students, staff or the community.

Capital Outlays - This expenditure category 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 - This category is for items not properly classified as expenditures, but which still require budgetary or accounting control.

**NEW LIMA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-6
SEMINOLE COUNTY, OKLAHOMA**

Notes to Financial Statements

June 30, 2021

Note 1. Summary of Significant Accounting Policies (continued)

G. Revenue, Expenses and Expenditures (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 expenditures/expenses in the fund that is reimbursed.

H. Statement of Cash Flows

Since the District does not currently have any Proprietary Fund Types, the statement of cash flows has not been presented in the fiscal 2020 accompanying financial statements.

I. 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 that reporting period. Actual results could differ from those estimates.

J. 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.

Note 2. Property Taxes

The District is authorized by state law to levy property taxes, which consist of ad valorem taxes on real and personal property within the District. The County Assessor, upon receipt of the certification of tax levies from the County Excise Board, extends the tax levies on the tax roll for submission to the County Treasurer. Property taxes are levied on November 1 and are due on receipt of the tax bill. The first half of taxes is due prior to January 1. The second half is due prior to April 1. If the first payment is not made timely, the entire tax becomes due and payable on January 2. Second half taxes become delinquent on April 1 of the year following the assessment. If not paid by the following October 1, the property is offered for sale for the amount of the 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. No provision had been made for uncollected taxes, as all taxes are deemed collectible. Other local sources of revenues include tuition, fees, rentals, disposals, commission and reimbursements.

NEW LIMA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-6
SEMINOLE COUNTY, OKLAHOMA
Notes to Financial Statements
June 30, 2021

Note 2. Property Taxes (continued)

The assessed value of the certified roll, upon which the levy for the 2021 fiscal year was based, was \$7,884,690. On February 13, 2001, voters of the school district voted to make all support levies permanent.

Note 3. Stewardship, Compliance and Accountability

Budgetary Information

The District is required by state law to prepare an annual budget. A preliminary budget is submitted to the Board of Education by December 31 for the fiscal year beginning the following July 1. The electors of the District have voted on the question to make the ad valorem levy for emergency levy and local support levy permanent; therefore, an annual mileage election (normally the first Tuesday in February) is not necessary. Under current Oklahoma Statutes, a formal Estimate of Needs (Budget) is required for all funds except for trust and agency funds. Budgets are presented for all funds that include the originally approved budgeted appropriations for expenditures and final budgeted appropriations as adjusted for supplemental appropriations and approved transfers between budget categories.

The annual Estimate of Needs, when approved by the Board and subsequently filed with the County Clerk and approved by the County Excise Board becomes the legal budget. Supplemental appropriations, if required, were made during the year and are reflected on the budget vs. actual presentations shown as original budget and final budget.

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. Purchase orders or contracts document encumbrances for goods or purchased services. Under Oklahoma law, unencumbered appropriations lapse at year-end.

Note 4. Detailed Notes Concerning the Funds

A. Deposits and Investments

Custodial Credit Risk

At June 30, 2021, the District held deposits of approximately \$1,193,768 at financial institutions. The District's cash deposits, including interest-bearing certificates of deposit, are entirely covered by Federal Depository Insurance (FDIC) or direct obligation of the U.S. Government insured or collateralized with securities held by the District or by its agent in the District's name.

NEW LIMA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-6
SEMINOLE COUNTY, OKLAHOMA
Notes to Financial Statements
June 30, 2021

Note 4. Detailed Notes Concerning the Funds (continued)

A. Deposits and Investments (continued)

Investment Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Investment Credit Risk

The District has no policy that limits its investment choices other than the limitation of state law as follows:

- a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- b. Certificates of deposits 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.
- c. With certain limitation, negotiable certificates of deposits, prime bankers acceptances, prime commercial paper and repurchase agreements with certain limitations.
- d. 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.
- e. Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administration and debentures issued by the Federal Housing Administration, and in obligations of the National Mortgage Association.
- f. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs (a. – d.).

The investments held at June 30, 2021 are as follows:

Type	Weighted Average Maturity (Months)	Credit Rating	Market Value	Cost
Investments				
Checking	N/A	AAAM	\$ 1,193,768	\$ 1,193,768
Total Investments			<u>\$ 1,193,768</u>	<u>\$ 1,193,768</u>

Concentration of Investment Credit Risk

The District places no limit on the amount it may invest in any one issuer. The District has the following of credit risk: 100% in checking (\$1,193,768).

NEW LIMA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-6
SEMINOLE COUNTY, OKLAHOMA
Notes to Financial Statements
June 30, 2021

Note 5. 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 voters. Bond issues have been approved by the voters and issued by the District for various capital improvements. These bonds are required to be fully paid serially within 10 years from the date of issue. Debt service requirements for bonds are payable solely from fund balance and future revenues of the debt service fund.

At June 30, 2021, the district had no Long-term Debt outstanding.

Note 6. Contingencies

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

Note 7. 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 these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

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

**NEW LIMA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-6
SEMINOLE COUNTY, OKLAHOMA**

Notes to Financial Statements

June 30, 2021

Note 8. Employee Retirement System

Description of Plan

The District participates in the state-administered Oklahoma Teachers' Retirement System, which is a cost sharing, multiple-employer defined benefit public employee retirement system (PERS), which is administered by the Board of Trustees of the Oklahoma Teachers' Retirement System (the "System"). The System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Title 70 Section 17 of the Oklahoma Statutes establishes benefit provisions and may be amended only through legislative action. The Oklahoma Teachers' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Oklahoma Teachers' Retirement System, P.O. Box 53624, Oklahoma City, OK, 73152 or by calling 405-521-2387.

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 employee's earnings plus employer-paid fringe benefits. The required contribution for the participating members is 7.0% of compensation. Additionally, OTRS receives "federal matching contributions" for positions whose funding comes from federal sources or certain grants. The District and State are required to contribute 14.0% of applicable compensation. Contributions received by the System from the State of Oklahoma are from 3.54% of its revenues from sales tax use taxes, corporate income taxes and individual income taxes. The District contributed 9.5% and the State of Oklahoma, plus the federal contribution contributed 4.5% during this year. The District is allowed by the Oklahoma Teachers' Retirement System to make the required contributions on behalf of the participating members. The school is required to pay 16.5% for any compensated retired teachers already receiving retirement benefits.

**NEW LIMA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-6
SEMINOLE COUNTY, OKLAHOMA**

Notes to Financial Statements

June 30, 2021

Note 8. Employee Retirement System (continued)

Annual Pension Cost

The District's total contributions for 2021, 2020, and 2018 were \$114,749, \$109,713 and \$110,556 respectfully.

Note 9. Surety Bonds

The district has a Public School System Faithful Position with RLI Insurance Company.

<u>Bond Type</u>	<u>Bonding Company</u>	<u>Bond Number</u>	<u>Amount</u>	<u>Effective Date</u>
Surety/Superint.	RLI Insurance	LSM1020122	\$ 100,000	07/01/20 - 07/01/21
Surety/Treasurer	RLI Insurance	LSM0626755	\$ 100,000	07/01/20 - 07/01/21
Surety/Activity	RLI Insurance	LSM0737668	\$ 5,000	07/01/20 - 07/01/21
Surety/Enc. Clerk	RLI Insurance	LSM0737668	\$ 7,000	07/01/20 - 07/01/21

Note 10. Subsequent Events

Management has evaluated subsequent events through August 3, 2021 which is the date the financial statements were available to be issued and have determined that no additional information needs to be added to the financial statements.

NEW LIMA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-6
SEMINOLE COUNTY, OKLAHOMA
Combining Statement of Assets, Liabilities and Fund Balances
All Special Revenue Funds – Regulatory Basis
June 30, 2021

	<u>Building Fund</u>	<u>Child Nutrition Program Fund</u>	<u>Total (Memorandum Only)</u>
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 212,928	\$ -	\$ 212,928
TOTAL ASSETS	<u>\$ 212,928</u>	<u>\$ -</u>	<u>\$ 212,928</u>
<u>LIABILITIES:</u>			
Warrants Payable	\$ -	\$ -	\$ -
Encumbrances	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE:</u>			
Restricted	212,928	-	212,928
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCE	<u>212,928</u>	<u>-</u>	<u>212,928</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 212,928</u>	<u>\$ -</u>	<u>\$ 212,928</u>

**NEW LIMA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-6
SEMINOLE COUNTY, OKLAHOMA**

Combining Statement of Revenues Collected, Expenditures Paid
And Changes in Fund Balances - All Special Revenue Funds – Regulatory Basis
Year Ended June 30, 2021

	<u>Building Fund</u>	<u>Child Nutrition Program Fund</u>	<u>Total (Memorandum Only)</u>
<u>REVENUES COLLECTED:</u>			
District Sources	\$ 44,826	\$ -	\$ 44,826
State Sources	-	-	-
Federal Sources	-	-	-
	<hr/>	<hr/>	<hr/>
TOTAL REVENUE	44,826	-	44,826
	<hr/>	<hr/>	<hr/>
<u>EXPENDITURES PAID:</u>			
Instruction	56,685	-	56,685
Support Services	80,000	-	80,000
Non-Instruction Services	-	-	-
Capital Outlay	-	-	-
Debt Service	-	-	-
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES PAID	136,685	-	136,685
	<hr/>	<hr/>	<hr/>
Excess of Revenues Collected Over (Under)			
Expenditures Paid Before Adjustments	(91,859)	-	(91,859)
	<hr/>	<hr/>	<hr/>
<u>OTHER FINANCING SOURCES (USES):</u>			
Operating Transfers In	-	-	-
	<hr/>	<hr/>	<hr/>
Excess of Revenues Collected Over (Under)			
Expenditures Paid and Other Financing Sources (Uses)	(91,859)	-	(91,859)
	<hr/>	<hr/>	<hr/>
FUND BALANCE, BEGINNING OF YEAR	304,787	-	304,787
	<hr/>	<hr/>	<hr/>
FUND BALANCE, END OF YEAR	\$ 212,928	\$ -	\$ 212,928
	<hr/>	<hr/>	<hr/>

**NEW LIMA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-6
SEMINOLE COUNTY, OKLAHOMA**

Combining Statement of Revenues Collected, Expenditures Paid
And Changes in Fund Balances – Budget and Actual (Regulatory Basis)
Special Revenue Fund Types
Year Ended June 30, 2021

	Building Fund		
	Original Budget	Final Budget	Actual
<u>REVENUES COLLECTED:</u>			
District Sources of Revenue	\$ 38,492	\$ 38,492	\$ 44,826
State Sources of Revenue	-	-	-
Federal Sources of Revenue	-	-	-
TOTAL REVENUES COLLECTED	38,492	38,492	44,826
<u>EXPENDITURES PAID:</u>			
Instruction	57,000	87,000	56,685
Support Services	80,000	80,000	80,000
Non-Instruction Services	-	-	-
Capital Outlays	-	-	-
Other Outlays	-	-	-
TOTAL EXPENDITURES PAID	137,000	167,000	136,685
Excess of Revenue Collected Over (Under)			
Expenditures Paid Before Adjustments	(98,508)	(128,508)	(91,859)
<u>OTHER RESOURCES AND USES:</u>			
Operating Transfers In	-	-	-
Excess of Revenues Collected Over (Under)			
Expenditures Paid and Other Financing			
Sources (Uses)	(98,508)	(128,508)	(91,859)
FUND BALANCE, BEGINNING OF YEAR	304,787	304,787	304,787
FUND BALANCE, END OF YEAR	\$ 206,279	\$ 176,279	\$ 212,928

Child Nutrition Fund			Total		
Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
\$ -	\$ -	\$ -	\$ 38,492	\$ 38,492	\$ 44,826
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	38,492	38,492	44,826
-	-	-	-	-	-
-	-	-	57,000	87,000	56,685
-	-	-	80,000	80,000	80,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	137,000	167,000	136,685
-	-	-	-	-	-
-	-	-	(98,508)	(128,508)	(91,859)
-	-	-	-	-	-
-	-	-	(98,508)	(128,508)	(91,859)
-	-	-	304,787	304,787	304,787
\$ -	\$ -	\$ -	\$ 206,279	\$ 176,279	\$ 212,928

NEW LIMA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-6
SEMINOLE COUNTY, OKLAHOMA
Statement of Assets, Liabilities and Fund Balance
Fiduciary Funds – Regulatory Basis
June 30, 2021

	Agency Fund School Activity Fund
<u>ASSETS</u>	
Cash	\$ 105,613
 TOTAL ASSETS	 <u>\$ 105,613</u>
 <u>LIABILITIES AND FUND BALANCE</u>	
 <u>LIABILITIES:</u>	
Outstanding Checks	\$ 3,399
 TOTAL LIABILITIES	 <u>3,399</u>
 <u>FUND BALANCE:</u>	
Unreserved/Undesignated	66,136
Designated Student Groups	<u>36,078</u>
 TOTAL FUND BALANCE	 <u>102,214</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 105,613</u>

NEW LIMA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-6
SEMINOLE COUNTY, OKLAHOMA
Statement of Changes in Assets, Liabilities and Fund Balance
Activity Funds – Regulatory Basis
June 30, 2021

ASSETS	<u>Balance 6/30/2020</u>	<u>Deposits</u>	<u>Disbursements</u>	<u>Balance 6/30/2021</u>
Cash	\$ 108,161	\$ 77,724	\$ 80,272	\$ 105,613
TOTAL ASSETS	<u>\$ 108,161</u>	<u>\$ 77,724</u>	<u>\$ 80,272</u>	<u>\$ 105,613</u>
 LIABILITIES AND FUND BALANCE				
LIABILITIES				
Outstanding Checks	<u>4,333</u>	<u>-</u>	<u>(934)</u>	<u>3,399</u>
Total Liabilities	<u>4,333</u>	<u>-</u>	<u>(934)</u>	<u>3,399</u>
 FUND BALANCE				
Unreserved/Undesignated	\$ 65,194	\$ 42,771	\$ 41,829	\$ 66,136
Student Groups	<u>38,634</u>	<u>34,953</u>	<u>37,509</u>	<u>36,078</u>
Total Fund Balance	<u>103,828</u>	<u>77,724</u>	<u>79,338</u>	<u>102,214</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 108,161</u>	<u>\$ 77,724</u>	<u>\$ 80,272</u>	<u>\$ 105,613</u>

NEW LIMA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-6
SEMINOLE COUNTY, OKLAHOMA
School Activity Funds
Year Ended June 30, 2021

Description	Ending Balance 6/30/2020	Receipts	Adjustments	Disbursements	Ending Balance 6/30/2021
Athletics	\$ 6,406	\$ 27,008	\$ -	\$ 27,065	\$ 6,349
Cheerleaders	897	2,321	-	1,803	1,415
Basketball Girls	2,757	5,933	-	7,694	996
Softball	1,800	-	-	-	1,800
Baeball	4,734	5,624	-	6,747	3,611
Boys Basketball	2,496	6,951	-	5,013	4,434
Elementary Media	175	65	-	-	240
Flower Fund	298	237	-	183	352
General Fund	5,351	7,408	-	8,594	4,165
Elementary Fund	2,148	5,341	-	3,732	3,757
Special Ed	943	860	-	(386)	2,189
Student Council	1,040	3,353	-	2,610	1,783
Reynolds Scholarship Fund	50,000	456	-	452	50,004
Highschool 4-H	1,920	1,013	-	821	2,112
Native American Club	1,742	310	-	-	2,052
Yearbook Fund	9,090	2,653	-	2,510	9,233
Child Nutrition	-	427	-	427	-
Library	94	-	-	-	94
B Young Classroom Fund	147	-	-	-	147
National Honor Society	2,340	1,375	-	1,135	2,580
Academic Bowl	197	909	-	606	500
Science Club	176	-	-	-	176
Class of 2020	1,000	-	-	198	802
Class of 2019	-	70	-	-	70
Class of 2022	2,269	2,429	-	1,943	2,755
Class of 2021	5,597	2,729	-	8,161	165
Class of 2024	51	41	-	-	92
Class of 2023	120	170	-	-	290
Class of 2018	40	41	-	30	51
Grand Total	<u>\$ 103,828</u>	<u>\$ 77,724</u>	<u>\$ -</u>	<u>\$ 79,338</u>	<u>\$ 102,214</u>

NEW LIMA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-6
SEMINOLE COUNTY, OKLAHOMA
Schedule of Expenditures of Federal Awards - Regulatory Basis
Year Ended June 30, 2021

<u>Federal Grantor/Pass Through Grantor/ Program Title</u>	<u>Federal CFDA No.</u>	<u>Pass Through Grantor's Number</u>	<u>Balance June 30, 2020</u>
<u>U.S. Department of Education Direct Programs:</u>			
Impact Aid	84.041	591	\$ -
Impact Aid - Disabled	84.041	592	-
Indian Education Title VII	84.060	S060A15114	-
TOTAL U.S. DEPARTMENT OF EDUCATION			-
<u>Passed Through State Department of Education:</u>			
Title I - Part A Basic	84.010	511	-
Title V -Reap	84.358	588	-
Title VI Part B-Reap	84.367	586	-
IDEA - B - Flow Through	84.027	621	-
Special ED - Pre-school	84.173	641	-
Indian Education JOM	15.130	563	-
Title VI - Sub Part I	84.358A	588	-
Special ED - Professional Development	84.027	615	-
ESSERF/Cares Act	84.425D	788	-
Special ED - Cares Act	84.027	617	-
ESSERF II/Cares Act	84.425D	793	-
TOTAL DEPARTMENT OF EDUCATION			-
<u>Passed Through U.S. Department of Agriculture:</u>			
Child Nutrition - Breakfasts	10.553	764	-
Child Nutrition - Lunches	10.555	763	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE			-
<u>Passed Through U.S. Department of Human Services</u>			
Commodity Supplemental Food Program	10.565	N/A	-
TOTAL U.S. DEPARTMENT OF HUMAN SERVICES			-
TOTAL FEDERAL ASSISTANCE			\$ -

<u>Receipts for Prior Years Expenditures</u>	<u>Receipts for Current Years Expenditures</u>	<u>Current Year Expenditures</u>	<u>Balance June 30, 2021</u>
\$ -	\$ 42,581	\$ 42,581	\$ -
-	4,389	4,389	-
-	25,064	25,064	-
<u>-</u>	<u>72,034</u>	<u>72,034</u>	<u>-</u>
-	122,754	122,754	-
-	-	-	-
-	6,001	6,001	-
-	87,151	87,151	-
-	-	-	-
-	5,370	5,370	-
-	20,876	20,876	-
-	-	-	-
-	97,980	97,980	-
-	3,136	3,136	-
-	90,020	168,882	-
<u>-</u>	<u>433,288</u>	<u>512,150</u>	<u>-</u>
-	35,455	35,455	-
-	80,834	89,061	-
<u>-</u>	<u>116,289</u>	<u>124,516</u>	<u>-</u>
-	15,812	15,812	-
<u>-</u>	<u>15,812</u>	<u>15,812</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 637,423</u>	<u>\$ 724,512</u>	<u>\$ -</u>

**NEW LIMA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-6
SEMINOLE COUNTY, OKLAHOMA**

Notes to Schedule of Expenditures of Federal Awards - Regulatory Basis
Year Ended June 30, 2021

Note 1: The accompanying schedule of expenditures of federal awards includes the federal grant expenditures of New Lima Public Schools, I-6, Seminole County, Oklahoma and is presented on the regulatory basis of accounting prescribed by the Oklahoma State Department of Education. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

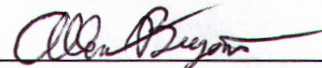
No amounts were passed through to a subrecipient.

**NEW LIMA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. I-6
SEMINOLE COUNTY, OKLAHOMA**
Schedule of Accountant's Professional Liability Insurance Affidavit
July 1, 2020 to June 30, 2021

STATE OF OKLAHOMA)
)ss
COUNTY OF SEMINOLE)

The undersigned representative of the auditing firm listed below being 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 the New Lima Public Schools for the audit year 2020-2021.

Johnston and Bryant, C.P.A.'S

By 

Subscribed and sworn to before me this 5th of November 2021.


Notary Public

My commission expires 3/22/2025.

Commission No. 21003897



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

The Board of Education
New Lima Independent School District Number I-6
New Lima, Seminole 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 New Lima School District Number I-6, New Lima, Oklahoma(District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated August 3, 2021, 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 the financial statements on the regulatory basis of accounting authorized by the Oklahoma State Board of Education.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

The Board of Education
New Lima Independent School District Number I-6
New Lima, Seminole County, Oklahoma
Page two

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.



Ada, Oklahoma
August 3, 2021

NEW LIMA INDEPENDENT SCHOOL DISTRICT NO. I-6
SEMINOLE COUNTY, OKLAHOMA
Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Current Year Findings

None noted

Status of Prior Year Findings

None noted