

NEWCASTLE SCHOOL DISTRICT NO. I-001
MCCLAIN COUNTY, OKLAHOMA
JUNE 30, 2021

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MCCLAIN COUNTY, OKLAHOMA
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**Newcastle School District No. I-001, McClain County, Oklahoma
School District Officials
June 30, 2021**

BOARD OF EDUCATION

President	John Makers
Vice President	Gary Knowles
Clerk	Valory Dalton
Deputy Clerk	Tiffany Elczyn
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SUPERINTENDENT OF SCHOOLS

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SCHOOL DISTRICT TREASURER/CHIEF FINANCIAL OFFICER

Jeff Landes

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education
Newcastle School District No. I-001
McClain County, Oklahoma

Board Members:

Report on Financial Statements

We have audited the accompanying combined fund type and account group financial statements-regulatory basis of the Newcastle School District No. I-001, McClain County, Oklahoma, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

As described in Note 1, the financial statements are prepared by Newcastle School District No. I-001 McClain County, Oklahoma, on the basis of the financial reporting provisions of the Oklahoma State Department of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Oklahoma State Department of Education. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the above paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Newcastle School District No. I-001, McClain County, Oklahoma, as of June 30, 2021, or the changes in its financial position, or, where applicable, its cash flows for the year then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

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

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities, and fund balance arising from regulatory basis transactions of each fund type and account group of Newcastle School District No. I-001, McClain County, Oklahoma as of June 30, 2021, and the revenues collected, expenditures paid and encumbered, and budgetary results, for the year ended on the regulatory basis of accounting described in Note 1.

Other Matters

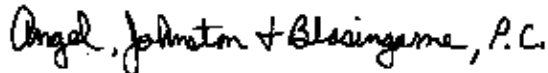
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Newcastle School District No. I-001, McClain County, Oklahoma’s basic financial statements. The combining statements—regulatory basis, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining statements-regulatory basis and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements-regulatory basis and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole on the regulatory basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2022, on our consideration of the Newcastle School District No. I-001, McClain County, Oklahoma's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Newcastle School District No. I-001, McClain County, Oklahoma's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standard* in considering Newcastle School District No. I-001, McClain County, Oklahoma's internal control over financial reporting and compliance.



Chickasha, Oklahoma
February 7, 2022

COMBINED FINANCIAL STATEMENTS

Newcastle School District No. 1-1, McClain County, Oklahoma
Combined Statement of Assets, Liabilities and Fund Balances
Regulatory Basis - All Fund Types and Account Groups
June 30, 2021

	Governmental Fund Types				Fiduciary Fund Types	Account Group	Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency	General Long- Term Debt	June 30, 2021
ASSETS							
Cash and Cash Equivalents	\$ 3,767,005	\$ 529,089	\$ 226,573	\$ 334,169	\$ 596,414	\$ 0	\$ 5,453,251
Investments	0	0	0	0	0	0	0
Amounts Available in Debt Service Fund	0	0	0	0	0	226,573	226,573
Amounts to be Provided for Retirement of General Long-Term Debt	0	0	0	0	0	5,343,427	5,343,427
Amounts to be Provided For Capitalized Lease Agreements	0	0	0	0	0	10,865,354	10,865,354
Amounts to be Provided For Compensated Absences	0	0	0	0	0	127,192	127,192
Total Assets	\$ 3,767,005	\$ 529,089	\$ 226,573	\$ 334,169	\$ 596,414	\$ 16,562,546	\$ 22,015,797
LIABILITIES AND FUND BALANCES							
Liabilities:							
Warrants Payable	\$ 322,651	\$ 30,589	\$ 0	\$ 817	\$ 0	\$ 0	\$ 354,057
Reserve for Encumbrances	1,627,348	185,701	0	9,628	0	0	1,822,676
Due to Activity Groups	0	0	0	0	596,414	0	596,414
General Obligation Bonds Payable	0	0	0	0	0	5,570,000	5,570,000
Capitalized Lease Obligations Payable	0	0	0	0	0	10,865,354	10,865,354
Compensated Absences Payable	0	0	0	0	0	127,192	127,192
Total Liabilities	\$ 1,949,999	\$ 216,290	\$ 0	\$ 10,445	\$ 596,414	\$ 16,562,546	\$ 19,335,694
Fund Balances:							
Restricted For:							
Debt Service	\$ 0	\$ 0	\$ 226,573	\$ 0	\$ 0	\$ 0	\$ 226,573
Capital Projects	0	0	0	323,724	0	0	323,724
Building Programs	0	312,799	0	0	0	0	312,799
Child Nutrition Programs	0	0	0	0	0	0	0
Cooperative Programs	0	0	0	0	0	0	0
Unassigned	1,817,007	0	0	0	0	0	1,817,007
Total Fund Balances	\$ 1,817,007	\$ 312,799	\$ 226,573	\$ 323,724	\$ 0	\$ 0	\$ 2,680,103
Total Liabilities and Fund Balances	\$ 3,767,005	\$ 529,089	\$ 226,573	\$ 334,169	\$ 596,414	\$ 16,562,546	\$ 22,015,797

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

Newcastle School District No. I-1, McClain County, Oklahoma
Combined Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances
Regulatory Basis - All Governmental Fund Types
For the Year Ended June 30, 2021

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	June 30, 2021
Revenue Collected:					
Local Sources	\$ 4,851,234	\$ 737,955	\$ 5,567,032	\$ 6,887	\$ 11,163,107
Intermediate Sources	589,357	0	0	0	589,357
State Sources	8,840,209	0	0	0	8,840,209
Federal Sources	2,942,227	0	0	0	2,942,227
Non-Revenue Receipts	352,113	0	3,002	0	355,115
<i>Total Revenue Collected</i>	<u>\$ 17,575,139</u>	<u>\$ 737,955</u>	<u>\$ 5,570,034</u>	<u>\$ 6,887</u>	<u>\$ 23,890,015</u>
Expenditures Paid:					
Instruction	\$ 10,359,061	\$ 1,979	\$ 0	\$ 41,327	\$ 10,402,368
Support Services	5,991,180	786,423	0	385,873	7,163,476
Operation of Non-Instructional Services	872,792	643	0	0	873,435
Facilities Acquisition and Construction	0	7,844	0	5,156,173	5,164,017
Other Outlays	153,317	0	0	0	153,317
Other Uses	0	0	0	0	0
Repayments	0	0	0	0	0
Interest Paid on Warrants and Bank Charges	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	5,255,000	0	5,255,000
Interest and Fiscal Agent Fees	0	0	278,515	0	278,515
<i>Total Expenditures Paid</i>	<u>\$ 17,376,350</u>	<u>\$ 796,889</u>	<u>\$ 5,533,515</u>	<u>\$ 5,583,373</u>	<u>\$ 29,290,127</u>
<i>Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances</i>	<u>\$ 198,789</u>	<u>\$ (58,934)</u>	<u>\$ 36,519</u>	<u>\$ (5,576,486)</u>	<u>\$ (5,400,112)</u>
Adjustments to Prior Year Encumbrances	<u>\$ 11,235</u>	<u>\$ 10,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Other Financing Sources (Uses):					
Estopped Warrants	\$ 533	\$ 0	\$ 0	\$ 0	\$ 533
Bond Proceeds	0	0	0	5,571,600	5,571,600
Transfers In	0	0	0	0	0
Transfers Out	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>\$ 533</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,571,600</u>	<u>\$ 5,572,133</u>
<i>Excess (Deficiency) of Revenue Collected Over Expenditures Paid and Other Financing Sources (Uses)</i>	<u>\$ 210,556</u>	<u>\$ (48,934)</u>	<u>\$ 36,519</u>	<u>\$ (4,886)</u>	<u>\$ 193,255</u>
<i>Fund Balance - Beginning of Year</i>	<u>1,606,450</u>	<u>361,734</u>	<u>190,054</u>	<u>328,610</u>	<u>2,486,848</u>
<i>Fund Balance - End of Year</i>	<u>\$ 1,817,007</u>	<u>\$ 312,799</u>	<u>\$ 226,573</u>	<u>\$ 323,724</u>	<u>\$ 2,680,103</u>

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

Newcastle School District No. I-1, McClain County, Oklahoma
Combined Statement of Revenues Collected, Expenditures Paid, and Changes in Fund Balances
Budget and Actual - Regulatory Basis - Budgeted Governmental Fund Types
For the Year Ended June 30, 2021

	General Fund			Special Revenue Funds			Debt Service Fund		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
Revenue Collected:									
Local Sources	\$ 4,418,215	\$ 4,418,215	\$ 4,851,234	\$ 623,225	\$ 623,225	\$ 737,955	\$ 5,343,461	\$ 5,343,461	\$ 5,567,032
Intermediate Sources	457,000	457,000	589,357	0	0	0	0	0	0
State Sources	8,826,249	8,826,249	8,840,209	0	0	0	0	0	0
Federal Sources	1,463,649	1,914,615	2,942,227	0	0	0	0	0	0
Non-Revenue Receipts	0	0	352,113	0	0	0	0	0	3,002
Total Revenue Collected	\$ 15,165,113	\$ 15,616,079	\$ 17,575,139	\$ 623,225	\$ 623,225	\$ 737,955	\$ 5,343,461	\$ 5,343,461	\$ 5,570,034
Expenditures Paid:									
Instruction	\$ 9,700,000	\$ 10,150,966	\$ 10,359,061	\$ 0	\$ 0	\$ 1,979	\$ 0	\$ 0	\$ 0
Support Services	5,747,000	5,747,000	5,991,180	984,959	984,959	786,423	0	0	0
Operation of Non-Instructional Services	702,000	702,000	872,792	0	0	643	0	0	0
Facilities Acquisition and Construction	0	0	0	0	0	7,844	0	0	0
Other Outlays	207,000	207,000	153,317	0	0	0	5,533,515	5,533,515	5,533,515
Other Uses	743,763	743,763	0	0	0	0	0	0	0
Repayments	0	0	0	0	0	0	0	0	0
Interest Paid on Warrants and Bank Charges	0	0	0	0	0	0	0	0	0
Total Expenditures Paid	\$ 17,099,763	\$ 17,550,729	\$ 17,376,350	\$ 984,959	\$ 984,959	\$ 796,889	\$ 5,533,515	\$ 5,533,515	\$ 5,533,515
Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances	\$ (1,934,650)	\$ (1,934,650)	\$ 198,789	\$ (361,734)	\$ (361,734)	\$ (58,934)	\$ (190,054)	\$ (190,054)	\$ 36,519
Adjustments to Prior Year Encumbrances	\$ 0	\$ 0	\$ 11,235	\$ 0	\$ 0	\$ 10,000	\$ 0	\$ 0	\$ 0
Other Financing Sources (Uses):									
Estopped Warrants	\$ 0	\$ 0	\$ 533	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Transfers In	328,200	328,200	0	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0	0	0	0
Total Other Financing Sources (Uses)	\$ 328,200	\$ 328,200	\$ 533	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Excess (Deficiency) of Revenue Collected Over Expenditures Paid and Other Financing Sources (Uses)	\$ (1,606,450)	\$ (1,606,450)	\$ 210,556	\$ (361,734)	\$ (361,734)	\$ (48,934)	\$ (190,054)	\$ (190,054)	\$ 36,519
Fund Balance - Beginning of Year	1,606,450	1,606,450	1,606,450	361,734	361,734	361,734	190,054	190,054	190,054
Fund Balance - End of Year	\$ 0	\$ 0	\$ 1,817,007	\$ 0	\$ 0	\$ 312,799	\$ (0)	\$ (0)	\$ 226,573

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

Newcastle School District No. I-001, McClain County, Oklahoma
Notes To Combined Financial Statements
For The Year Ended June 30, 2021

Note 1 - Summary of Significant Accounting Policies

The basic financial statements of the Newcastle School District No. I-001, McClain County, Oklahoma (the "District") have been prepared in conformity with another comprehensive basis of accounting as prescribed by the Oklahoma State Department of Education. The more significant of the District's accounting policies are described below.

1.A. Reporting Entity

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

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

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

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

1.B. Fund Accounting

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

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

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

Newcastle School District No. I-001, McClain County, Oklahoma
Notes To Combined Financial Statements
For The Year Ended June 30, 2021

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

1.B. Fund Accounting, (continued)

Governmental Fund Types

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

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

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

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

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

4. Capital Projects Fund - The Capital Projects Fund consists of the District's Combined Purpose Bond issues. These funds are used exclusively for acquiring school sites, constructing and equipping new school facilities, renovating existing facilities, acquiring and upgrading technology equipment and acquiring transportation equipment.

Fiduciary Fund Types

Fiduciary Funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District. When these assets are held under the terms of a formal trust agreement, trust funds are used for their accounting and reporting. Agency funds generally are used to account for assets that the District holds on behalf of others as their agent and do not involve measurement of results of operations.

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

Newcastle School District No. I-001, McClain County, Oklahoma
Notes To Combined Financial Statements
For The Year Ended June 30, 2021

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

1.B. Fund Accounting, (continued)

Account Groups

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

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

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

Memorandum Only - Total Column

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

1.C. Basis of Accounting and Presentation

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

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

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

Newcastle School District No. I-001, McClain County, Oklahoma
Notes To Combined Financial Statements
For The Year Ended June 30, 2021

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

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

liabilities are incurred for governmental fund types; and, when revenues are earned and liabilities are incurred for trust funds.

1.D. Budgets and Budgetary Accounting

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

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

1.E. Assets, Liabilities and Fund Equity

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

Investments - Investments consist of direct obligations of the United States government and agencies with maturities greater than three months when purchased. All investments are recorded at cost, which approximates market value.

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

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

Inventories – The value of consumable inventories at June 30, 2021, is not material to the basic financial statements.

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

Newcastle School District No. I-001, McClain County, Oklahoma
Notes To Combined Financial Statements
For The Year Ended June 30, 2021

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

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

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

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

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

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

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

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

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

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

Newcastle School District No. I-001, McClain County, Oklahoma
Notes To Combined Financial Statements
For The Year Ended June 30, 2021

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

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

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

Resource Use Policy

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

1.F. Revenue, Expenses, and Expenditures

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

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

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

Interfund Transactions - Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund or expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the fund that is reimbursed.

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

Newcastle School District No. I-001, McClain County, Oklahoma
Notes To Combined Financial Statements
For The Year Ended June 30, 2021

Note 2 – Deposit and Investment Risk

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

			Carrying Value
Deposits			
Demand Deposits		\$	5,465,544
Time Deposits			0
Total Deposits		\$	<u>5,465,544</u>
Investments			
	<u>Credit Rating</u>	<u>Maturity</u>	<u>Fair Value</u>
			\$ 0
Total Investments			<u>\$ 0</u>
Reconciliation to the Combined Statement of Assets, Liabilities and Equity			
Cash and Cash Equivalents		\$	5,453,251
Activity Fund Outstanding Checks			<u>12,293</u>
Total Deposits and Investments		\$	<u>5,465,544</u>

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

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

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

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

1. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
2. Certificates of deposit of banks when such certificates of deposits are secured by acceptable collateral for the deposit of public monies.
3. Savings accounts or saving certificates to the extent that such accounts or certificates are fully insured by the United States Government.
4. Repurchase agreements that have underlying collateral including obligations of the United States government, its agencies and instrumentalities, or the State of Oklahoma.
5. County, municipal or school district debt obligations for which an ad valorem tax may be levied.

Newcastle School District No. I-001, McClain County, Oklahoma
Notes To Combined Financial Statements
For The Year Ended June 30, 2021

Note 2 – Deposit and Investment Risk, (continued)

6. Money market funds regulated by the SEC and in which investments consist of obligations of the United States, its agencies and instrumentalities.
7. Warrants, bonds or judgments of the school district.
8. Qualified pooled investment programs through an interlocal cooperative agreement formed pursuant to applicable law and to which the board of education has voted to be a member, the investments of which consist of those items specified in paragraphs 1 through 7 above, as well as obligations of the United States agencies and instrumentalities.
9. Any other investment that is authorized by law.

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

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

Investment Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District discloses its exposure to interest rate risk by disclosing the maturity dates of its various investments. The District had no investment interest rate risk as defined above.

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

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

Note 3 - General Long-Term Debt

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

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

Newcastle School District No. I-001, McClain County, Oklahoma
Notes To Combined Financial Statements
For The Year Ended June 30, 2021

Note 3 - General Long-Term Debt (continued)

The following is a summary of the long-term debt transactions of the District for the year ended June 30, 2021:

	Bonds Payable	Capital Lease Obligations	Compensated Absences	Total
Balance July 1, 2020	\$ 5,255,000	\$ 16,055,980	\$ 132,085	\$ 21,443,065
Additions	5,570,000	0	0	5,570,000
Retirements	(5,255,000)	(5,190,626)	(4,893)	(10,450,519)
Balance, June 30, 2021	<u>\$ 5,570,000</u>	<u>\$ 10,865,354</u>	<u>\$ 127,192</u>	<u>\$ 16,562,546</u>

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

	Interest Rate	Maturity Date	Amount Issued	Amount Outstanding
2020 Combined Purpose Bonds	1.25%	1-Jul-23	\$ 5,570,000	\$ 5,570,000
Totals			<u>\$ 5,570,000</u>	<u>\$ 5,570,000</u>

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

	Principal	Interest	Total
2020 Combined Purpose Bonds			
2021-2022	\$ 0	\$ 69,625	\$ 69,625
2022-2023	5,570,000	69,625	5,639,625
Sub Total	<u>\$ 5,570,000</u>	<u>\$ 139,250</u>	<u>\$ 5,709,250</u>
Total Bonds	<u>\$ 5,570,000</u>	<u>\$ 139,250</u>	<u>\$ 5,709,250</u>

Interest paid on general debt during the 2020-21 year was \$278,515.

The District has entered into various lease agreements as lessee for financing the acquisition of land, and construction of new schools and improvement, and copier. The lease agreements qualify as capital leases for accounting purposes since title transfers at the end of the lease terms and they have been recorded at the present value of the future minimum lease payments. The leases contain a clause which gives the District the ability to terminate the lease agreements at the end of each fiscal year.

As noted in Note 1 to the financial statements, the District does not record fixed assets in the financial statements. Consistent with this, the District has not recorded the above assets as assets in the General fixed assets account group. The District has recorded the liability for future lease payments in the general long-term debt account group for the above leases. The schedule of future minimum lease payments under the capital lease and the present value of the net minimum lease payments at June 30, is as follows:

Newcastle School District No. I-001, McClain County, Oklahoma
Notes To Combined Financial Statements
For The Year Ended June 30, 2021

Note 3 - General Long-Term Debt (continued)

Year Ending June 30	Copier Lease	Newcastle Educational Facilities Auth 2010 A & B Lease Purchase	Newcastle Educational Facilities Auth 2010 C & D Lease Purchase	Total
2022	\$ 50,000	\$ 513,544	\$ 4,710,706	\$ 5,274,250
2023	44,496	545,658	5,005,292	5,595,446
Total	\$ 94,496	\$ 1,059,202	\$ 9,715,998	\$ 10,869,696
Less: Amount representing Interest	(4,342)	0	0	(4,342)
Present Value of Future Minimum Lease Payments	\$ 90,154	\$ 1,059,202	\$ 9,715,998	\$ 10,865,354

Also, the District accrues for unused sick leave for eligible employees. Unused sick leave for certified salaries is calculated at various rates up to 120 days depending upon years of service. Any amount in excess of 120 days is paid at \$15 per day upon retirement by the district. Unused sick leave is paid to noncertified employees at various rates up to 120 days depending upon years of service. However, no amounts are paid for days in excess of 120 days upon retirement. The liability for compensated absences at June 30, 2021 is as follows:

Unused Sick Leave Liability – Certified	\$ 113,261
Unused Sick Leave Liability – Support	13,931
Total Compensated Absences	<u>\$ 127,192</u>

Note 4 - Employee Retirement System

Plan Description - The District participates in the state-administered Oklahoma Teachers' Retirement System (the "System") which is a cost-sharing multiple-employer defined benefit Public Employee Retirement System (PERS). The administration, benefits, and funding of the System are governed by Article XVII, Section 70 of the Oklahoma Statutes. The System is administered by a board of trustees which acts as a fiduciary for investing the funds and governing the administration of the System. PERS provides retirement, disability and death benefits to plan members and beneficiaries. The District has no responsibility or authority for the operation and administration of the System nor has it any liability, except for the current contribution requirements.

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

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

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

Newcastle School District No. I-001, McClain County, Oklahoma
Notes To Combined Financial Statements
For The Year Ended June 30, 2021

Note 4 - Employee Retirement System, (continued)

The District's contributions to the System for the years ending June 30, 2021, 2020, and 2019 were \$950,674, \$937,487 and \$865,665, respectively.

The compensation for employees covered by the System for the year ended June 30, 2021 was \$9,802,905; the District's total compensation was \$12,552,271. In addition to the District's 9.50% contributions, the District was required to pay into the System 7.70% of compensation arising from federal grants \$68,490. There were \$566,526 contributions made by employees during the year ended June 30, 2021.

Note 5 - Contingencies

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

Note 6 – Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; or acts of God. The District purchases commercial insurance to cover these risks, including general and auto liability, property damage, and public official's liability. The District had the following insurance coverage during the year: Commercial property - \$86,706,773; general liability - \$5,000,000; and educator's liability \$1,000,000. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

The School's worker's compensation carrier is Zenith Insurance Company.

Note 7 - Use of Estimates

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

Note 8 – Surety Bonds

The Treasurer is bonded by RLI Insurance Company, bond number LSM0479448 for the penal sum of \$250,000 for the term February 28, 2021 to February 28, 2022.

The Superintendent is bonded by RLI Insurance Company, bond number LSM278324 for the penal sum of \$250,000 for the term July 1, 2020 to July 1, 2021.

The Encumbrance Clerk/Payroll Clerk is bonded by RLI Insurance Company, bond number LSM1518517 for the penal sum of \$25,000 for the term May 4, 2021 to April 4, 2022.

The Minutes Clerk is bonded by RLI Insurance Company, bond number LSM0479452 for the penal sum of \$25,000 for the period February 28, 2021 to February 28, 2022.

Newcastle School District No. I-001, McClain County, Oklahoma
Notes To Combined Financial Statements
For The Year Ended June 30, 2021

Note 8 – Surety Bonds, (continued)

The Activity Fund Custodian is bonded by RLI Insurance Company, bond number LSM079456 for penal sum of \$25,000 for the period February 28, 2021 to February 28, 2022.

Note 9 – Budget Amendments

The General Fund Budget was amended once during the year by filing a supplemental appropriation form with the county clerk's office. The supplemental appropriation was filed on April 13, 2021, in the amount of \$450,966.23. This increased the original General Fund Budget from \$17,099,763.04 to \$17,550,729.27.

Note10 – Subsequent Events

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

OTHER INFORMATION

Newcastle School District No. I-1, McClain County, Oklahoma
Combining Statement of Assets, Liabilities and Fund Balances
Regulatory Basis - All Special Revenue Funds
June 30, 2021

	Building Fund	Total June 30, 2021
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 529,089	\$ 529,089
Investments	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u><u>\$ 529,089</u></u>	<u><u>\$ 529,089</u></u>
 <u>LIABILITIES AND FUND BALANCES</u>		
Liabilities:		
Warrants Payable	\$ 30,589	\$ 30,589
Reserve for Encumbrances	<u>185,701</u>	<u>185,701</u>
<i>Total Liabilities</i>	<u><u>\$ 216,290</u></u>	<u><u>\$ 216,290</u></u>
 Fund Balances:		
Restricted	<u>\$ 312,799</u>	<u>\$ 312,799</u>
<i>Total Fund Balances</i>	<u><u>\$ 312,799</u></u>	<u><u>\$ 312,799</u></u>
<i>Total Liabilities and Fund Balances</i>	<u><u>\$ 529,089</u></u>	<u><u>\$ 529,089</u></u>

Newcastle School District No. I-1, McClain County, Oklahoma
Combining Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances
Regulatory Basis - Special Revenue Funds
For the Year Ended June 30, 2021

	Building Fund	Total June 30, 2021
Revenue Collected:		
Local Sources	\$ 737,955	\$ 737,955
Intermediate Sources	0	0
State Sources	0	0
Federal Sources	0	0
Non-Revenue Receipts	0	0
	<u>0</u>	<u>0</u>
<i>Total Revenue Collected</i>	\$ 737,955	\$ 737,955
Expenditures Paid:		
Instruction	\$ 1,979	\$ 1,979
Support Services	786,423	786,423
Operation of Non-Instructional Services	643	643
Facilities Acquisition and Construction	7,844	7,844
Other Outlays	0	0
Other Uses	0	0
Repayments	0	0
Interest Paid and Bank Charges	0	0
	<u>0</u>	<u>0</u>
<i>Total Expenditures Paid</i>	\$ 796,889	\$ 796,889
<i>Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances</i>	\$ (58,934)	\$ (58,934)
Adjustments to Prior Year Encumbrances	\$ 10,000	\$ 10,000
Other Financing Sources (Uses):		
Estopped Warrants	\$ 0	\$ 0
Transfers In	0	0
Transfers Out	0	0
	<u>0</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	\$ 0	\$ 0
<i>Excess (Deficiency) of Revenue Collected Over Expenditures Paid and Other Financing Sources (Uses)</i>	\$ (48,934)	\$ (48,934)
<i>Fund Balance - Beginning of Year</i>	361,734	361,734
<i>Fund Balance - End of Year</i>	<u>\$ 312,799</u>	<u>\$ 312,799</u>

Newcastle School District No. I-1, McClain County, Oklahoma
Combining Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances
Budget and Actual - Regulatory Basis - Special Revenue Funds
For the Year Ended June 30, 2021

	Building Fund			Total		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
Revenue Collected:						
Local Sources	\$ 623,225	\$ 623,225	\$ 737,955	\$ 623,225	\$ 623,225	\$ 737,955
Intermediate Sources	0	0	0	0	0	0
State Sources	0	0	0	0	0	0
Federal Sources	0	0	0	0	0	0
Non-Revenue Receipts	0	0	0	0	0	0
<i>Total Revenue Collected</i>	<u>\$ 623,225</u>	<u>\$ 623,225</u>	<u>\$ 737,955</u>	<u>\$ 623,225</u>	<u>\$ 623,225</u>	<u>\$ 737,955</u>
Expenditures Paid:						
Instruction	\$ 0	\$ 0	\$ 1,979	\$ 0	\$ 0	\$ 1,979
Support Services	984,959	984,959	786,423	984,959	984,959	786,423
Operation of Non-Instructional Services	0	0	643	0	0	643
Facilities Acquisition and Construction	0	0	7,844	0	0	7,844
Other Outlays	0	0	0	0	0	0
Other Uses	0	0	0	0	0	0
Repayments	0	0	0	0	0	0
Interest Paid	0	0	0	0	0	0
<i>Total Expenditures Paid</i>	<u>\$ 984,959</u>	<u>\$ 984,959</u>	<u>\$ 796,889</u>	<u>\$ 984,959</u>	<u>\$ 984,959</u>	<u>\$ 796,889</u>
<i>Excess of Revenues Collected Over (Under)</i>						
<i>Expenditures Paid Before Adjustments to</i>						
<i>Prior Year Encumbrances</i>	<u>\$ (361,734)</u>	<u>\$ (361,734)</u>	<u>\$ (58,934)</u>	<u>\$ (361,734)</u>	<u>\$ (361,734)</u>	<u>\$ (58,934)</u>
Adjustments to Prior Year Encumbrances	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,000</u>
Other Financing Sources (Uses):						
Estopped Warrants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Transfers In	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<i>Excess (Deficiency) of Revenue Collected</i>						
<i>Over Expenditures Paid and Other Financing</i>						
<i>Sources (Uses)</i>	<u>\$ (361,734)</u>	<u>\$ (361,734)</u>	<u>\$ (48,934)</u>	<u>\$ (361,734)</u>	<u>\$ (361,734)</u>	<u>\$ (48,934)</u>
<i>Fund Balance - Beginning of Year</i>	<u>361,734</u>	<u>361,734</u>	<u>361,734</u>	<u>361,734</u>	<u>361,734</u>	<u>361,734</u>
<i>Fund Balance - End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 312,799</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 312,799</u></u>

Newcastle School District No. I-1, McClain County, Oklahoma
Combining Statement of Assets, Liabilities and Fund Equity
Regulatory Basis - Activity Fund
June 30, 2021

<u>ASSETS</u>	School Activity Fund
Cash	\$ 596,414
Investments	<u>0</u>
<i>Total Assets</i>	<u>\$ 596,414</u>
 <u>LIABILITIES AND FUND EQUITY</u>	
Liabilities:	
Due To Activity Groups	\$ <u>596,414</u>
<i>Total Liabilities</i>	<u>\$ 596,414</u>
Fund Equity:	
Unassigned	\$ <u>0</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$ 596,414</u>

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

ACTIVITIES	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Cafeteria	\$ 0	\$ 70,247	\$ 70,247	\$ 0
Athletics-General	67,296	24,986	38,931	53,351
Athletic Gate	41,555	96,461	101,431	36,585
Baseball	153	2,952	1,452	1,653
Basketball Boys	9,416	0	5,336	4,079
Basketball Girls	0	882	206	676
Cheer	27,178	72,075	55,124	44,129
Cross Country	337	5,468	3,991	1,813
Fast Pitch	8	280	0	288
Football	1,200	15,861	560	16,502
Golf Boys	169	0	0	169
Golf Girls	455	0	0	455
Slow Pitch	143	0	0	143
Soccer-Boys	776	648	1,226	198
Soccer Girls	776	648	648	776
Track	3,045	0	0	3,045
Volleyball	1,489	2,879	0	4,368
Wrestling	1,862	135	1,115	881
Activity Fees	650	144	794	0
Administration	105,811	9,914	13,333	102,392
Gfund Collections	0	1,115	1,115	0
Damage Deposit	800	0	0	800
Racer Kid Zone	0	130,897	120,668	10,229
Archery	3,024	0	3,024	0
Art	4,744	548	1,085	4,207
Band	84	0	20	64
Box Tops	529	6	0	535
Club-BPA	503	0	165	338
Club FCCLA	5,362	2,348	4,437	3,273
Club FFA	14,514	52,700	50,052	17,162
Club Science	1,005	0	0	1,005
Club Spanish	1,622	34	0	1,655
Drama	1,287	0	0	1,287
Academic Outreach	2,497	0	0	2,497
ES Beautification	4,804	0	0	4,804
ES Camp Goddard	10,365	6,684	2,069	14,980
ES Fundraiser	31,165	0	40	31,125
ES Literacy	2,508	0	1,852	656
ES Special Olympics	2,604	0	85	2,519
Gifted Talented	195	0	0	195
Honor Society	3,520	3,351	3,075	3,796
Hospitality	777	280	274	783
HS Testing	1,572	2,352	2,240	1,684
HS Take the Lead	1,186	0	0	1,186
Library	16,113	685	2,905	13,893
MS Boat Races	701	0	0	701
Sub Total Activities	\$ 373,802	\$ 504,580	\$ 487,503	\$ 390,878

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

ACTIVITIES	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
MS-Finishline Store	\$ 1,530	\$ 0	\$ 620	\$ 910
MS Student Store	10,008	4,674	2,721	11,961
Native Ed Enrichment	1,501	0	0	1,501
PE	1,594	5,925	277	7,243
Pit Crew	603	0	0	603
Principals	70,864	27,549	30,612	67,802
Show Choir	485	0	485	0
Stuco	24,880	145	3,862	21,162
Technology	1,647	3,534	857	4,324
Vocal Music	5,882	2,957	627	8,212
Yearbook	41,406	17,916	12,582	46,740
Robotics	9,888	11,925	6,574	15,240
Class 2020	13,021	4,479	17,500	0
Class of 2021	4,062	2,342	5,211	1,193
Class of 2022	2,926	17,754	14,030	6,650
Class of 2023	1,770	1,617	306	3,081
Class of 2024	931	10	0	940
Class of 2025	163	9	0	172
Class of 2027	976	0	485	491
Class of 2028	118	0	0	118
Class of 2029	1,134	0	0	1,134
Class of 2030	385	4,301	3,566	1,120
Class of 2031	2,355	4,173	3,866	2,662
Class of 2032	1,267	4,016	4,305	977
Class of 2033	709	3,855	4,440	124
Class of 2034	0	2,826	1,649	1,177
Sub Total Activities	\$ 200,105	\$ 120,007	\$ 114,576	\$ 205,536
Total Activities	\$ 573,907	\$ 624,586	\$ 602,079	\$ 596,414

Newcastle School District No. 001, McClain County, Oklahoma
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA#	Through Grantor's Project Number	Deferred Revenue (Accounts Receivable) July 1, 2020	Federal Grant Receipts	Federal Grant Expenditures	Deferred Revenue (Accounts Receivable) June 30, 2021	Indirect Cost included in Grant Expenditures
U.S. Department of Education							
<u>Direct Programs:</u>							
Indian Education Title VII	84.060A	561	(16,244)	76,933	80,240	(19,551)	2,922
<u>Passed Through Oklahoma State Department of Education:</u>							
Title I, Basic	84.010	511/786	(68,418)	267,898	246,247	(46,767)	8,855
Title I, Neglected	84.010	518/786	(3,685)	9,809	7,523	(1,399)	253
Title I			(72,103)	277,707	253,770	(48,166)	9,108
IDEA-B Flowthrough	84.027	621	(8,141)	406,235	398,094	0	13,353
IDEA-B Prof. Development	84.027	615	0	3,585	7,029	(3,444)	117
IDEA-B COVID Assistance	84.027	617	0	24,064	24,064	0	0
IDEA-B Preschool	84.173	641	0	8,462	8,462	0	0
Special Education Cluster			(8,141)	442,346	437,649	(3,444)	13,470
Title II, Part A,	84.367	541/786	(28,553)	44,207	18,237	(2,583)	606
Title VI, Part B Rural and Low Income	84.358	587/786	(31,352)	82,648	58,195	(6,899)	2,038
Title IV, Part A	84.424A	552/786	(216)	12,684	12,771	(303)	457
COVID-19 ESSERF/CARES Act	84.425D	788	0	171,513	172,001	(488)	0
COVID-19 ESSER II Formula Fund	84.425D	793	0	352,734	460,373	(107,639)	16,066
COVID-19 ESSER II SDE	84.425D	794	0	275,896	466,252	(190,356)	0
COVID-19 GEER	84.425D	721	0	0	10,936	(10,936)	400
COVID-19 ESSER FUNDS			0	800,143	1,109,562	(309,419)	16,466
<u>Passed Through Oklahoma Department of Vocational Education</u>							
Carl Perkins (Note 4)	84.048	421	(12,137)	12,137	10,696	(10,696)	0
Statewide Programs (Note 5)	84.048	461	0	0	57	0	0
Total U.S. Department of Education			(168,746)	1,748,805	1,981,177	(401,061)	45,067
<u>Passed Through Department of Community Services</u>							
Chickasaw Nation COVID-19 (Note 6)	21.019	772	0	458,400	62,574	395,826	0
Total Chickasaw Nation COVID-19 Subaward			0	458,400	62,574	395,826	0
U.S. Department of Agriculture							
<u>Passed Through State Department of Education:</u>							
Breakfast Program	10.553	764	0	17,234	17,234	0	0
Lunch Program	10.555	763	0	63,538	63,538	0	0
Summer Food Program	10.559	766	0	644,733	644,733	0	0
Commodities Distributed-Lunch (Note 3)	10.555	N/A	0	37,066	37,066	0	0
Child Nutrition Cluster			0	762,571	762,571	0	0
Total U.S. Department of Agriculture			0	762,571	762,571	0	0
U.S. Department of Interior							
<u>Passed through Bureau of Indian Affairs:</u>							
Johnson O'Malley	15.130	563	(382)	9,515	17,673	(8,540)	0
Total U.S. Department of Interior			(382)	9,515	17,673	(8,540)	0
TOTAL FEDERAL ASSISTANCE			(169,128)	2,979,291	2,823,995	(13,775)	45,067

Newcastle School District No. I-001, McClain County, Oklahoma
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

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

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

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

Note 4 – Carl Perkins – The actual receivable for Project 421 was \$12,137. We have adjusted the beginning receivable to match actual amount received.

Note 5 – Statewide Programs – The school will not be receiving any additional funds for this project. Therefore, we are zeroing out this receivable.

Note 6 – Chickasaw Nation Covid-19 Subaward – The school will not be expending any additional funds for this grant. The school actually expended adequate funds to offset the grant revenues received; however, they failed to code these expenditures to the specific grant project code.



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

The Honorable Board of Education
Newcastle School District No. I-001
McClain County, Oklahoma

Board Members:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying fund type and account group financial statements-regulatory basis, within the combined financial statements of Newcastle School District No. I-001, McClain County, Oklahoma, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's financial statements and have issued our report thereon dated February 7, 2022. The report on these financial statements was adverse with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America because the presentation followed the regulatory basis of accounting for Oklahoma school districts and did not conform to the presentation requirements of the Governmental Accounting Standards Board. However, our report was qualified for the omission of the general fixed asset account group with respect to the presentation of financial statements on the regulatory basis of accounting authorized by the Oklahoma State Board of Education.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Newcastle School District No. I-001, McClain County, Oklahoma's, internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. (2021-001).

Compliance and Other Matters

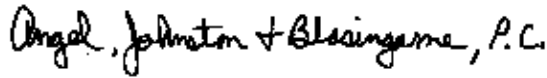
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Newcastle School District No. I-001, McClain County, Oklahoma's, Response to Findings

Newcastle School District No. I-001, McClain County, Oklahoma's response to the findings identified in our audit are described in the attached corrective action plan. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



Chickasha, Oklahoma
February 27, 2022

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

The Honorable Board of Education
Newcastle School District No. I-001
McClain County, Oklahoma

Board Members:

Report on Compliance for Each Major Federal Program

We have audited Newcastle School District No. I-001, McClain County, Oklahoma'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, 2021. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Newcastle School District No. I-001, McClain County, Oklahoma's, major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, Newcastle School District No. I-001, McClain 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, 2021.

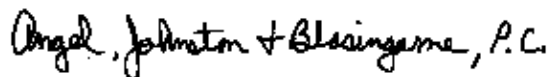
Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



Chickasha, Oklahoma
February 7, 2022

Newcastle School District No. I-001, McClain County, Oklahoma
Schedule of Findings and Questioned Cost
For the Year Ended June 30, 2021

SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

Type of Auditor's Report Issued: Adverse opinion on the combined financial statements-regulatory basis in conformity with generally accepted accounting principles and a qualified opinion for the omission of the general fixed asset account group on the combined financial statements in conformity with a regulatory basis of accounting prescribed by the Oklahoma State Department of Education.

Internal Control Over Financial Reporting:

Material Weakness(es) identified? ☐ Yes ☒ No

Significant Deficiencies identified not considered to be material weaknesses? ☒ Yes ☐ No

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards:

Type of auditor's report issued on compliance for major programs: Unmodified in conformity with regulatory basis of accounting.

Internal Control Over Major Programs:

Material Weakness(es) identified? ☐ Yes ☒ No

Significant Deficiencies identified not considered to be material weaknesses? ☐ Yes ☒ No

Audit Findings disclosed that are required to be reported in accordance with the Uniform Guidance, Section 200.516(a)? ☐ Yes ☒ No

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

Auditee Qualified as low-risk auditee under Uniform Guidance? ☐ Yes ☒ No

Identification of Major Programs:

CFDA#

10.553, 10.555, 10.559	Child Nutrition Cluster
84.425D	Covid-19 ESSERF/CARES Act
84.425D	Covid-19 ESSER II Formula Fund
84.425D	Covid-19 ESSER II SDE
84.425D	Covid-19 GEER

Newcastle School District No. I-001, McClain County, Oklahoma
Schedule of Findings and Questioned Cost
For the Year Ended June 30, 2021
(Continued)

Findings-Financial Statement Audit

2021-001 – Statement of Condition – During our testing of the Chickasaw Nation COVID-19 grant, we noted that the school had not coded enough expenditures to document how the grant proceeds were expended. Total grant revenues received was \$458,400 and total expenditures coded to the grant was \$62,574.35. The school had under coded expenditures by \$395,825.65. The school was able to supply documentation that the grant funds were expended in accordance with the grant guidelines; however, they failed to code these expenditures to the program specific project code

Criteria – According to the grant agreement, the school was to expend the grant funds in accordance with allowed COVID expenses. The school should track how the grant funds were expended in order to satisfy the grant requirements. The school should code all allowable expenditures to a program specific project code. This allows the school to document how the grant proceeds were spent.

Cause/Effect of Condition - The school overlooked classifying the additional grant expenditures to the specific project code for this grant. By the time this error was noted, the time period for the school changing the coding and submitting it to the State Department of Education had already expired. By not using the specific project codes to track the grant expenditures, the school could be questioned as to whether they expended the grant proceeds in accordance with the grant agreement.

Recommendation – The school should use the specific project codes as outlined by the Oklahoma Cost Accounting System to track any and all grant programs. Since the school is unable to change the coding for the Chickasaw grant to show that the proceeds were spent in accordance with the grant agreement, we would suggest the school keep all supporting documentation of expenditures that were coded and could have been coded to support how the grant proceeds were expended.

Findings and Questioned Costs – Major Federal Award Programs Audit

(none)

Newcastle School District No. I-001, McClain County, Oklahoma
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2021

2020-001 – Statement of Condition – The District paid the life insurance premium for the Superintendent which was not a listed fringe benefit in the Superintendent’s contract.

Criteria – Per Oklahoma State Statute §70-5-141, “. Each school district shall file within fifteen (15) days of signing the contract, the employment contract of the superintendent of the school district with the State Department of Education. The Department shall keep all contracts available for inspection by the public. The school district shall not be authorized to pay any salary, benefits or other compensation to a superintendent which are not specified in the contract on file and shall not pay administrators any amounts for accumulated sick leave that are not calculated on the same formula used for determining payment for accumulated sick leave benefits for other full-time employees of that school district and shall not pay administrators any amounts for accumulated vacation leave benefits that are not calculated on the same formula used for determining payment for accumulated vacation leave benefits for other twelve-month full-time employees of that school district.”

Cause/Effect of Condition - Oversight by District. The superintendent could be paid more than the amount on the contract filed with the State Department of Education.

Recommendation – We recommend all wages and benefits paid to the superintendent be included on her contract.

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

OTHER OKLAHOMA DEPARTMENT OF EDUCATION REQUIRED INFORMATION

SCHOOL'S CORRECTIVE ACTION PLAN



Newcastle Public Schools

Jeff M. Landes

Chief Financial Officer / Chief Operating Officer

101 North Main
Newcastle, OK 73065
(405) 387-6425 office
jlandes@newcastle.k12.ok.us

Newcastle Public School District
McClain County

Audit Findings Corrective Action Plan

Audit Year: 2020-2021

Audit Finding Reference Number: 2021-001

Description of Finding:

The District received a COVID-19 grant from the Chickasaw Nation in the amount of \$458,400. The District failed to properly code all COVID-19 expenses to the assigned Project code for the grant.

Contact Person: Jeff Landes

Steps Implemented: The District was unaware that the grant from the Chickasaw Nation required the same coding protocols as other sources of revenue received from the State Department of Education or the Federal Government. Expenses relevant to the intent of the grant were incurred by the District during the time frame of the Grant. However, the District was not made aware of the coding requirements until after the State deadline for changing coding had passed (December 1st). A detailed spreadsheet of expenses was prepared and presented to the Auditor to verify the appropriate expenses.

Completion Date: January 11, 2022

Jeff M. Landes, Chief Financial Officer