OKLAHOMA Education

Audit

Acknowledgement Audit

Year: 2022-2023

District Name Durant Independent Schools **District Number** I-072

County Name Bryan County **County Code** 7

The annual independent audit was presented to the Board of Education in a meeting conducted in accordance with the Open Meeting Act 25 O.S. Section 301-314 on 01/08/2024.
(Date of Meeting)

The audit was presented by Jeff Hewett (Independent Auditor) Jeffrey D. Hewett (Independent Auditor's Signature)

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

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

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

Signature of the Board of Education:

Superintendent

Board of Education President

Board of Education Vice President

Board of Education Member

Board of Education Member

Board of Education Member

Board of Education Member

Subscribed and sworn before me on 1/8/2024 My Commission expires 2/23/2026

Le Anna D. Chaffin
(Notary Public)

LEANNA D CHAFFIN NOTARY # 18001943 PUBLIC STATE OF OKLAHOMA

Updated 7/2023

Client's
Copy

FINANCIAL STATEMENTS – REGULATORY BASIS AND REPORTS OF INDEPENDENT AUDITOR

DURANT INDEPENDENT SCHOOL DISTRICT NO. I-72, BRYAN COUNTY, OKLAHOMA

JUNE 30, 2023

Audited by

BLEDSOE, HEWETT & GULLEKSON
CERTIFIED PUBLIC ACCOUNTANTS, PLLLP

BROKEN ARROW, OK

DURANT INDEPENDENT SCHOOL DISTRICT NO. 72, BRYAN COUNTY
SCHOOL DISTRICT OFFICIALS
JUNE 30, 2023

BOARD OF EDUCATION

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Brian Bond

Vice-President

Jason Manous

Clerk

Kelly Dillard

Member

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Duane Merideth

BUSINESS MANAGER

Kelly Dillard

SCHOOL DISTRICT TREASURER

Sharon Wadley

www.durantisd.org

DURANT INDEPENDENT SCHOOL DISTRICT NO. 72, BRYAN COUNTY
JUNE 30, 2023

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JUNE 30, 2023

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BLEDSOE, HEWETT & GULLEKSON
CERTIFIED PUBLIC ACCOUNTANTS, PLLLP

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Board of Education
Durant Independent School District No. 72
Durant, Bryan County, Oklahoma

Report on the Audit of the Financial Statements

We have audited the accompanying combined fund type and account group financial statements-regulatory basis of the Durant Independent School District No. 72, Durant, Bryan County, Oklahoma (the "District"), as of and for the year ended June 30, 2023, 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 discussed in the "Basis for Qualified Opinion on Regulatory Basis of Accounting" section of our report, the combined financial statements referred to above present fairly, in all material respects, the assets, liabilities and fund balances arising from regulatory basis transactions of each fund type and account group of the District, as of June 30, 2023, and the revenues it received and expenditures it paid and encumbered for the year then ended, in accordance with the financial reporting provisions of the Oklahoma State Department of Education as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" section of our report, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District, as of June 30, 2023, or the revenues, expenses, and changes in net position and, where applicable, cash flows thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the District 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 adverse and qualified audit opinions.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 1, 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 or permitted 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 to the financial statements, to meet the financial reporting requirements of the Oklahoma State Department of Education, the financial statements are prepared by the District, on the basis of the financial reporting regulations prescribed or permitted by the Oklahoma State Department of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America. 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 regulations prescribed or permitted by the Oklahoma State Department of Education as described in Note 1, to meet the 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 judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 judgment, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the fund type and account group financial statements-regulatory basis that collectively comprise the District's basic financial statements. The accompanying combining financial statements-regulatory basis and other supplementary information and schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements-regulatory basis. The information has been subjected to the auditing procedures applied in the audit of the fund type and account group financial statements within the combined financial statements-regulatory basis and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the financial statements being prepared in compliance with the regulatory basis as prescribed by the Oklahoma State Department of Education as discussed in Note 1, the combining financial statements-regulatory basis and other supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the combined financial statements-regulatory basis as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Bledsoe, Hewett & Gullekson

Bledsoe, Hewett & Gullekson
Certified Public Accountants, PLLLP

November 17, 2023

BLEDSOE, HEWETT & GULLEKSON
CERTIFIED PUBLIC ACCOUNTANTS, PLLLP

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

The Honorable Board of Education
Durant Independent School District No. 72
Durant, Bryan County, Oklahoma

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the fund type and account group financial statements – regulatory basis of the Durant Independent School District No. 72, Durant, Bryan County, Oklahoma (the "District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 17, 2023, which was adverse with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in the United States because the presentation followed the regulatory basis of accounting for Oklahoma school districts as provided by the Oklahoma State Department of Education. However, our report was qualified because the omission of the general fixed asset account group results in an incomplete presentation 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 the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of District's internal control. Accordingly, we do not express an opinion on the effectiveness of District's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Bledsoe, Hewett & Gullekson

Bledsoe, Hewett & Gullekson
Certified Public Accountants, PLLLP

November 17, 2023

BLEDSOE, HEWETT & GULLEKSON
CERTIFIED PUBLIC ACCOUNTANTS, PLLLP

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

To the Honorable Board of Education
Durant Independent School District No. 72
Durant, Bryan County, Oklahoma

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Durant Independent School District No. 72, Durant, Bryan County, Oklahoma's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District 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, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Bledsoe, Hewett & Gullekson

Bledsoe, Hewett & Gullekson
Certified Public Accountants, PLLLP

November 17, 2023

DURANT INDEPENDENT SCHOOL DISTRICT NO. 72, BRYAN COUNTY
DISPOSITION OF PRIOR YEAR'S SIGNIFICANT DEFICIENCIES AND
MATERIAL INSTANCES OF NONCOMPLIANCE
JUNE 30, 2023

There were no prior year significant deficiencies or material instances of noncompliance.

DURANT INDEPENDENT SCHOOL DISTRICT NO. 72, BRYAN COUNTY
SCHEDULE OF AUDIT RESULTS, FINDINGS AND QUESTIONED COSTS
JUNE 30, 2023

Section 1 - Summary of Auditor's Results:

1. An adverse opinion was issued on the combined financial statements in conformity with generally accepted accounting principles and a qualified opinion was issued 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.

2. The audit did not identify any material weaknesses and did not report any significant deficiencies not considered to be material weaknesses in the internal controls over financial reporting.

3. The audit disclosed no instances of noncompliance which are material to the financial statements.

4. The audit did not identify any material weaknesses and did not report any significant deficiencies not considered to be material weaknesses in the internal controls over major programs.

5. An unmodified report was issued on the compliance for major programs in conformity with the regulatory basis of accounting.

6. The audit disclosed no audit findings which are required to be reported under the Uniform Guidance, 2 CFR 200.51(a).

7. Programs determined to be major are the COVID-19 Education Stabilization Fund – ESSER/ARP/CARES Act Programs (84.425D, 84.425U), which were not clustered in determination and the IDEA-B Special Education Programs (84.027, 84.173) which were clustered in determination.

8. The dollar threshold used to determine between Type A and Type B programs was $750,000.

9. The District was determined not to be a low-risk auditee.

Section 2 – Findings relating to the financial statements required to be reported in accordance with GAGAS:

NONE

Section 3 – Findings and questioned costs for federal awards:

NONE

COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS

DURANT INDEPENDENT SCHOOL DISTRICT NO. 72, BRYAN COUNTY
COMBINED STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -
ALL FUND TYPES AND ACCOUNT GROUPS - REGULATORY BASIS
JUNE 30, 2023

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPES	ACCOUNT GROUP	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TRUST AND AGENCY FUNDS	GENERAL LONG-TERM DEBT	TOTALS (MEMORANDUM ONLY)
ASSETS							
Cash and investments	$ 13,712,470	8,039,720	1,493,692	3,962,976	928,263		28,137,121
Amounts available in debt service						1,493,692	1,493,692
Amount to be provided for retirement of long-term debt						58,511,308	58,511,308
Total Assets	$ 13,712,470	8,039,720	1,493,692	3,962,976	928,263	60,005,000	88,142,121
LIABILITIES AND FUND BALANCE							
Liabilities:							
Warrants/checks payable	$ 4,659,505	530,071		330,407			5,519,983
Funds held for school organizations					928,263		928,263
Long-term debt:							
Bonds payable						5,175,000	5,175,000
Capital leases						54,830,000	54,830,000
Total liabilities	4,659,505	530,071	0	330,407	928,263	60,005,000	66,453,246
Fund Balance:							
Restricted		7,509,649	1,493,692	3,632,569			12,635,910
Unassigned	9,052,965						9,052,965
Cash fund balances	9,052,965	7,509,649	1,493,692	3,632,569	0	0	21,688,875
Total Liabilities and Fund Balance	$ 13,712,470	8,039,720	1,493,692	3,962,976	928,263	60,005,000	88,142,121

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

DURANT INDEPENDENT SCHOOL DISTRICT NO. 72, BRYAN COUNTY
COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND CHANGES IN CASH FUND BALANCES
- ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUSTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

	GOVERNMENTAL FUND TYPES				
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTALS (MEMORANDUM ONLY)
Revenues collected:					
Local sources	$ 6,650,859	1,252,089	3,761,117		11,664,065
Intermediate sources	1,061,401				1,061,401
State sources	21,733,856	413,400			22,147,256
Federal sources	6,385,873	1,660,834			8,046,707
Interest earnings	54,643	451,133	58,445	61,520	625,741
Nonrevenue receipts	39,536	200			39,736
Total revenues collected	35,926,168	3,777,656	3,819,562	61,520	43,584,906
Expenditures:					
Instruction	20,421,141			208,455	20,629,596
Support services	13,136,305	793,953		2,424,570	16,354,828
Operation of noninstructional services	44,573	1,952,822			1,997,395
Facilities acquisition & const. svcs.	866,630	8,990			875,620
Other outlays :					
Debt service requirements			4,688,447		4,688,447
Reimbursement		200			200
Private nonprofit schools	10,407				10,407
Total expenditures	34,479,056	2,755,965	4,688,447	2,633,025	44,556,493
Excess of revenues collected over (under) expenditures before other financing sources (uses)	1,447,112	1,021,691	(868,885)	(2,571,505)	(971,587)
Other financing sources (uses):					
Bond proceeds				78,600	78,600
Adjustments to prior year encumbrances	191				191
Total other financing sources (uses)	191	0	0	78,600	78,791
Excess of revenues collected over (under) expenditures and other financing sources (uses)	1,447,303	1,021,691	(868,885)	(2,492,905)	(892,796)
Cash fund balances, beginning of year	7,605,662	6,487,958	2,362,577	6,125,474	22,581,671
Cash fund balances, end of year	$ 9,052,965	7,509,649	1,493,692	3,632,569	21,688,875

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

DURANT INDEPENDENT SCHOOL DISTRICT NO. 72, BRYAN COUNTY
COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND
CHANGES IN CASH FUND BALANCES - BUDGETED GOVERNMENTAL FUND TYPES - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

	GENERAL FUND		
	Original / Final Budget	Actual	Prior Year (Memorandum Only)
Revenues Collected:			
Local sources	$ 5,795,282	6,650,859	6,620,949
Intermediate sources	964,901	1,061,401	1,049,771
State sources	20,406,839	21,733,856	20,839,724
Federal sources	8,411,595	6,385,873	5,214,843
Interest earnings		54,643	9,295
Nonrevenue receipts		39,536	37,327
Total revenues collected	35,578,617	35,926,168	33,771,909
Expenditures:			
Instruction	28,000,000	20,421,141	19,750,556
Support services	13,300,000	13,136,305	13,264,112
Operation of noninstructional services	50,000	44,573	78,757
Facilities acquisition & const. svcs.	900,000	866,630	66,977
Other outlays:			
Clearing account	923,279		
Private nonprofit schools	11,000	10,407	1,627
Total expenditures	43,184,279	34,479,056	33,162,029
Excess of revenues collected over (under) expenditures before other financing sources (uses)	(7,605,662)	1,447,112	609,880
Other financing sources (uses)			
Adjustments to prior year encumbrances	0	191	854
Excess of revenues collected over (under) expenditures	(7,605,662)	1,447,303	610,734
Cash fund balance, beginning of year	7,605,662	7,605,662	6,994,928
Cash fund balance, end of year	$ 0	9,052,965	7,605,662

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

DURANT INDEPENDENT SCHOOL DISTRICT NO. 72, BRYAN COUNTY
COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND
CHANGES IN CASH FUND BALANCES - BUDGETED GOVERNMENTAL FUND TYPES - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

	SPECIAL REVENUE FUND		
	Original / Final Budget	Actual	Prior Year (Memorandum Only)
Revenues Collected:			
Local sources	$ 827,897	1,252,089	909,769
State sources	17,423	413,400	269,653
Federal sources	1,907,834	1,660,834	2,453,458
Interest earnings		451,133	32,668
Nonrevenue receipts		200	40
Total revenues collected	2,753,154	3,777,656	3,665,588
Expenditures:			
Instruction			
Support services	5,834,284	793,953	582,581
Operation of noninstructional services	3,397,838	1,952,822	2,300,676
Facilities acquisition & const. svcs.	8,990	8,990	4,532
Other outlays:			
Reimbursement		200	40
Total expenditures	9,241,112	2,755,965	2,887,829
Excess of revenues collected over (under) expenditures	(6,487,958)	1,021,691	777,759
Cash fund balances, beginning of year	6,487,958	6,487,958	5,710,199
Cash fund balances, end of year	$ 0	7,509,649	6,487,958

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

DURANT INDEPENDENT SCHOOL DISTRICT NO. 72, BRYAN COUNTY
COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND
CHANGES IN CASH FUND BALANCES - BUDGETED GOVERNMENTAL FUND TYPES - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

	DEBT SERVICE FUND		
	Original / Final Budget	Actual	Prior Year (Memorandum Only)
Revenues Collected:			
Local sources	$ 3,613,571	3,761,117	3,856,880
Interest earnings		58,445	6,397
Nonrevenue receipts			2,075
Total revenues collected	3,613,571	3,819,562	3,865,352
Requirements:			
Bonds	3,670,000	4,560,000	2,985,000
Coupons	120,450	126,947	137,730
Fiscal agent fee		1,500	1,500
Total requirements	3,790,450	4,688,447	3,124,230
Excess of revenue collected over (under) expenditures	(176,879)	(868,885)	741,122
Cash fund balance, beginning of year	2,362,577	2,362,577	1,621,455
Cash fund balance, end of year	$ 2,185,698	1,493,692	2,362,577

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

NOTES TO COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Durant Public Schools Independent District No. I-72 (the "District") have been prepared in conformity with another comprehensive basis of accounting prescribed by the Oklahoma State Department of Education as authorized by Oklahoma Statutes. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with the accounting principles generally accepted in the United States of America. The District's accounting policies are described in the following notes that are an integral part of the District's financial statements.

A. Reporting Entity

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

A. Reporting Entity – cont'd

whether the activity benefits the District and/or its citizens, or whether the activity is conducted within the geographic boundaries of the District and is generally available to its patrons. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, there are no potential component units included in the District's reporting entity.

B. Measurement Focus

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

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

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

Governmental Fund Types

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

General Fund – The general fund is used to account for all financial transactions except those required to be accounted for in another fund. Major revenue sources include state and local property taxes and state funding under the Foundation and Incentive Aid Program. Expenditures include all costs associated with the daily operations of 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

B. Measurement Focus - cont'd

Special Revenue Funds – Special revenue funds account for revenue sources that are restricted to expenditures for specific purposes. The special revenue funds typically include the building, co-op and child nutrition funds. The District did not maintain a co-op fund during the 2022-23 fiscal year.

Building Fund – The building fund consists mainly of monies derived from property taxes levied for the purpose of erecting, remodeling, repairing, or maintaining school buildings and for purchasing furniture, equipment and computer software to be used on or for school district property, for paying energy and utility costs, for purchasing telecommunications services, for paying fire and casualty insurance premiums for school facilities, for purchasing security systems, and for paying salaries of security personnel.

Co-op Fund – The co-op fund is established when the Boards of Education of two or more school districts enter into cooperative agreements and maintain joint programs. The revenues necessary to operate a cooperative program can come from federal, state, or local sources, including the individual contributions of participating school districts. The expenditures for this fund would consist of those necessary to operate and maintain the joint programs.

Child Nutrition Fund - The child nutrition fund consists of monies derived from federal and state financial assistance and food sales. This fund is used to account for the various nutrition programs provided to students.

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

B. Measurement Focus – cont'd

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. The terms "non-expendable" and "expendable" refer to whether or not the District is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the District holds on behalf of others as their agent and do not involve measurement of results of operation.

Expendable Trust Funds – Expendable trust funds typically include the gifts and endowments fund. The District did not maintain any expendable trust funds during the 2022-23 fiscal year.

> Gifts and Endowments Fund – The gifts and endowments fund receives its assets by way of philanthropic foundations, individuals, or private organizations for which no repayment or special service to the contributor is expected. This fund is used to promote the general welfare of the District.

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

Account Groups

An account group is not a fund and consists of a self-balancing set of accounts used only to establish accounting control over long-term debt and fixed assets.

General Long-Term Debt Account Group – This account group is established to account for all the 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 other liabilities (judgments and lease purchases) which are to be paid from funds provided in future years.

General Fixed Assets Account Group – This account group is used by governments to account for the property, plant and equipment of the school district. The District does not have the information necessary to include this group in its financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

B. Measurement Focus – cont'd

Memorandum Only

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

C. Basis of Accounting and Presentation

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

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

- Encumbrances represented by purchase orders, contracts, and other commitments for the expenditure of monies are recorded as expenditures when approved.
- Investments are recorded as assets when purchased.
- Inventories of school supplies are recorded as expenditures and not as inventory assets.
- Warrants/checks payable are recorded as liabilities when issued.
- Long-term debt is recorded in the General Long-Term Debt Account Group and not in the basic financial statements.
- Compensated absences are recorded as expenditures when paid and not recorded as a liability.
- Fixed assets are recorded in the General Fixed Asset Account Group and not in the basic financial statements. Fixed assets are not depreciated.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

C. Basis of Accounting and Presentation – cont'd

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

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 their County Excise Board before June 30. The District uses the temporary appropriation amounts as their legal expenditure limit until annual Estimate of Needs is completed.

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

The 2022-23 Estimate of Needs was not amended by any supplemental appropriations. Any supplemental appropriations filed must be approved by the County Clerk's Office.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

E. Assets, Liabilities and Fund Balance

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

Investments – The District considers investments of direct obligations of the United States government and agencies, certificates of deposits, savings accounts or savings certificates with maturities of greater than three months. All investments are recorded at cost, which approximates market value.

Inventories – The value of consumable inventories at June 30, 2023 is not material to the combined financial statements.

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

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

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

Compensated Absences – The District provides vacation and sick leave benefits in accordance with Title 70 of the Oklahoma Statutes, Article 6-104, which provides for annual sick leave and personal business days. District policy allows certified employees to accumulate such days to a maximum number of days. Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources had not been reported as an expenditure of the governmental fund that will pay it since the financial statements have been prepared on the regulatory basis of accounting. This practice differs from generally accepted accounting principles.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

E. Assets, Liabilities and Fund Balance – cont'd

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

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 *non-spendable* (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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

E. Assets, Liabilities and Fund Balance – cont'd

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

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

F. Revenue and Expenditures

Local Revenues – Revenue from local sources is the money generated from within the boundaries of the District and available to the District for its use. 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. These property taxes are distributed to the District's general, building and sinking funds based on the levies approved for each fund. The County Assessor, upon receipt of the certification of tax levies from the County Excise Board, extends the tax levies on the tax rolls 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 is due prior to January 1. The second half is due prior to April 1. If the first payment is not made in a timely manner, 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. Other local sources of revenues include tuition, fees, rentals, disposals, commissions and reimbursements.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

F. Revenue and Expenditures – cont'd

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

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

F. Revenue and Expenditures – cont'd

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

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

F. Revenue and Expenditures – cont'd

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 inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers. There were no interfund transfers made during the 2022-23 fiscal year.

2. CASH AND INVESTMENTS

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to the District. The District's cash deposits and investments at June 30, 2023 were $28,168,574 at financial institutions and were completely insured or collateralized by federal depository insurance, direct obligations of the U.S. Government, or securities held by the District or by its agent in the District's name.

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

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

- Direct obligations of the U.S. Government, its agencies and instrument to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.

- Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.

- With certain limitation, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper and repurchase agreements with certain limitations.

2. CASH AND INVESTMENTS – cont'd

- County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.

- Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.

- Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous bullet items.

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

3. INTERFUND RECEIVABLES AND PAYABLES

There were no interfund receivables or payables at June 30, 2023.

4. GENERAL LONG-TERM DEBT

State statutes prohibit the District from becoming indebted in an amount exceeding the revenue to be received for any fiscal year without approval by the District's voters. Bond issues have been approved by the voters and issued by the District for various capital improvements. These bonds are required to be fully paid serially within 25 years of the date of issue. General long-term debt of the District consists of bonds payable and capital leases. Debt service requirements for bonds and judgments are paid solely from the fund balance and the future revenues of the debt service fund, and capital losses are paid from other funds.

The following is a summary of the long-term debt transactions of the District for the year ended June 30, 2023:

	Bonds Payable	Capital Leases	Total
Balance, July 1, 2022	$ 9,735,000	56,375,000	66,110,000
Retirements	(4,560,000)	(1,545,000)	(6,105,000)
Balance, June 30, 2023	$ 5,175,000	54,830,000	60,005,000

4. GENERAL LONG-TERM DEBT – cont'd

A brief description of the outstanding long-term debt at June 30, 2023 is set forth below:

	Amount Outstanding
General Obligation Bonds:	
Building Bonds, Series 2019, original issue $4,440,000, interest rate of 0.6% to 1.5%, due in an initial installment of $600,000 and annual installments of $1,280,000, due 12-1-24	$ 2,560,000
Combined Purpose Bonds, Series 2021, original issue $3,915,000, interest rate of 0.6%, due in an initial installment of $1,300,000, and a final installment of $2,615,000 due 7-1-24	2,615,000
Capital Leases:	
Lease purchase for 2020 Durant Public School Project, dated 1-1-20, for $30,230,000, due in annual principal and interest installments of varying amounts, final payment due 12-1-33 (see below)	25,625,000
Lease purchase for 2020 Durant Public School Project, dated 6-1-20, for $29,875,000, due in annual principal and interest installments of varying amounts, final payment due 9-1-32 (see below)	29,205,000
Total Long-Term Debt	$ 60,005,000

2020 Durant Public Schools Project

On October 1, 2009, an agreement was entered into between Public Finance Leasing, LLC, and First United Bank & Trust Company, Durant, OK, to issue certificates of participation evidencing proportional interests in rental payments to be made pursuant to a lease purchase agreement between Public Finance Leasing, LLC and the Independent School District No. 72, Bryan County (Durant Public Schools) in the form of $39,015,000 Series 2009A Bonds and $1,195,000 Series 2009B Bonds, to provide funds for the purpose of constructing and equipping a new high school. Also, the City of Durant passed a sales tax to assist in the repayment of the certificates of participation. On, January 1, 2020, the bonds were refinanced, issued for $30,230,000, through the Bryan County School Finance Authority (Durant Public Schools Project) Series 2020. The remainder of the bond payments will be paid from sales tax revenue received from the City of Durant.

4. GENERAL LONG-TERM DEBT – cont'd

2020 Durant Public Schools Project

On June 1, 2020, the Bryan County School Finance Authority issued $29,875,000 of Educational Facilities Lease Revenue Bonds (Durant Public Schools Project) Series 2020, to provide funds for the constructing, equipping, repairing and remodeling of school buildings, acquiring furniture, fixtures and equipment and acquiring and improving school sites for the benefit of Durant School District. Also, on June 1, 2021, the District, as lessor, entered into a ground lease agreement, for certain district property, with the Bryan County School Finance Authority. In addition, the District entered into a sublease, as lessee, with the Bryan County School Finance Authority. The sublease calls for eleven (11) annual payments (acquisition payments) starting September 1, 2021. These payments will be made out of bond funds. Durant Public Schools will gain ownership to the capital improvements incrementally as each payment is made. These bonds are shown as general long-term debt on the combined statement assets, liabilities, and fund equity under bonds payable as each series of bonds is sold. The following details the acquisition payments which includes $3,000/year in rental payments.

Future Debt Requirements

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

Year Ending June 30	Principal	Interest	Total
2024	$ 4,515,000	1,756,801	6,271,801
2025	7,435,000	1,623,891	9,058,891
2026	3,800,000	1,457,001	5,257,001
2027	4,015,000	1,305,001	5,320,001
2028	5,725,000	1,144,401	6,869,401
Thereafter	34,515,000	3,237,104	37,752,104
Total	$ 60,005,000	10,524,199	70,529,199

Interest paid on general long-term debt during the 2022-23 fiscal year totaled $1,916,749.

5. EMPLOYEE RETIREMENT SYSTEM

Description of Plan

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

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

Funding Policy

The District, the State of Oklahoma, and the participating employee make contributions. The contribution rates for the District and its employees are established by and may be amended by Oklahoma Statutes. The rates are not actuarially determined. The rates are applied to the employee's earnings plus employer-paid fringe benefits. The required contribution for the participating members is 7.0% of compensation. Contributions received by the System from the State of Oklahoma are used to offset required employer contributions by the local school district. For the 2022-23 fiscal year, the District contributed 9.5% and the State of Oklahoma contributed the remaining amount during the year. The District is allowed by Oklahoma Teachers' Retirement System to make the required contributions on behalf of the participating members. In addition, if a member's salary is paid in part by federal or private funds, the contribution on that portion of the salary paid by those funds must be matched by the District at 8.00%.

5. EMPLOYEE RETIREMENT SYSTEM – cont'd

Annual Pension Cost

The District's total contributions for 2023, 2022 and 2021 were $3,228,533, $3,082,241 and $3,125,941, respectively. Ten-year historical trend information is presented in the Teacher's Retirement System of Oklahoma Annual Report for the year ended June 30, 2023. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due. Please visit www.ok.gov/TRS for all plan information. GASB Statement 68 became effective for fiscal years beginning after June 15, 2014, and significantly changes pension accounting and financial reporting for governmental employers who participate in a pension plan, such as the System, and who prepare published financial statements on an accrual basis using Generally Accepted Accounting Principles. Since the District does not prepare and present their financial statements on an accrual basis, the net pension amount is not required to be presented on the audited financial statements.

6. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; or acts of God. The District purchases commercial insurance to cover these risks, including general and auto liability, property damage, and public officials liability. Settled claims resulting from risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

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

The District is also a member of the Oklahoma State School Boards Association (OSSBA) Employment Services program, which helps to cover the cost of unemployment claims. Depending on which level of membership the District elects, the District makes a deposit into an account administered by OSSBA, or will make payments periodically as needed. The money

6. RISK MANAGEMENT – cont'd

contributed by each District earns interest and is fully insured. If the District has claims in excess of the amount in its account, it will be liable for the excess.

7. CONTINGENCIES

Federal Grants

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

Schedule of Expenditure of Federal Awards

The schedule shows the federal awards received and expended by the District during the 2022-23 fiscal year. The Uniform Guidance, Audits of States, Local Governments and Non-Profit Organizations, established uniform audit requirements for nonfederal entities which expended more than $750,000 in federal awards.

Litigation

The District is a defendant in one lawsuit. Although the outcome of this lawsuit is not presently determinable, the District believes that the resolution of this matter will not have a material adverse effect on the financial condition of the District. Should the judgment be awarded against the District, it would be levied through the Districts sinking fund over a three-year period pursuant to state law. This outcome will not have a material effect on the District's financial statements.

SUPPLEMENTARY INFORMATION

DURANT INDEPENDENT SCHOOL DISTRICT NO. 72 BRYAN COUNTY
COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES -
ALL SPECIAL REVENUE FUNDS - REGULATORY BASIS
JUNE 30, 2023

	BUILDING FUND	CHILD NUTRITION FUND	TOTAL
ASSETS			
Cash	$ 6,474,840	1,564,880	8,039,720
LIABILITIES AND FUND BALANCE			
Liabilities:			
Warrants/checks payable	$ 504,603	25,468	530,071
Fund Balance:			
Restricted	5,970,237	1,539,412	7,509,649
Total Liabilities and Fund Balances	$ 6,474,840	1,564,880	8,039,720

DURANT INDEPENDENT SCHOOL DISTRICT NO. 72, BRYAN COUNTY
COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND CHANGES
IN CASH FUND BALANCES - ALL SPECIAL REVENUE FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

	BUILDING FUND	CHILD NUTRITION FUND	TOTAL
Revenues Collected:			
Local sources	$ 925,425	326,664	1,252,089
State sources	395,272	18,128	413,400
Federal sources		1,660,834	1,660,834
Interest earnings	437,106	14,027	451,133
Nonrevenue receipts		200	200
Total revenues collected	1,757,803	2,019,853	3,777,656
Expenditures:			
Support services	793,953		793,953
Operation of noninstructional services		1,952,822	1,952,822
Facilities acquisition and const. svcs.	8,990		8,990
Other outlays:			
Reimbursement		200	200
Total expenditures	802,943	1,953,022	2,755,965
Excess of revenues collected over (under) expenditures	954,860	66,831	1,021,691
Cash fund balances, beginning of year	5,015,377	1,472,581	6,487,958
Cash fund balances, end of year	$ 5,970,237	1,539,412	7,509,649

DURANT INDEPENDENT SCHOOL DISTRICT NO. 72, BRYAN COUNTY
COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND CHANGES
IN CASH FUND BALANCES - ALL SPECIAL REVENUE FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

	BUILDING FUND			CHILD NUTRITION FUND		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Revenues Collected:						
Local sources	$ 827,897	827,897	925,425			326,664
State sources			395,272	17,423	17,423	18,128
Federal sources				1,907,834	1,907,834	1,660,834
Interest earnings			437,106			14,027
Nonrevenue receipts						200
Total revenues collected	827,897	827,897	1,757,803	1,925,257	1,925,257	2,019,853
Expenditures:						
Instruction						
Support services	5,834,284	5,834,284	793,953			
Operation of noninstructional services				3,397,838	3,397,838	1,952,822
Facilities acquisition & const. svcs.	8,990	8,990	8,990			
Other outlays:						
Reimbursement						200
Total expenditures	5,843,274	5,843,274	802,943	3,397,838	3,397,838	1,953,022
Excess of revenues collected over (under) expenditures	(5,015,377)	(5,015,377)	954,860	(1,472,581)	(1,472,581)	66,831
Cash fund balances, beginning of year	5,015,377	5,015,377	5,015,377	1,472,581	1,472,581	1,472,581
Cash fund balances, end of year	$ 0	0	5,970,237	$ 0	0	1,539,412

DURANT INDEPENDENT SCHOOL DISTRICT NO. 72, BRYAN COUNTY
COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - ALL CAPITAL PROJECTS FUNDS - REGULATORY BASIS
JUNE 30, 2023

	#31 BOND FUND	#32 BOND FUND	#35 BOND FUND	#36 BOND FUND	#37 BOND FUND	#38 BOND FUND	TOTAL FUND
ASSETS							
Cash	$ 2,674,895	0	304,842	0	983,239	0	3,962,976
LIABILITIES AND FUND BALANCE							
Liabilities:							
Warrants/checks payable	$ 322,413				7,994		330,407
Fund Balance:							
Restricted	2,352,482	0	304,842	0	975,245	0	3,632,569
Total Liabilities and Fund Balance	$ 2,674,895	0	304,842	0	983,239	0	3,962,976

DURANT INDEPENDENT SCHOOL DISTRICT NO. 72, BRYAN COUNTY
COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND CHANGES
IN CASH FUND BALANCES - ALL CAPITAL PROJECTS FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

	#31 BOND FUND	#32 BOND FUND	#35 BOND FUND	#36 BOND FUND	#37 BOND FUND	#38 BOND FUND	TOTAL
Revenues Collected:							
Interest earnings	$ 61,520	0	0	0	0	0	61,520
Expenditures:							
Instruction					208,455		208,455
Support services	921,155	315,121	301,522	5,592	615,333	265,847	2,424,570
Total expenditures	921,155	315,121	301,522	5,592	823,788	265,847	2,633,025
Other financing sources (uses):							
Bond proceeds	78,600	0	0	0	0	0	78,600
Excess of revenues collected over (under) expenditures	(781,035)	(315,121)	(301,522)	(5,592)	(823,788)	(265,847)	(2,492,905)
Cash fund balances, beginning of year	3,133,517	315,121	606,364	5,592	1,799,033	265,847	6,125,474
Cash fund balances, end of year	$ 2,352,482	0	304,842	0	975,245	0	3,632,569

DURANT INDEPENDENT SCHOOL DISTRICT NO. 72, BRYAN COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

	BALANCE 7-01-22	ADDITIONS	NET TRANSFERS	DEDUCTIONS	BALANCE 6-30-23
ASSETS					
Cash and Investments	$ 913,487	1,140,402	1,530	1,127,156	928,263
LIABILITIES					
Funds held for school organizations:					
Academic Bowl DHS	$ 1,097	312		297	1,112
Annual DHS	0	11,966	37	5,776	6,227
Athletiics DHS	38,786	175,411		157,402	56,795
Chorus DHS	653	4,153		4,025	781
FFA Booster Cub	5,940	0	(5,940)	0	0
Softball DHS	7,730	16,213		14,036	9,907
Cheerleader DHS	11,461	8,603		11,410	8,654
Concessions Sodexo	680	0		0	680
Young Chefs Club	68	0		0	68
DECA DHS	18,873	195		1,889	17,179
DHS Special Ed	51	4,798		3,768	1,081
Art Club DHS	1,368	443		1,029	782
BPA DHS	3,498	1,572		1,088	3,982
FCA DHS	391	0		0	391
FFA Chapter DHS	45,088	127,084	5,940	123,946	54,166
FCCLA DHS	2,510	806		1,278	2,038
DHS Scholarship	1,614	714		715	1,613
General Activity DHS	21,812	21,635	18	25,084	18,381
HOSA FFA	9,947	17,106		23,109	3,944
Bourne Memorial SCO	9,773	1,000		1,000	9,773
Key Club DHS	991	6,547		6,518	1,020
Library DHS	2,361	3,222		2,213	3,370
Newspaper DHS	37	0	(37)	0	0
Spanish Club DHS	319	0		0	319
Debate DHS	2,495	390		2,710	175
Theatre DHS	0	1,945	1,530	765	2,710
Student Council DHS	8,792	13,267		14,111	7,948
DHS Netbooks	4,607	0	(4,607)	0	0
Clearing DHS	400	14,111		14,511	0
Football Parents DHS	8,047	26,052		11,351	22,748
Awards DHS	1,447	1,000		99	2,348
Grapplers DHS	11,447	504		6,249	5,702
Media Productions	47	0		47	0
Undesignated	18	0	(18)	0	0
Vision Academy	196	2,700		1,807	1,089

DURANT INDEPENDENT SCHOOL DISTRICT NO. 72, BRYAN COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

	BALANCE 7-01-22	ADDITIONS	NET TRANSFERS	DEDUCTIONS	BALANCE 6-30-23
Baseball DHS	$ 8,727	15,649		13,657	10,719
Softball DMS	53	0		0	53
Emergency DMS	789	0		0	789
Special DMS	12,158	11,366		13,625	9,899
Annual DMS	1,983	2,019		2,452	1,550
Athletics DMS	19,666	36,990		48,864	7,792
Band DMS	1,518	0		0	1,518
Library DMS	1,691	501		449	1,743
Choir DMS	13,965	20,715		21,296	13,384
Cheerleader DMS	6,093	5,929		9,186	2,836
Flower Fund DMS	1,117	217		116	1,218
Student Council DMS	17,030	6,842		6,171	17,701
TSA Assosiation DMS	1,837	13,572		9,665	5,744
PTSO DMS	0	2,751		1,110	1,641
DMS Netbooks	3,653	0	(3,653)	0	0
General Activity NWH	62,565	69,381	(20,864)	65,481	45,601
PSO NWH	15,052	18,572	(3,500)	13,352	16,772
Clearing NWH	0	120		120	0
Library NWH	25	5,212		5,173	64
Music NWH	2,301	2,695		1,069	3,927
General Activity WI	74,850	59,211	(22,305)	63,411	48,345
PTSO WI	32,889	33,325	(3,500)	30,741	31,973
Library WI	0	13,062		12,934	128
Music WI	3,576	1,835		921	4,490
Cindy Brisco Memorial	1,499	0		1,499	0
WI Flower Fund	200	0		41	159
General Activity REL	50,436	35,678		44,050	42,064
REL PSO	2,773	0		0	2,773
DHS Student Assistance	913	0		321	592
District Wide Tech	0	3,025	8,260	1,434	9,851
Administrative Activity	10,088	5,021		13,125	1,984
Flower Fund Admin.	49	725		359	415
Professional Development	3,888	0		0	3,888
Student Assistance	4,165	8,834		2,412	10,587
District Wide Activity	110,091	0		1,192	108,899
Video Duplication	285	105		201	189
Choctaw / Misc. Donations	41,528	17,264		35,661	23,131
Teacher of the Year	2,300	1,750		2,500	1,550
Durant Schools Elem. Summer	1,621	0		0	1,621
Activity Money Market Interest	20,891	16,832		0	37,723
Dist. Special Act.	52,012	43,886	187	45,066	51,019
DIS Band	217	1		0	218

DURANT INDEPENDENT SCHOOL DISTRICT NO. 72, BRYAN COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

	BALANCE 7-01-22	ADDITIONS	NET TRANSFERS	DEDUCTIONS	BALANCE 6-30-23
DIS Flower Fund	$ 820	904		1,248	476
DIS Library	21,785	13,295		11,680	23,400
DIS PSO	8,032	8,930		15,979	983
DIS Annual	10,078	565	(2,501)	2,229	5,913
DIS Clearing	0	77		77	0
5th Grade	7,490	2,212		3,859	5,843
Green Team	8,793	10,430		11,037	8,186
DIS Greenhouse	7,061	1,200		1,081	7,180
DIS Choir	2,355	6,124		8,326	153
DIS Box Tops	3,137	31	2,500	2,487	3,181
Goddard Youth Camp	35,423	39,588		46,917	28,094
Magic Triad	185	0	(185)	0	0
GW General Activity	1,000	102,569	43,167	96,423	50,313
GW PSO	290	22,991	6,710	8,887	21,104
GW Music	0	2,183	291	621	1,853
GW Library	0	14,469		12,418	2,051
Total Liabilities	$ 913,487	1,140,402	1,530	1,127,156	928,263

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REGULATORY BASIS

DURANT INDEPENDENT SCHOOL DISTRICT NO. 72, BRYAN COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor / Pass Through Grantor / Program Title	Fed. Asst. Lisitng Number	Control Project No.	Total Expenditures
U.S. DEPARTMENT OF EDUCATION -			
Direct Programs:			
Indian Education	84.060A	561	$ 236,701
Impact Aid Cluster:			
Impact Aid	84.041Z	591	75,795
Impact Aid Disabled	84.041Z	592	14,171
Total Impact Aid Cluster	84.027X	628	89,966
Passed Through State Department of Education:			
Title I, Basic Program	84.010	511	903,832
Title II, Part A	84.367	541	108,449
Title III, Part A	84.365	572	31,095
Title IV, Part A	84.424	552	66,548
Title V, Part B	84.358	587	72,981
ARP - IDEA-B Flow Through	84.027X	628	98,682
*IDEA-B Special Education Cluster:			
IDEA-B Flow Through	84.027	621	756,604
IDEA-B Prof Develop, OSDE	84.027	613	1,501
IDEA-B Prof Develop, District	84.027	615	5,797
IDEA-B Flow Through Private Schools	84.027	625	7,801
IDEA-B Preschool	84.173	641	22,821
Total Special Education Cluster			794,524
*COVID-19 - Education Stabilization Fund (ESF):			
ESSER I	84.425D	788	19,042
GEER Fund	84.425C	789	14,743
ESSER II	84.425D	793	229,174
ESSER III	84.425U	795	3,007,497
ARP - Paid Student Teacher	84.425U	725	3,498
ARP - Science of Reading	84.425U	726	3,230
Total COVID-19 - ESF			3,277,184
Passed Through State Department of Career & Tech. Education:			
Carl Perkins Cluster:			
Carl Perkins Grant	84.048	421	52,557
Carl Perkins Supplemental Grant	84.048	424	46,800
Carl Perkins High Schools That Work	84.048	426	9,721
Total Carl Perkins Cluster			109,078
U.S. DEPARTMENT OF AGRICULTURE -			
Passed Through State Department of Education:			
Child Nutrition Programs Cluster:			
School Breakfast Program	10.553	764	202,868
National School Lunch Program	10.555	763	1,285,429
Supply Chain Assistance	10.555	759	111,651
Summer Food Program	10.559	766	24,728
Non-Cash Assistance - Commodities	10.555	N/A	166,668
Total Child Nutrition Program Cluster			1,791,344
Other Child Nutrition Programs:			
Child & Adult Care Food Program	10.558	769	21,459
Other Federal Assistance			
Johnson O'Malley	15.130	563	68,237
Johnson O'Malley MCN/BIA	15.130	565	3,967
Job Training - OJT	84.126	456	7,042
Gear Up	84.334	771	117,067
Stop School Violence	16.839	777	13,771
Total Federal Assistance			**$ 7,811,927**

*** Major programs = 52.12%**

Note 1 - Basis of Presentation - The accompanying schedule of expenditures of federal awards includes the federal activity of the District for the year ended June 30, 2023. This information 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 District, it is not intended and does not present the financial position, changes in net assets, or cash flows of the District.

Note 2 - Summary of Significant Accounting Policies - Expenditures reported on this schedule are reported on the regulatory basis of accounting consistent with the preparation of the combined financial statements except as noted in Note 3. 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 District has elected not to use the 10 percent de minimums indirect cost rate allowed under the Uniform Guidance. None of the federal programs include any loan programs, loan guarantee programs, and has no sub-recipients.

Note 3 - Non-Monetary Assistance - Commodities received by the District were of a non-monetary nature.

DURANT INDEPENDENT SCHOOL DISTRICT NO. 72, BRYAN COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - REGULATORY BASIS
PREPARED FOR THE OKLAHOMA STATE DEPARTMENT OF EDUCATION
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor / Pass Through Grantor / Program Title	Fed. Asst. Lisitng Number	OCAS Project Number	Program or Award Amount	Balance at 7/1/22	Revenue Collected	Total Expenditures	Balance at 6/30/23
U.S. Department of Education							
Direct Programs:							
Indian Education	84.060A	561	$ 243,793		187,349	236,701	49,352
Indian Education, 2021-22	84.060A	799		122,073	122,073		
Impact Aid	84.041Z	591	267,435		194,847	75,795	
Impact Aid Disabled	84.041Z	592	14,171		7,729	14,171	
Sub Total			525,399	122,073	511,998	326,667	49,352
Passed Through State Department of Education:							
Title I, Basic Program	84.010	511	1,278,723		270,801	903,832	633,031
Title I, Basic Program, 2021-22	84.010	799		559,561	559,561		
Title II, Part A	84.367	541	283,514		93,427	108,449	15,022
Title II, Part A, 2021-22	84.367	799		37,064	37,064		
Title III, Part A	84.365	571	76,950				
Title III, Part A, 2021-22	84.365	799		25,531	25,531		
Title III, Part A	84.365	572	52,420		31,075	31,095	20
Title III, Part A, 2021-22	84.365	799		3,289	3,289		
Title IV, Part A	84.424	552	72,734		36,000	66,548	30,548
Title IV, Part A, 2021-22	84.424	799		63,881	63,881		
Title V, Part B	84.358	587	117,265		72,981	72,981	
Title V, Part B, 2021-22	84.358	799		84,798	84,798		
ARP - IDEA-B Flow Through	84.027X	628	150,295		98,682	98,682	
ARP - IDEA-B Preschool, 2021-22	84.027X	799		35,538	35,538		
IDEA-B Flow Through	84.027	621	967,204		322,226	756,604	434,378
IDEA-B Flow Through, 2021-22	84.027	799		310,422	310,422		
IDEA-B Prof Develop, OSDE	84.027	613	2,340		430	1,501	1,071
IDEA-B Prof Develop, District	84.027	615	5,800		3,098	5,797	2,699
IDEA-B Prof Develop, District, 2021-22	84.027	799		5,817	5,817		
IDEA-B Flow Through Private Schools	84.027	625	7,801		7,801	7,801	
IDEA-B Flow Through Private Schools, 2021-22	84.027	799		1,310	1,310		
IDEA-B Preschool	84.173	641	22,887		9,510	22,821	13,311
IDEA-B Preschool, 2021-22	84.173	799		9,200	9,200		
COVID-19 - Education Stabilization Fund (ESF):							
ESSER I	84.425D	788	19,042		19,042	19,042	
ESSER I, 2021-22	84.425D	799		95,958	95,958		
GEER Fund	84.425C	789	14,743		14,743	14,743	
GEER Fund, 2021-22	84.425C	799		72,298	72,298		
ESSER II	84.425D	793	231,709		222,280	229,174	6,894
ESSER II, 2021-22	84.425D	799		380,120	380,120		
ESSER III	84.425U	795	5,273,150		2,159,522	3,007,497	847,975
ESSER III, 2021-22	84.425U	799		519,526	519,526		
ARP - ESSER II Homeless	84.425U	797	41,697				
ARP - Paid Student Teacher	84.425U	725	3,498		3,498	3,498	
ARP - Science of Reading	84.425U	726	3,230		3,230	3,230	
Total COVID-19 - ESF			5,587,069	1,067,902	3,490,217	3,277,184	854,869
Sub Total			8,625,002	2,204,313	5,572,659	5,353,295	1,984,949
Passed Through State Department of Career & Tech. Education:							
Carl Perkins Grant	84.048	421	52,557		30,688	52,557	21,868
Carl Perkins Gran, 2021-22	84.048	799		19,176	19,176		
Carl Perkins Supplemental Grant	84.048	424	47,525		46,800	46,800	
Carl Perkins High Schools That Work	84.048	426	11,350		6,749	9,721	2,972
Carl Perkins High Schools That Work, 2021-22	84.048	799		5,700	5,700		
Sub Total			111,432	24,876	109,113	109,078	24,840
U.S. Department of Agriculture:							
Passed Through State Department of Education							
Child Nutrition Programs:							
School Breakfast Program	10.553	764			385,390	202,868	
National School Lunch Program	10.555	763			1,127,984	1,285,429	
Supply Chain Assistance	10.555	759			106,767	111,651	
Summer Food Program	10.559	766			15,220	24,728	
Non-Cash Assistance - Commodities	10.555	N/A			166,668	166,668	
Total Child Nutrition Cluster:					1,802,029	1,791,344	
Other Child Nutrition Programs:							
P-EBT	10.649	760			3,135		
Child & Adult Care Food Program	10.558	769			22,338	21,459	
Sub Total					25,473	21,459	
Other Federal Assistance							
Johnson O'Malley	15.130	563	69,030		53,301	68,237	14,936
Johnson O'Malley MCN/BIA	15.130	565	4,000		3,967	3,967	
Johnson O'Malley, 2021-22	15.130	799		21,631	21,631		
Job Training - OJT	84.126	456	7,368		6,602	7,042	
Job Training - OJT, 2021-22	84.126	799		766	766		
Gear Up	84.334	771	122,120		64,431	117,067	52,636
Stop School Violence	16.839	777	13,771		13,771	13,771	
Stop School Violence, 2021-22	16.839	799		27,634	27,634		
Sub Total			216,289	50,031	192,103	210,084	67,572
Total Federal Assistance			$ 9,478,122	2,401,293	8,213,375	7,811,927	2,126,713

Note 1 - This schedule was prepared on a regulatory basis of accounting consistent with the preparation of the combined financial statements, except for the non-cash assistance noted in Note 2.

Note 2 - Food Distribution - Non cash assistance is reported in this schedule at the fair market value of the commodities received and disbursed.

Note 3 - None of the federal programs include any loan programs, loan guarantee programs, has no sub-recipients and does not use the 10% de minimis indirect cost rate.

DURANT INDEPENDENT SCHOOL DISTRICT NO. 72, BRYAN COUNTY
STATEMENT OF STATUTORY, FIDELITY AND HONESTY BONDS
FOR THE YEAR ENDED JUNE 30, 2023

BONDING COMPANY	POSITION COVERED	BOND NUMBER	COVERAGE AMOUNT	EFFECTIVE DATES
RLI Surety-	Treasurer	LSM1160934	$ 100,000	7/01/22 - 7/01/23
	Superintendent	LSM0625391	100,000	7/01/22 - 7/01/23
	Activity Fund/Minutes Clerk	LSM0374411	100,000	7/01/22 - 7/01/23
	Child Nutrition Cashiers/ Secretaries	RSB8007085	170,000	7/01/22 - 7/01/23
	Encumbrance Clerk	LSM0703084	100,000	7/01/22 - 7/01/23
	Activity Fund Clerk	LSM0818116	100,000	7/01/22 - 7/01/23

DURANT NDEPENDENT SCHOOL DISTRICT NO. 72, BRYAN COUNTY
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE
AFFIDAVIT
JULY 1, 2022 TO JUNE 30, 2023

State of Oklahoma)
) ss
County of Tulsa)

The undersigned auditing firm of lawful ages, 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 Durant Public Schools for the audit year 2022-23.

Bledsoe, Hewett & Gullekson
Certified Public Accountants, LLP
Auditing Firm

By ______________________
Authorized Agent

Subscribed and sworn to before me
This 17th day of November, 2023

Marlene Miller
NOTARY
#20014980
EXP. 12/11/2024
PUBLIC
STATE OF OKLAHOMA

____
Notary Public (or Clerk or Judge)

My Commission Expires: 12-11-2024
Commission No. 20014980

BLEDSOE, HEWETT & GULLEKSON
CERTIFIED PUBLIC ACCOUNTANTS, PLLLP

Eric M. Bledsoe, CPA
Jeffrey D. Hewett, CPA
Christopher P. Gullekson, CPA

P.O. BOX 1310 • 121 E. COLLEGE ST.• BROKEN ARROW, OK 74013 • (918) 449-9991 • (800) 522-3831 • FAX (918) 449-9779

November 17, 2023

Mr. Duane Meredith, Supt.
Durant Public Schools
1323 Waco Street
Durant, Oklahoma 74701

Dear Mr. Meredith,

Listed below are the observations and recommendations from the final audit work we performed for you. Please review them very carefully, along with the review copy of your audit report. If you have questions or desire additional information, please call us so that any discrepancies may be resolved.

<u>No Audit Exceptions</u>

We take this opportunity to thank you and your professional staff for the outstanding cooperation and invaluable assistance you gave us during our recent onsite audit work.

Sincerely,

Jeffrey D. Hewett

Jeffrey D. Hewett

For

Bledsoe, Hewett & Gullekson
Certified Public Accountants, PLLLP