VERDEN SCHOOL DISTRICT NO. I-099
GRADY COUNTY, OKLAHOMA
JUNE 30, 2022

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Verden School Distict No. I-099, Grady County, Oklahoma
School District Officials
June 30, 2022

BOARD OF EDUCATION

President	Norman Wood
Vice President	Kay Winn
Clerk	Michael McLane
Member	Chad Tharp
Member	Brian Lee

SUPERINTENDENT OF SCHOOLS

Mickey Edwards

ENCUMBRANCE CLERK

Jessica Whitley

SCHOOL DISTRICT TREASURER

Terrie Boyer

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BLASINGAME, P.C.

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education
Verden School District No. I-099
Grady County, Oklahoma

Board Members:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying combined fund type and account group financial statements-regulatory basis of the Verden School District No. I-099, Grady County, Oklahoma, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on Regulatory Basis of Accounting" paragraph, the financial statements referred to above 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 Verden School District No. I-099, Grady County, Oklahoma as of June 30, 2022, 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.

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 above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Verden School District No. I-099, Grady County, Oklahoma, as of June 30, 2022, or the changes in its financial position, or, where applicable, its cash flows for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Verden School District No. I-099, Grady County, Oklahoma and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Qualified Opinion on Regulatory Basis of Accounting

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

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

As described in Note 1, the financial statements are prepared by Verden School District No. I-099 Grady 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 and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Verden School District No. I-099, Grady County, Oklahoma's basic financial statements. The combining statements–regulatory basis and the schedule of expenditures of federal awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining 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 Matters

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2022, on our consideration of the Verden School District No. I-099, Grady 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 Verden School District No. I-099, Grady 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 Verden School District No. I-099, Grady County, Oklahoma's internal control over financial reporting and compliance.

Angel, Johnston & Blessingame, P.C.

Chickasha, Oklahoma
November 29, 2022

COMBINED FINANCIAL STATEMENTS

Verden School District No. I-99, Grady County, Oklahoma
Combined Statement of Assets, Liabilities and Fund Balances
Regulatory Basis - All Fund Types and Account Groups
June 30, 2022

	Governmental Fund Types				Fiduciary Fund Types	Account Group	Total (Memorandum Only)
ASSETS	**General**	**Special Revenue**	**Debt Service**	**Capital Projects**	**Trust and Agency**	**General Long-Term Debt**	**June 30, 2022**
Cash and Cash Equivalents	$ 1,281,717	$ 203,556	$ 24,608	$ 39,375	$ 94,192	$ 0	$ 1,643,448
Investments	0	0	0	0	0	0	0
Amounts Available in Debt Service Fund	0	0	0	0	0	24,608	24,608
Amounts to be Provided for Retirement of General Long-Term Debt	0	0	0	0	0	595,392	595,392
Amounts to be Provided For Capitalized Lease Agreements	0	0	0	0	0	0	0
Total Assets	$ 1,281,717	$ 203,556	$ 24,608	$ 39,375	$ 94,192	$ 620,000	$ 2,263,448
LIABILITIES AND FUND BALANCES							
Liabilities:							
Warrants Payable	$ 73,595	$ 811	$ 0	$ 0	$ 0	$ 0	$ 74,406
Due to Gifts & Endowments	0	0	0	0	1	0	1
Due to Activity Groups	0	0	0	0	94,191	0	94,191
General Obligation Bonds Payable	0	0	0	0	0	620,000	620,000
Capitalized Lease Obligations Payable	0	0	0	0	0	0	0
Total Liabilities	$ 73,595	$ 811	$ 0	$ 0	$ 94,192	$ 620,000	$ 788,598
Fund Balances:							
Restricted For:							
Debt Service	$ 0	$ 0	$ 24,608	$ 0	$ 0	$ 0	$ 24,608
Capital Projects	0	0	0	39,375	0	0	39,375
Building Programs	0	167,413	0	0	0	0	167,413
Child Nutrition Programs	0	35,332	0	0	0	0	35,332
Cooperative Programs	0	0	0	0	0	0	0
Unassigned	1,208,121	0	0	0	0	0	1,208,121
Total Fund Balances	$ 1,208,121	$ 202,745	$ 24,608	$ 39,375	$ 0	$ 0	$ 1,474,850
Total Liabilities and Fund Balances	$ 1,281,717	$ 203,556	$ 24,608	$ 39,375	$ 94,192	$ 620,000	$ 2,263,448

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

Verden School District No. I-99, Grady 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, 2022

	Governmental Fund Types				Totals (Memorandum Only)
Revenue Collected:	**General**	**Special Revenue**	**Debt Service**	**Capital Projects**	**June 30, 2022**
Local Sources	$ 479,554	$ 70,553	$ 257,982	$ 0	$ 808,090
Intermediate Sources	116,946	0	0	0	116,946
State Sources	2,136,721	32,079	3	0	2,168,804
Federal Sources	508,059	183,376	0	0	691,435
Non-Revenue Receipts	0	743	0	0	743
Total Revenue Collected	$ 3,241,281	$ 286,751	$ 257,985	$ 0	$ 3,786,018
Expenditures Paid:					
Instruction	$ 1,614,972	$ 0	$ 0	$ 22,859	$ 1,637,831
Support Services	1,022,885	36,165	0	250,543	1,309,594
Operation of Non-Instructional Services	0	175,598	0	0	175,598
Facilities Acquisition and Construction	0	0	0	7,459	7,459
Other Outlays	0	743	0	0	743
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	235,000	0	235,000
Interest and Fiscal Agent Fees	0	0	12,765	0	12,765
Total Expenditures Paid	$ 2,637,856	$ 212,507	$ 247,765	$ 280,861	$ 3,378,989
Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances	$ 603,425	$ 74,245	$ 10,220	$ (280,861)	$ 407,029
Adjustments to Prior Year Encumbrances	$ 0	$ 0	$ 0	$ 0	$ 0
Other Financing Sources (Uses):					
Estopped Warrants	$ 118	$ 345	$ 0	$ 0	$ 462
Bond Proceeds	0	0	0	250,000	250,000
Transfers In	0	0	0	0	0
Transfers Out	0	0	0	0	0
Total Other Financing Sources (Uses)	$ 118	$ 345	$ 0	$ 250,000	$ 250,462
Excess (Deficiency) of Revenue Collected Over Expenditures Paid and Other Financing Sources (Uses)	$ 603,542	$ 74,589	$ 10,220	$ (30,861)	$ 657,491
Fund Balance - Beginning of Year	604,579	128,156	14,388	70,236	817,359
Fund Balance - End of Year	$ 1,208,121	$ 202,745	$ 24,608	$ 39,375	$ 1,474,850

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

Verden School District No. I-99, Grady 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, 2022

	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	$ 371,099	$ 371,099	$ 479,554	$ 57,431	$ 57,431	$ 70,553	$ 233,377	$ 233,377	$ 257,982
Intermediate Sources	91,500	91,500	116,946	0	0	0	0	0	0
State Sources	1,528,201	1,528,201	2,136,721	1,000	1,000	32,079	0	0	3
Federal Sources	869,523	869,523	508,059	87,200	165,300	183,376	0	0	0
Non-Revenue Receipts	0	0	0	0	0	743	0	0	0
Total Revenue Collected	$ 2,860,323	$ 2,860,323	$ 3,241,281	$ 145,631	$ 223,731	$ 286,751	$ 233,377	$ 233,377	$ 257,985
Expenditures Paid:									
Instruction	$ 2,409,965	$ 2,409,965	$ 1,614,972	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Support Services	1,054,937	1,054,937	1,022,885	162,114	162,114	36,165	0	0	0
Operation of Non-Instructional Services	0	0	0	114,773	192,873	175,598	0	0	0
Facilities Acquisition and Construction	0	0	0	0	0	0	0	0	0
Other Outlays	0	0	0	0	0	743	247,765	247,765	247,765
Other Uses	0	0	0	0	0	0	0	0	0
Repayments	0	0	0	0	0	0	0	0	0
Interest Paid on Warrants and Bank Charges	0	0	0	0	0	0	0	0	0
Total Expenditures Paid	$ 3,464,902	$ 3,464,902	$ 2,637,856	$ 276,887	$ 354,987	$ 212,507	$ 247,765	$ 247,765	$ 247,765
Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances	$ (604,579)	$ (604,579)	$ 603,425	$ (131,256)	$ (131,256)	$ 74,245	$ (14,388)	$ (14,388)	$ 10,220
Adjustments to Prior Year Encumbrances	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Other Financing Sources (Uses):									
Estopped Warrants	$ 0	$ 0	$ 118	$ 0	$ 0	$ 345	$ 0	$ 0	$ 0
Transfers In	0	0	0	3,100	3,100	0	0	0	0
Transfers Out	0	0	0	0	0	0	0	0	0
Total Other Financing Sources (Uses)	$ 0	$ 0	$ 118	$ 3,100	$ 3,100	$ 345	$ 0	$ 0	$ 0
Excess (Deficiency) of Revenue Collected Over Expenditures Paid and Other Financing Sources (Uses)	$ (604,579)	$ (604,579)	$ 603,542	$ (128,156)	$ (128,156)	$ 74,589	$ (14,388)	$ (14,388)	$ 10,220
Fund Balance - Beginning of Year	604,579	604,579	604,579	128,156	128,156	128,156	14,388	14,388	14,388
Fund Balance - End of Year	$ 0	$ 0	$ 1,208,121	$ 0	$ 0	$ 202,745	$ (0)	$ (0)	$ 24,608

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

Note 1 - Summary of Significant Accounting Policies

The basic financial statements of the Verden School District No. I-099, Grady 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."

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 Funds of the District consist of the Building Fund and Child Nutrition Fund.

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

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

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

4. **Capital Projects Fund** - The Capital Projects Fund consists of the District's 2019 and 2021 Combined Purpose Bond issues. These funds are used exclusively for acquiring school sites, constructing and equipping new school facilities, renovating existing facilities and acquiring transportation equipment.

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.

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

1.B. Fund Accounting, (continued)

Fiduciary Fund Types

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.

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

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

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

1.D. Budgets and Budgetary Accounting

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

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

1.E. Assets, Liabilities and Fund Equity

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

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

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

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, 2022, 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.

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.

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.

Note 2 – Deposit and Investment Risk

The District held the following deposits and investments at June 30, 2022:

			Carrying Value
Deposits			
Demand Deposits		$	1,645,594
Time Deposits			0
Total Deposits		$	1,645,594
Investments			
	Credit Rating	Maturity	Fair Value
		$	0
Total Investments		$	0
Reconciliation to the Combined Statement of Assets, Liabilities and Equity			
Cash and Cash Equivalents		$	1,643,448
Activity Fund Outstanding Checks/deposits in transit			2,146
Total Deposits and Investments		$	1,645,594

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 deposits in the bank in excess of FDIC insurance and collateral pledged in the bank as of June 30, 2022.

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.

Note 2 – Deposit and Investment Risk, (continued)

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

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

The District did not have any investment credit risk as of June 30, 2022, 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 it 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, 2022, 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.

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, 2022:

	Bonds Payable	Capital Lease Obligations	Compensated Absences	Total
Balance July 1, 2021	$ 605,000	$ 0	$ 0	$ 605,000
Additions	250,000	0	0	250,000
Retirements	(235,000)	-	0	(235,000)
Balance, June 30, 2022	**$ 620,000**	**$ 0**	**$ 0**	**$ 620,000**

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

	Interest Rate	Maturity Date	Amount Issued	Amount Outstanding
2021 Transportation Bonds	.6 to 1.00%	July 1, 2026	$ 250,000	$ 250,000
2019 Combined Purpose Bonds	2.0 to 2.35%	July 1, 2024	700,000	370,000
Totals			**$ 950,000**	**$ 620,000**

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

	Principal	Interest	Total
2019 Combined Purpose Bonds			
2022-2023	$ 0	$ 0	$ 0
2023-2024	185,000	7,493	192,493
2024-2025	185,000	3,793	188,793
Sub Total	**$ 370,000**	**$ 11,285**	**$ 381,285**
2021 Transportation Bond			
2022-2023	$ 0	$ 1,955	$ 1,955
2023-2024	55,000	1,955	56,955
2024-2025	65,000	1,625	66,625
2025-2026	65,000	1,170	66,170
2026-2027	65,000	650	65,650
Sub Total	**$ 250,000**	**$ 7,355**	**$ 257,355**
Total Bond Issues	**$ 620,000**	**$ 18,640**	**$ 638,640**

Interest paid on general debt during the 2021-22 year was $12,765.

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.

Note 4 - Employee Retirement System, (continued)

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, 2022. The District is allowed by the Oklahoma Teacher's Retirement System to make the required contributions on behalf of the participating members. The required contribution for participating members is 7%.

The District's contributions to the System for the years ending June 30, 2022, 2021, and 2020 were $138,683, $129,114, and $126,063, respectively.

The compensation for employees covered by the System for the year ended June 30, 2022 was $1,419,918, the District's total compensation was $1,503,892. In addition to the District's 9.50% contributions, the District was required to pay into the System 7.90% of compensation arising from federal grants $13,158. There were $76,926 contributions made by employees during the year ended June 30, 2022.

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 - $12,267,922; general liability - $2,000,000; and educator's liability $1,000,000. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

The School also participates in a risk pool for Workers' Compensation coverage in which there is a transfer or pooling of risks among the participants of that pool. In accordance with GASB No. 10, the school reports the required contribution to the pool, net of refunds, as insurance expense. The risk pool is the Oklahoma School Assurance Group (OSAG), an organization formed for the purpose of providing workers' compensation coverage to participating schools in the State of Oklahoma. In that capacity, OSAG is responsible for providing loss control services and certain fiscal activities, including obtaining contract arrangements for the underwriting, excess insurance agreements, claims processing, and legal defense for any and all claims submitted to them during the plan year. As a member of OSAG the District is required to pay fees set by OSAG according to an established payment schedule. A portion of the fees paid by the District goes into a loss fund for the District.

Note 6 – Risk Management, (continued)

The fee for the loss fund is calculated by projecting losses based on the school's losses for the last five years. OSAG provides coverage in excess of the Loss Fund so the District's liability for claim loss in limited to the balance of the loss fund. If the District does not use their loss fund in three years it is returned to them with no interest.

Note 7 - Use of Estimates

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

Note 8 – Subsequent Events

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

Note 9 – Budget Amendments

The Child Nutrition Fund Budget was amended one time during the year by filing a supplemental appropriation form with the county clerk's office. The supplemental appropriation was filed in the amount of $78,100.00. This increased the original Child Nutrition Fund Budget from $114,773.26 to $192,873.26.

OTHER SUPPLEMENTARY INFORMATION

Verden School District No. I-99, Grady County, Oklahoma
Combining Statement of Assets, Liabilities and Fund Balances
Regulatory Basis - All Special Revenue Funds
June 30, 2022

ASSETS	**Building Fund**	**Child Nutrition Fund**	**Total June 30, 2022**
Cash and Cash Equivalents	$ 167,413	$ 36,143	$ 203,556
Investments	0	0	0
Total Assets	$ 167,413	$ 36,143	$ 203,556
LIABILITIES AND FUND BALANCES			
Liabilities:			
Warrants Payable	$ 0	$ 811	$ 811
Reserve for Encumbrances	0	0	0
Total Liabilities	$ 0	$ 811	$ 811
Fund Balances:			
Restricted	$ 167,413	$ 35,332	$ 202,745
Total Fund Balances	$ 167,413	$ 35,332	$ 202,745
Total Liabilities and Fund Balances	$ 167,413	$ 36,143	$ 203,556

Verden School District No. I-99, Grady 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, 2022

	Building Fund	Child Nutrition Fund	Total June 30, 2022
Revenue Collected:			
Local Sources	$ 62,752	$ 7,802	$ 70,553
Intermediate Sources	0	0	0
State Sources	30,912	1,167	32,079
Federal Sources	0	183,376	183,376
Non-Revenue Receipts	0	743	743
Total Revenue Collected	$ 93,664	$ 193,088	$ 286,751
Expenditures Paid:			
Instruction	$ 0	$ 0	$ 0
Support Services	36,165	0	36,165
Operation of Non-Instructional Services	0	175,598	175,598
Facilities Acquisition and Construction	0	0	0
Other Outlays	0	743	743
Other Uses	0	0	0
Repayments	0	0	0
Interest Paid and Bank Charges	0	0	0
Total Expenditures Paid	$ 36,165	$ 176,341	$ 212,507
Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances	$ 57,498	$ 16,746	$ 74,245
Adjustments to Prior Year Encumbrances	$ 0	$ 0	$ 0
Other Financing Sources (Uses):			
Estopped Warrants	$ 0	$ 345	$ 345
Transfers In	0	0	0
Transfers Out	0	0	0
Total Other Financing Sources (Uses)	$ 0	$ 345	$ 345
Excess (Deficiency) of Revenue Collected Over Expenditures Paid and Other Financing Sources (Uses)	$ 57,498	$ 17,091	$ 74,589
Fund Balance - Beginning of Year	109,915	18,241	128,156
Fund Balance - End of Year	$ 167,413	$ 35,332	$ 202,745

Verden School District No. I-99, Grady 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, 2022

	Building Fund			Child Nutrition Fund		
	Original Budget	**Final Budget**	**Actual**	**Original Budget**	**Final Budget**	**Actual**
Revenue Collected:						
Local Sources	$ 52,199	$ 52,199	$ 62,752	$ 5,232	$ 5,232	$ 7,802
Intermediate Sources	0	0	0	0	0	0
State Sources	0	0	30,912	1,000	1,000	1,167
Federal Sources	0	0	0	87,200	165,300	183,376
Non-Revenue Receipts	0	0	0	0	0	743
Total Revenue Collected	$ 52,199	$ 52,199	$ 93,664	$ 93,432	$ 171,532	$ 193,088
Expenditures Paid:						
Instruction	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Support Services	162,114	162,114	36,165	0	0	0
Operation of Non-Instructional Services	0	0	0	114,773	192,873	175,598
Facilities Acquisition and Construction	0	0	0	0	0	0
Other Outlays	0	0	0	0	0	743
Other Uses	0	0	0	0	0	0
Repayments	0	0	0	0	0	0
Interest Paid	0	0	0	0	0	0
Total Expenditures Paid	$ 162,114	$ 162,114	$ 36,165	$ 114,773	$ 192,873	$ 176,341
Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances	$ (109,915)	$ (109,915)	$ 57,498	$ (21,341)	$ (21,341)	$ 16,746
Adjustments to Prior Year Encumbrances	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Other Financing Sources (Uses):						
Estopped Warrants	$ 0	$ 0	$ 0	$ 0	$ 0	$ 345
Transfers In	0	0	0	3,100	3,100	0
Transfers Out	0	0	0	0	0	0
Total Other Financing Sources (Uses)	$ 0	$ 0	$ 0	$ 3,100	$ 3,100	$ 345
Excess (Deficiency) of Revenue Collected Over Expenditures Paid and Other Financing Sources (Uses)	$ (109,915)	$ (109,915)	$ 57,498	$ (18,241)	$ (18,241)	$ 17,091
Fund Balance - Beginning of Year	109,915	109,915	109,915	18,241	18,241	18,241
Fund Balance - End of Year	$ 0	$ 0	$ 167,413	$ (0)	$ (0)	$ 35,332

Verden School District No. I-99, Grady County, Oklahoma
Combining Statement of Assets, Liabilities and Fund Equity
Regulatory Basis - Tust and Agency Funds
June 30, 2022

ASSETS		**Trust and Agency Funds**
Cash	$	94,192
Investments		0
Total Assets	$	94,192

LIABILITIES AND FUND EQUITY		
Liabilities:		
Due To Activity Groups	$	94,191
Due to Gifts & Endowments		1
Total Liabilities	$	94,192
Fund Equity:		
Unassigned	$	0
Total Liabilities and Fund Equity	$	94,192

Verden School District No. I-99, Grady County, Oklahoma
Combining Statement of Changes in Assets and Liabilities
Regulatory Basis - Trust and Agency Funds
For the Year Ended June 30, 2022

ACTIVITIES	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Miscellaneous	$ 2,375	$ 2,362	$ 2,080	$ 2,657
Class of 2023	3,328	5,575	8,039	864
Class of 2033	150	82	0	232
Bill & Bernice McComas Sch	2,511	0	0	2,511
Stowe Family Scholarship	16,095	0	500	15,595
FFA	4,609	90,465	83,300	11,774
FCCLA	2,369	1,336	3,705	0
Jr. High Cheerleaders	651	2,580	3,137	93
Sr. High Cheerleaders	400	11,766	12,094	71
Student Council	543	132	464	211
Annual News	2,514	5,029	3,423	4,120
Athletics	23,646	98,256	107,679	14,224
Grade School	11,973	42,525	41,984	12,514
Class of 2031	286	82	0	368
Classof 2032	236	65	0	301
High School	538	1,170	960	748
Class of 2022	1,110	584	1,694	0
Edwards Memorial Scholarship	1,000	1,000	1,000	1,000
Computer Fund	12,962	2,725	1,328	14,359
Class of 2035	0	146	0	146
Class of 2024	1,127	611	1,100	638
Class of 2025	2,341	5,552	1,565	6,328
Class of 2026	814	205	0	1,019
Class of 2027	529	144	0	673
Class of 2028	588	303	0	891
Class of 2029	417	358	0	774
Class of 2030	331	144	0	475
Little League	964	1,801	1,159	1,606
Total Activities	**$ 94,407**	**$ 274,996**	**$ 275,212**	**$ 94,191**
Gifts & Endowments	**$ 8,456**	**$ 15**	**$ 8,470**	**$ 1**
Total Trust & Agency Funds	**$ 102,863**	**$ 275,011**	**$ 283,682**	**$ 94,192**

Verden School District No. I-099 Grady County, Oklahoma
Schedule of Expeditures of Federal Awards
For the year ended June 30, 2022

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA#	Pass-Through Grantor's Project Number	Deferred Revenue (Accounts Receivable) July 1, 2021	Federal Grant Receipts	Federal Grant Expenditures	Deferred Revenue (Accounts Receivable) June 30, 2022
U.S. Department of Education						
Direct Programs:						
Indian Education Title VII	84.060A	561	0	13,603	13,603	0
Small Rural School Achievement	84.358A	588	0	21,631	21,631	0
Passed Through Oklahoma State Department of Education:						
Title I, Basic	84.010	511/541/552	(1,341)	90,473	89,132	0
Title I			(1,341)	90,473	89,132	0
IDEA-B Flowthrough	84.027	621	0	58,922	58,922	0
ARRA IDEA B, Flow Through	84.027	622	0	0	0	0
IDEA-B COVID Assist	84.027	617	0	0	0	0
IDEA-B Flowthrough COVID-19	84.027X	628	0	10,813	10,813	0
IDEA-B Preschool	84.173	641	0	365	365	0
ARP IDEA-B Preschool COVID-19	84.027X	643	0	807	807	0
Special Education Cluster			(0)	70,907	70,907	0
ARP ESSER - Elem & Secondary School Emergency Relief	84.425U	722	0	5,395	5,785	(390)
COVID-19 ESSERF/CARES Act	84.425D	788	(8,130)	8,130	3,755	(3,755)
COVID-19 ESSERF/CARES Act	84.425D	789	(926)	1,829	903	(0)
COVID-19 ESSER II Formula Fund	84.425D	793	(37,435)	188,145	150,710	(0)
COVID-19 ARP ESSER II	84.425U	795	0	106,906	170,166	(63,260)
COVID-19 ESSER FUNDS			(46,491)	310,405	331,320	(67,406)
Total U.S. Department of Education			**(47,832)**	**507,019**	**526,593**	**(67,405)**
Passed Through Department of Community Services						
Chickasaw Nation COVID-19	21.019	771	35,597	0	35,597	(0)
Total Chickasaw Nation COVID-19 Subaward			**35,597**	**0**	**35,597**	**(0)**
U.S. Department of Health and Human Services						
Passsed Through Chickashaw Nation						
Johnson O'Malley	15.130	563	4,109	1,040	1,040	4,109
Total U.S. Department of Health & Human Services			**4,109**	**1,040**	**1,040**	**4,109**
U.S. Department of Agriculture						
Passed Through State Department of Education:						
USDA Supply Chain Assistance	10.555	759	0	11,033	11,033	0
Emergency Operational Cost Reimb.	10.555	762	0	8	8	0
Breakfast Program	10.553	764	2,072	51,930	39,090	14,912
Lunch Program	10.555	763	4,187	119,790	89,790	34,187
Commodities Distributed-Lunch (Note 3)	10.565	N/A	0	12,522	12,522	0
Child Nutrition Cluster			**6,260**	**195,283**	**152,443**	**49,099**
Other Federal Funds P_EBT Local Adm. Funds	10.649	760	0	614	614	0
Total U.S. Department of Agriculture			**6,260**	**195,897**	**153,057**	**49,099**
TOTAL FEDERAL ASSISTANCE			**(1,866)**	**703,956**	**716,287**	**(14,198)**

Verden School District No. I-099, Grady County, Oklahoma
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

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, 2022. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part* 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of 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 –Donated PPE– The school reported they did not receive any federally funded personal protective equipment (PPE).

ANGEL,
JOHNSTON &
BLASINGAME, P.C.

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CERTIFIED PUBLIC ACCOUNTANTS

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
Verden School District No. I-099
Grady 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 Verden School District No. I-099, Grady County, Oklahoma, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated November 29, 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.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Verden School District No. I-099, Grady 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. 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 or significant deficiencies may exist that were not identified.

Report on 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*.

Purpose of this Report

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

Angel, Johnston & Blessingame, P.C.

Chickasha, Oklahoma
November 29, 2022

Verden School District No. I-099, Grady County, Oklahoma
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2022

There were no findings for the 2020-2021 audit.

OTHER OKLAHOMA DEPARTMENT OF EDUCATION REQUIRED INFORMATION

Verden School District No. I-099, Grady County, Oklahoma
Statement of Statutory, Fidelity and Honesty Bonds
For the Year Ended June 30, 2022

Bonding Company	Person Covered	Bond Number	Coverage Amount	Effective Dates
Liberty Mutual	Treasurer	1594576	$100,000	07/01/21 to 07/01/22
Liberty Mutual	Superintendent	1594576	$100,000	07/01/21 to 07/01/22
Liberty Mutual	Encumbrance Clerk/Activity Fund Custodian	1594576	$100,000	07/01/21 to 07/01/22
Liberty Mutual	Minutes Clerk	1594576	$10,000	07/01/21 to 07/01/22

Verden School District No. I-099, Grady County, Oklahoma
Schedule of Accountant's Professional Liability Insurance Affidavit
For the Year Ended June 30, 2022

STATE OF OKLAHOMA)
)ss
COUNTY OF GRADY)

The undersigned auditing firm of lawful age, being first duly sworn on oath says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with *Verden School District No. I-099, Grady County, Oklahoma,* for the audit year 2021-2022.

ANGEL, JOHNSTON, & BLASINGAME, P.C.

by Steve Blasingame

Subscribed and sworn to before me this 30 day of November, 2022.

Brenda Rice
Notary Public

BRENDA RICE
COMM#: 14005939
NOTARY PUBLIC
EXP DATE:
STATE OF OKLAHOMA

My Commission Expires 07-01-2026