

Robin Hill Public School

4801 EAST FRANKLIN ROAD
NORMAN, OKLAHOMA 73026
PH: 405-321-4186
FAX: 405-321-5179
MELISSA BAUGHMAN, SUPERINTENDENT
mbaughman@robinhill.k12.ok.us

April 15, 2021

Wilson, Dotson & Associates, P.L.L.C.
907 East 35th Unit 4
Shawnee, OK 74804

This representation letter is provided in connection with your audit of the financial statements-regulatory basis of Robin Hill School District Number C-16, Cleveland County, Oklahoma (the "District") which comprise the assets, liabilities and fund balances as of June 30, 2020, and the respective revenues collected and expenditures paid and encumbered for the year then ended, and the disclosures to the combined financial statements-regulatory basis, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with the regulatory basis and budget laws of Oklahoma.

We confirm, to the best of our knowledge and belief, as of April 15, 2021, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set forth in the terms of the audit engagement letter dated May 19, 2020, including our responsibility for the preparation and fair presentation of the financial statements in accordance with the regulatory basis and budget laws of Oklahoma and for preparation of the supplementary information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in conformity with the regulatory basis and budget laws of Oklahoma and include all properly classified funds and account groups and other financial information required by the regulatory basis and budget laws of Oklahoma to be included in the financial reporting entity.
3. We acknowledge our responsibility 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.

4. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. Related party relationships and transactions (if any), including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of the regulatory basis and budget laws of Oklahoma.

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7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.
8. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims or assessments.
9. Guarantees, whether written or oral, under which the school district is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

10. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the school district from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the Board of Education or summaries of actions of recent meetings for which minutes have not yet been prepared.
11. All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
12. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

13. We have no knowledge of any fraud or suspected fraud that affects the school district and involves:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
14. We have no knowledge of any allegations of fraud or suspected fraud affecting the school district's financial statements communicated by employees, former employees, regulators or others.
15. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste, or abuse, whose effects should be considered when preparing financial statements.
16. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

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17. We have disclosed to you the name's of the school district's related parties, if any, and all the related party relationships and transactions, including any side agreements.

Government - specific

18. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
19. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
20. The school district has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or fund balances.
21. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
22. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
23. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material

effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

24. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
25. As part of your audit, you assisted with preparation of the financial statements and disclosures and schedule of expenditures of federal awards. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures and schedule of expenditures of federal awards.
26. The school district has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
27. The school district has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

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28. The financial statements properly classify all funds and account groups in accordance with the regulatory basis and budget laws of Oklahoma.
29. Classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
30. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
31. Deposits and investment securities are properly classified as to risk and are properly disclosed.
32. We have appropriately disclosed the school district's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
33. We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more

than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

34. With respect to the combining financial statements and the schedule of expenditures of federal awards:

- a. We acknowledge our responsibility for presenting the combining financial statements and the schedule of expenditures of federal awards in accordance with the regulatory basis and budget laws of Oklahoma, and we believe the combining financial statements and the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the regulatory basis and budget laws of Oklahoma. The methods of measurement and presentation of the combining financial statements and the schedule of expenditures of federal awards have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
- b. If the combining financial statements and the schedule of expenditures of federal awards are not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

35. With respect to federal award programs:

- a. We are responsible for understanding and complying with and have complied with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards.
- b. We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) and disclosures in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the SEFA.

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- c. If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
- d. We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (included donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.

- e. We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
- f. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- g. We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- h. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i. We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards and confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards.
- j. We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- k. We have disclosed to you the findings received (if any) and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- l. Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR Part 200, subpart E) and OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, if applicable.
- m. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.

- n. We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p. There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- q. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.
- r. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- s. The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t. We have charged costs to federal awards in accordance with applicable cost principles.
- u. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- v. We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- w. We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- x. We are responsible for taking corrective action on each audit finding (if applicable) of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.

Signed: Melvin Bengtson Signed: Jammy Mapped

Title: Superintendent

Title: Administrative Assistant

WILSON, DOTSON & ASSOCIATES, P.L.L.C.

Certified Public Accountants

Members

American Institute of Certified Public Accountants

Oklahoma Society of Certified Public Accountants

May 6, 2021

Ms. Melissa Baughman, Superintendent
Robin Hill Public School
4801 Franklin Rd.
Norman, OK 73026

Dear Ms. Baughman:

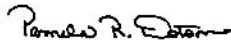
As your auditor we are required to obtain certain representations from management as a part of our examination in order to comply with generally accepted auditing standards.

During our examination, management makes many representations to the auditor, both oral and written, in response to specific inquiries or through the financial statements. Such representations from management are part of the evidential matter the independent auditor obtains to afford a reasonable basis for their opinion of the financial statements. Written representations from management ordinarily confirm oral representations given to the auditor, indicate and document the continuing appropriateness of such representations, and reduce the possibility of misunderstanding concerning the matters that are the subject of representation.

Please print the first page of the enclosed management representation letter on the District's letterhead, retaining the date of April 15, 2021, and making any additions that might be appropriate. The management representation letter needs to be signed by you and Ms. Mappes and returned to our office at your earliest convenience.

Thank you for your assistance in this matter. If you have questions concerning the above, please call.

Sincerely,



Pamela R. Dotson
Certified Public Accountant

for

Wilson, Dotson & Associates, PLLC

April 15, 2021

Wilson, Dotson & Associates, P.L.L.C.
907 East 35th Unit 4
Shawnee, OK 74804

This representation letter is provided in connection with your audit of the financial statements-regulatory basis of Robin Hill School District Number C-16, Cleveland County, Oklahoma (the "District") which comprise the assets, liabilities and fund balances as of June 30, 2020, and the respective revenues collected and expenditures paid and encumbered for the year then ended, and the disclosures to the combined financial statements-regulatory basis, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with the regulatory basis and budget laws of Oklahoma.

We confirm, to the best of our knowledge and belief, as of April 15, 2021, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set forth in the terms of the audit engagement letter dated May 19, 2020, including our responsibility for the preparation and fair presentation of the financial statements in accordance with the regulatory basis and budget laws of Oklahoma and for preparation of the supplementary information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in conformity with the regulatory basis and budget laws of Oklahoma and include all properly classified funds and account groups and other financial information required by the regulatory basis and budget laws of Oklahoma to be included in the financial reporting entity.
3. We acknowledge our responsibility 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.
4. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. Related party relationships and transactions (if any), including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of the regulatory basis and budget laws of Oklahoma.

7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.
8. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims or assessments.
9. Guarantees, whether written or oral, under which the school district is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

10. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the school district from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the Board of Education or summaries of actions of recent meetings for which minutes have not yet been prepared.
11. All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
12. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
13. We have no knowledge of any fraud or suspected fraud that affects the school district and involves:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
14. We have no knowledge of any allegations of fraud or suspected fraud affecting the school district's financial statements communicated by employees, former employees, regulators or others.
15. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste, or abuse, whose effects should be considered when preparing financial statements.
16. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

17. We have disclosed to you the name's of the school district's related parties, if any, and all the related party relationships and transactions, including any side agreements.

Government - specific

18. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
19. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
20. The school district has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or fund balances.
21. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
22. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
23. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
24. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
25. As part of your audit, you assisted with preparation of the financial statements and disclosures and schedule of expenditures of federal awards. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures and schedule of expenditures of federal awards.
26. The school district has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
27. The school district has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

28. The financial statements properly classify all funds and account groups in accordance with the regulatory basis and budget laws of Oklahoma.
29. Classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
30. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
31. Deposits and investment securities are properly classified as to risk and are properly disclosed.
32. We have appropriately disclosed the school district's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
33. We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
34. With respect to the combining financial statements and the schedule of expenditures of federal awards:
 - a. We acknowledge our responsibility for presenting the combining financial statements and the schedule of expenditures of federal awards in accordance with the regulatory basis and budget laws of Oklahoma, and we believe the combining financial statements and the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the regulatory basis and budget laws of Oklahoma. The methods of measurement and presentation of the combining financial statements and the schedule of expenditures of federal awards have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b. If the combining financial statements and the schedule of expenditures of federal awards are not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
35. With respect to federal award programs:
 - a. We are responsible for understanding and complying with and have complied with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards.
 - b. We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) and disclosures in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the SEFA.

- c. If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
- d. We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (included donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- e. We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
- f. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- g. We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- h. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i. We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards and confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards.
- j. We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- k. We have disclosed to you the findings received (if any) and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- l. Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR Part 200, subpart E) and OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, if applicable.

- m. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.

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- n. We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p. There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- q. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.
- c. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- d. The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- e. We have charged costs to federal awards in accordance with applicable cost principles.
- f. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- g. We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- h. We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- i. We are responsible for taking corrective action on each audit finding (if applicable) of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.

Signed: _____ Signed: _____

Title: Superintendent

Title: Administrative Assistant

April 15, 2021

Center for Education Law
900 N Broadway, Suite 300
Oklahoma City, OK 73102

Our auditors, Wilson, Dotson & Associates, P.L.L.C., are conducting an audit of our financial statements as of June 30, 2020, and for the year then ended. This letter will serve as our consent for you to furnish to our auditors all the information requested herein. Accordingly, please provide to them the information requested below involving matters with respect to which you have been engaged and to which you have devoted substantive attention on behalf of Robin Hill Public School in the form of legal consultation or representation. Their address is noted below:

Wilson, Dotson & Associates, PLLC
907 E. 35th, Unit 4
Shawnee, OK 74804

**Pending or Threatened Litigation, Claims and Assessments
(excluding unasserted claims and assessments)**

Please prepare a description of all material pending or threatened litigation, claims, and assessments, including civil rights complaints, if any, (excluding unasserted claims and assessments). Materiality for purposes of this letter includes items involving amounts exceeding \$1,000.00 individually or in the aggregate (except that all civil rights complaints should be included). The description of each case should include:

- ◆ the nature of the litigation;
- ◆ the progress of the matter to date;
- ◆ how management of Robin Hill Public School is responding or intends to respond to the litigation; e.g., to contest the case vigorously or to seek an out-of-court settlement; and
- ◆ an evaluation of the likelihood of an unfavorable outcome and an estimate, if one can be made, of the amount or range of potential loss.

Also, please identify any pending or threatened litigation, claims, and assessments with respect to which you have been engaged but as to which you have not devoted substantive attention.

Unasserted Claims and Assessments

We have represented to our auditors that there are no unasserted possible claims or assessments that you have advised us are probable of assertion and must be disclosed in accordance with FASB Accounting Standards Codification 450, *Contingencies*.

We understand that, whenever, in the course of performing legal services for us with respect to a matter recognized to involve an unasserted possible claim or assessment that may call for financial statement disclosure, if you have formed a professional conclusion that we should

disclose or consider disclosure concerning such possible claim or assessment, as a matter of professional responsibility to us, you will so advise us and will consult with us concerning the question of such disclosure and the applicable requirements of FASB Accounting Codification 450, *Contingencies* (excerpts of which can be found in the ABA's *Auditor's Letter Handbook*). Please specifically confirm to our auditors that our understanding is correct.

Response

Your response should include matters that existed as of April 15, 2021, and during the period from that date to the effective date of your response. Please specify the date of your response if it is other than the date of reply.

Please specifically identify the nature of, and reasons for, any limitations on your response.

Other Matters

Please also indicate the amount we were indebted to you for services and expenses (billed or unbilled) on April 15, 2021.

Very truly yours,

Ms. Melissa Baughman, Supt.
Robin Hill Public School

WILSON, DOTSON & ASSOCIATES, P.L.L.C.

Certified Public Accountants

American Institute of Certified Public Accountants

Members

Oklahoma Society of Certified Public Accountants

April 15, 2021

Ms. Melissa Baughman, Supt.
Robin Hill Public School
4801 E Franklin Rd
Norman, OK 73026

Dear Ms. Baughman:

Listed below are the audit exceptions and recommendations relayed to management. Please review them very carefully. If you have questions or desire additional information, please call us so that any discrepancies may be resolved.

Lack of Segregation of Duties

An adequate internal control structure does not exist because of the small size of the entity nor is there adequate segregation of duties.

Purchase Orders

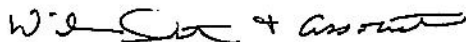
Of the purchase orders examined, several had at least one invoice and/or delivery ticket that had not been initialed and dated by a designated school employee to reflect that the goods were received or services rendered. We recommend that every purchase order issued be supported by documentation that has been signed as received.

Activity Fund

1. Of the school activity fund checks examined, several had at least one invoice and/or delivery ticket that had not been initialed and dated by a designated school employee to reflect that the goods were received or services rendered. We recommend that every check issued be supported by documentation that has been signed as received.
2. The General Fund Refund sub-account in the school activity fund maintained a balance of \$4 at June 30, 2020. We recommend that any remaining funds in this sub-account be cleared to the District's general fund before the end of each fiscal year, as required by Oklahoma Statutes.

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 work.

Sincerely,



Wilson, Dotson & Associates, P.L.L.C.

Robin Hill Public School

4801 EAST FRANKLIN ROAD
NORMAN, OKLAHOMA 73026
PH: 405-321-4186
FAX: 405-321-5179
MELISSA BAUGHMAN, SUPERINTENDENT

Robin Hill Public School District C-16
Cleveland County-Code 14

Audit Finding Corrective Action Plan
School Year 2019-2020

Lack of Segregation of Duties

Due to the small size of our district, segregation of duties will continue to be a struggle. As we continue to grow, we will do our best to improve in this area as recommendations are given.

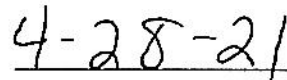
Purchase Orders

Corrective steps have already been implemented for the 2020-2021 school year to have all invoice/delivery tickets signed and dated by a designated school employee to reflect that goods are received and services are rendered.

Activity Fund

1. Corrective steps have already been implemented for the 2020-2021 school year to have all invoice/delivery tickets signed and dated by a designated school employee to reflect that goods are received and services are rendered.
2. Corrective steps have already been implemented for the 2020-21 school year to assure that the General Fund Refund sub-account will be cleared to the District's general fund before the end of each fiscal year.


Superintendent's Signature


Date

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

**ROBIN HILL SCHOOL DISTRICT NO. C-16,
Cleveland County, Oklahoma**

JUNE 30, 2020

Audited by

**WILSON, DOTSON & ASSOCIATES, P.L.L.C.
SHAWNEE, OK**

**ROBIN HILL SCHOOL DISTRICT NO. C-16
Cleveland County, Oklahoma**

**SCHOOL DISTRICT OFFICIALS
JUNE 30, 2020**

BOARD OF EDUCATION

President	J.B. Southerland
Vice-President	Tracy McGovern
Clerk	Jesse Wells

MINUTES CLERK

Tammy Mappes

SCHOOL DISTRICT TREASURER

Terry Gay

SUPERINTENDENT OF SCHOOLS

Brandon Voss

**ROBIN HILL SCHOOL DISTRICT NO. C-16
Cleveland County, Oklahoma**

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JUNE 30, 2020**

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WILSON, DOTSON & ASSOCIATES, P.L.L.C.

Certified Public Accountants

Members

American Institute of Certified Public Accountants

Oklahoma Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education
Robin Hill School District Number C-16
Cleveland County, Oklahoma

Report on the Financial Statements

We have audited the accompanying combined fund type and account group financial statements-regulatory basis of the Robin Hill School District No. C-16, Cleveland County, Oklahoma ("District"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

As discussed in Note 1, the financial statements are prepared by the District on the basis of the financial reporting provisions of the Oklahoma State Department of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Oklahoma State Department of Education. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the 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, 2020, or the changes in its financial position, or, where applicable, its cash flows for the year then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

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

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on Regulatory Basis of Accounting" paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities, and fund balances arising from regulatory basis transactions of each fund type and account group of the District as of June 30, 2020, and the revenues collected, expenditures paid and encumbered, and budgetary results for the year ended on the regulatory basis of accounting described in Note 1.

Other Matters

Other Information

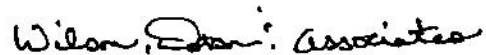
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining statements-regulatory basis, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis in the format required by Title 2 U.S. *Code of Federal Regulations* (CFR) part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements, nor was a separate report issued for federal financial assistance, since the required threshold of \$750,000 or more in federal expenditures was not reached.

The combining statements-regulatory basis and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such

information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements - regulatory basis and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole on the regulatory basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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.



Wilson, Dotson & Associates, PLLC

Shawnee, Oklahoma
April 15, 2021

ROBIN HILL SCHOOL DISTRICT NO. C-16
Cleveland County, Oklahoma

COMBINED STATEMENT OF ASSETS, LIABILITIES AND CASH FUND BALANCES - REGULATORY BASIS
ALL FUND TYPES AND GENERAL LONG-TERM DEBT
JUNE 30, 2020

	GOVERNMENTAL FUND TYPES		FIDUCIARY FUND TYPES	TOTALS
	GENERAL	SPECIAL REVENUE	AGENCY FUNDS	(MEMORANDUM ONLY)
	DEBT SERVICE	DEBT SERVICE	LONG-TERM DEBT	(MEMORANDUM ONLY)
<u>ASSETS</u>				
Cash and investments	\$ 579,342	103,762	35,376	726,004
Amounts available in debt service	-	-	-	7,524
Amounts to be provided for retirement of general long-term debt	-	-	-	1,097,876
Total Assets	\$ 579,342	103,762	35,376	1,831,404
<u>LIABILITIES AND CASH FUND BALANCES</u>				
Liabilities				
Warrants payable	\$ 250,742	8,063	-	258,805
Funds held for school organizations	-	-	35,376	35,376
Long-term debt:				
Bonds payable	-	-	-	215,000
Capital leases payable	-	-	-	890,400
Total liabilities	250,742	8,063	35,376	1,399,581
Cash Fund Balances				
Restricted	-	95,699	-	103,223
Unassigned	328,600	-	-	328,600
Total cash fund balances	328,600	95,699	-	431,823
Total Liabilities and Cash Fund Balances	\$ 579,342	103,762	35,376	1,831,404

The notes to the combined financial statements - regulatory basis are an integral part of this statement.

ROBIN HILL SCHOOL DISTRICT NO. C-16
Cleveland County, Oklahoma

COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES
AND CHANGES IN CASH FUND BALANCES - REGULATORY BASIS - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2020

	GOVERNMENTAL FUND TYPES			TOTALS (MEMORANDUM ONLY)
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	
Revenues collected:				
Local sources	\$ 305,531	42,560	226,535	574,626
Intermediate sources	94,656	-	-	94,656
State sources	1,803,925	1,395	-	1,805,320
Federal sources	125,782	73,176	-	198,958
Non-revenue receipts	87,782	38,214	-	125,996
Total revenues collected	<u>2,417,676</u>	<u>155,345</u>	<u>226,535</u>	<u>2,799,556</u>
Expenditures:				
Instruction	1,755,954	-	-	1,755,954
Support services	676,702	18,000	-	694,702
Operation of non-instruction services	92,043	78,945	-	170,988
Facilities acquisition & construction services	-	3,000	-	3,000
Other outlays	-	40,000	227,790	267,790
Total expenditures	<u>2,524,699</u>	<u>139,945</u>	<u>227,790</u>	<u>2,892,434</u>
Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances	(107,023)	15,400	(1,255)	(92,878)
Adjustments to prior year encumbrances	<u>2,217</u>	-	-	<u>2,217</u>
Excess of revenues collected over (under) expenditures	(104,806)	15,400	(1,255)	(90,661)
Cash fund balances, beginning of year	<u>433,406</u>	<u>80,299</u>	<u>8,779</u>	<u>522,484</u>
Cash fund balances, end of year	<u>\$ 328,600</u>	<u>95,699</u>	<u>7,524</u>	<u>431,823</u>

The notes to the combined financial statements - regulatory basis are an integral part of this statement.

ROBIN HILL SCHOOL DISTRICT NO. C-16
Cleveland County, Oklahoma

**COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES
AND CHANGES IN CASH FUND BALANCES - BUDGET AND ACTUAL -
REGULATORY BASIS - GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2020**

	GENERAL FUND			VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
Revenues collected:				
Local sources	\$ 274,716	274,716	305,531	30,815
Intermediate sources	72,666	72,666	94,656	21,990
State sources	1,721,437	1,721,437	1,803,925	82,488
Federal sources	105,488	105,488	125,782	20,294
Non-revenue receipts	-	-	87,782	87,782
Total revenues collected	<u>2,174,307</u>	<u>2,174,307</u>	<u>2,417,676</u>	<u>243,369</u>
Expenditures:				
Instruction	-	1,830,198	1,755,954	74,244
Support services	-	685,302	676,702	8,600
Operation of non-instruction services	-	92,213	92,043	170
Unbudgeted	2,607,713	-	-	-
Total expenditures	<u>2,607,713</u>	<u>2,607,713</u>	<u>2,524,699</u>	<u>83,014</u>
Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances	(433,406)	(433,406)	(107,023)	326,383
Adjustments to prior year encumbrances	-	-	2,217	2,217
Excess of revenues collected over (under) expenditures	(433,406)	(433,406)	(104,806)	328,600
Cash fund balances, beginning of year	433,406	433,406	433,406	-
Cash fund balances, end of year	<u>\$ -</u>	<u>-</u>	<u>328,600</u>	<u>328,600</u>

The notes to the combined financial statements - regulatory basis are an integral part of this statement.

ROBIN HILL SCHOOL DISTRICT NO. C-16
Cleveland County, Oklahoma

**COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES
AND CHANGES IN CASH FUND BALANCES - BUDGET AND ACTUAL -
REGULATORY BASIS - GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2020**

	SPECIAL REVENUE FUNDS			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
Revenues collected:				
Local sources	\$ 39,234	39,234	42,560	3,326
State sources	1,035	1,035	1,395	360
Federal sources	56,775	56,775	73,176	16,401
Non-revenue receipts	43,549	43,549	38,214	(5,335)
Total revenues collected	140,593	140,593	155,345	14,752
Expenditures:				
Support services	-	81,799	18,000	63,799
Operation of non-instruction services	-	96,093	78,945	17,148
Facilities acquisitions & construction services	-	3,000	3,000	-
Other outlays	-	40,000	40,000	-
Unbudgeted	220,892	-	-	-
Total expenditures	220,892	220,892	139,945	80,947
Excess of revenues collected over (under) expenditures	(80,299)	(80,299)	15,400	95,699
Cash fund balances, beginning of year	80,299	80,299	80,299	-
Cash fund balances, end of year	\$ -	-	95,699	95,699

The notes to the combined financial statements - regulatory basis are an integral part of this statement.

ROBIN HILL SCHOOL DISTRICT NO. C-16
Cleveland County, Oklahoma

**COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES
AND CHANGES IN CASH FUND BALANCES - BUDGET AND ACTUAL -
REGULATORY BASIS - GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2020**

	SINKING FUND			VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
Revenues collected:				
Local sources	\$ 219,011	219,011	226,535	7,524
Expenditures:				
Other outlays	227,790	227,790	227,790	-
Excess of revenues collected over (under) expenditures	(8,779)	(8,779)	(1,255)	7,524
Cash fund balances, beginning of year	8,779	8,779	8,779	-
Cash fund balances, end of year	\$ -	-	7,524	7,524

The notes to the combined financial statements - regulatory basis are an integral part of this statement.

ROBIN HILL SCHOOL DISTRICT NO. C-16
Cleveland County, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Robin Hill School District Number C-16, Norman, Cleveland County, Oklahoma (the "District") conform to the regulatory basis of accounting, which is an other comprehensive basis of accounting prescribed by the Oklahoma State Department of Education and conforms to the system of accounting authorized by the State of Oklahoma. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America. The 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 (Board) composed of elected members. The appointed superintendent is the executive officer of the District.

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

ROBIN HILL SCHOOL DISTRICT NO. C-16
Cleveland County, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

B. Measurement Focus

The accounts of the District are organized and operate on the basis of funds and account groups. A fund is an independent fiscal accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The account groups are reporting devices to account for certain assets and liabilities of the governmental funds not recorded directly in other funds.

The District has the following fund types and account groups:

Governmental funds are used to account for most of the District's general activities and general long-term debt account group, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds). Basis of accounting refers to when revenues and expenditures or expenses 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 (Statutory) basis of accounting. All revenues from all sources, including property taxes, entitlements, grants, and shared revenues are recognized when they are received rather than earned.

Expenditures are generally recognized when encumbered or reserved rather than at the time the related liability is incurred. Unmatured interest for debt service is recognized when due and certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. Fiduciary type funds are accounted for using the cash basis of accounting. These practices differ from generally accepted accounting principles.

Governmental funds include the following fund types:

General fund – is the general operating fund of the District. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. This is a budgeted fund, and any fund balances are considered as resources available for use. Major revenue sources include local property taxes and federal and state funding. 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 also accounts for federal and state financed programs where restricted monies must be expended for specific programs. Project accounting is employed to maintain integrity for the various sources of these funds.

ROBIN HILL SCHOOL DISTRICT NO. C-16
Cleveland County, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

B. Measurement Focus – cont'd

Special Revenue funds – account for revenue sources that are restricted to expenditures for specific purposes (not including expendable trusts or major capital projects). The special revenue funds are composed of the District's Building Fund, and Child Nutrition Fund. These are budgeted funds and any fund balances are considered as resources available for use.

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.

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

Debt Service fund – consists of the District's Sinking Fund and accounts for the accumulation of financial resources for servicing of general long-term debt (principal, interest and related costs). This is a budgeted fund. The primary revenue sources are local property taxes levied specifically for debt service.

Capital Project fund – consists of the District's Bond Fund and accounts for the proceeds of bond sales used exclusively for acquiring school sites, construction and equipping new school facilities, renovating existing facilities, and the acquisition of transportation equipment. The District did not have any Bond Funds during the current fiscal year.

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent on behalf of others.

Agency fund – is custodial in nature and does not present results of operations or has a measurement focus. Agency funds are accounted for using the cash basis of accounting. This fund is the School Activities Fund used to account for monies collected principally through fundraising efforts of the students and District-sponsored groups. This is an unbudgeted fund. The administration is responsible, under the authority of the Board, of collecting, disbursing and

ROBIN HILL SCHOOL DISTRICT NO. C-16
Cleveland County, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

B. Measurement Focus – cont'd

accounting for these activity funds. These funds have no equity, assets are equal to liabilities, and do not include revenues and expenditures for general operation of the District.

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

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

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 acquired.
- School supplies are recorded as expenditures and not as inventory assets.
- Warrants payable are recorded as liabilities when issued.
- Long-term debt is recorded in the General Long-Term Debt Account Group and not in the basic financial statements.
- Compensated absences are recorded as an expenditure when paid and not recorded as a liability.
- A Management's Discussion and Analysis (MD&A) is not required to be presented when the financial statements are prepared on the regulatory basis of accounting.

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.

ROBIN HILL SCHOOL DISTRICT NO. C-16
Cleveland County, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

D. Assets, Liabilities, Fund Balances, Revenue and Expenditures

1. Deposits and Investments

State statutes govern the District's investment policy. Permissible investments include direct obligations of the United States Government and Agencies; certificates of deposit of savings and loan associations, and bank and trust companies; and savings accounts or savings certificates of savings and loan associations, and trust companies. Collateral is required for demand deposits and certificates of deposit for all amounts not covered by federal deposit insurance. Investments are stated at cost. The School District invests entirely in certificates of deposit, U. S. Treasury Securities, and participates in the Secured Investment Program of Oklahoma State School Boards Association, as authorized by Oklahoma Statutes Title 62, Section 348.

2. Fair Value of Financial Instruments

The District's financial instruments include cash and investments. The District's estimate of the fair value of all financial instruments does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

3. Estimates

The preparation of financial statements in conformity with the regulatory basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

4. Interfund Transactions

Interfund 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. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers.

ROBIN HILL SCHOOL DISTRICT NO. C-16
Cleveland County, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

D. Assets, Liabilities, Fund Balances, Revenue and Expenditures – cont'd

5. Inventories

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

6. Fixed Assets

The regulatory basis of accounting prescribed by the Oklahoma State Board of Education requires the presentation of fixed assets. The District has not maintained a record of its fixed assets, and, accordingly, a statement of fixed assets required by generally accepted accounting principles prior to the issuance of GASB No. 34, is not included in the financial statements. Fixed assets purchased are recorded as expenditures in the various funds at the time of purchase.

7. Compensated Absences

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

8. Long-term Obligations

The District reports long-term debt at face value in the general long-term debt account group. Certain other lease obligations not expected to be financed with current available financial resources are also reported in the general long-term debt account group.

9. Fund Balance Classifications

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

ROBIN HILL SCHOOL DISTRICT NO. C-16
Cleveland County, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

D. Assets, Liabilities, Fund Balances, Revenue and Expenditures – cont'd

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

Restricted Fund Balance – The fund balance should be reported as restricted when constraints placed on the use of resources are either:

- Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
- Imposed by law through constitutional provisions or enabling legislation.

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

Assigned Fund Balance – The fund balance should be reported as assigned for 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 – Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

10. Property Taxes and Other Local Revenues

The District is authorized by state law to levy property taxes, which consist of ad valorem taxes on real and personal property within the District. The County Assessor, upon receipt of the certification of tax levies from the County Excise Board, extends the tax levies on the tax roll for submission to the County Treasurer. Property taxes are levied on November 1 and are due on receipt of the tax bill. The first half of taxes is due prior to January 1. The second half is due prior to April 1. If the first payment is not made timely, the entire tax becomes due and payable on January 2. Second half taxes become delinquent on April 1 of the year following the assessment. If not paid by the following October 1, the property is offered for

ROBIN HILL SCHOOL DISTRICT NO. C-16
Cleveland County, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

D. Assets, Liabilities, Fund Balances, Revenue and Expenditures – cont'd

sale for the amount of the taxes due. The owner has two years to redeem the property by paying the taxes and penalty owed. If at the end of two years the owner has not done so, the purchaser is issued a deed to the property. No provision has been made for uncollected taxes, as all taxes are deemed collectible. Other local sources of revenues include tuition, fees, rentals, disposals, commissions and reimbursements.

11. 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 were collected within such systems.

12. State Revenues

Revenues from state sources for current operations are primarily governed by state aid formula under the provisions of Article XVIII, Title 70, Oklahoma Statutes. The State Board of Education administers the allocation of state aid funds to school districts based on information accumulated from the districts. After review and verification of reports and supporting documentation, the State Department of Education may adjust subsequent fiscal period allocations of money for prior year errors disclosed by review. Normally, such adjustments are treated as reductions or additions of revenue of the year when the adjustment is made.

The District receives revenue from the state to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for these programs be expended only on 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.

13. 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 pass through 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.

ROBIN HILL SCHOOL DISTRICT NO. C-16
Cleveland County, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

D. Assets, Liabilities, Fund Balances, Revenue and Expenditures – cont'd

14. 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.

15. 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.

16. Operation of Non-Instructional Services Expenditures

These expenditures are activities concerned with providing non-instructional services to students, staff or the community.

17. Facilities Acquisition and Construction Services Expenditures

These expenditures consist 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.

18. 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) and certain transfers of monies from one fund to another.

ROBIN HILL SCHOOL DISTRICT NO. C-16
Cleveland County, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

D. Assets, Liabilities, Fund Balances, Revenue and Expenditures – cont'd

19. Other Uses Expenditures

Other uses expenditures include 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 School or a third-party administrator.

20. Repayment Expenditures

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

21. Non-Monetary Transactions

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

22. Memorandum Only – Total Columns

Total columns on the combined financial statements are captioned "memorandum only" because they do not represent consolidated financial information and are presented only to facilitate analysis. The columns do not present information that reflects financial position or results of operations in accordance with generally accepted accounting principles. Inter-fund eliminations have not been made in the aggregation of this data.

23. Resource Use Policy

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

ROBIN HILL SCHOOL DISTRICT NO. C-16
Cleveland County, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
June 30, 2020

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The District is required by state law to prepare an annual budget. Under current Oklahoma Statutes, a formal Estimate of Needs (Budget) is required for all funds except for trust and agency funds. Budgets are presented for all funds that include the originally approved budgeted appropriations for expenditures and final budgeted appropriations as adjusted for supplemental appropriations and approved transfers between budget categories. The annual Estimate of Needs, when approved by the Board and subsequently filed with the County Clerk and approved by the County Excise Board becomes the legal budget. Supplemental appropriations, if required, were made during the year and are reflected on the budget vs. actual presentations shown as original budget and final budget.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting – under which purchase orders and other commitments of resources are recorded as expenditures of the applicable fund – is utilized in all Governmental Funds of the District. Purchase orders or contracts document encumbrances for goods or purchased services. Under Oklahoma law, unencumbered appropriations lapse at year-end.

3. DETAILED NOTES CONCERNING THE FUNDS

A. Deposits and Investments

Custodial Credit Risk

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

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

At June 30, 2020 the District held deposits of approximately \$726,004 at financial institutions. The District's cash deposits, including interest-bearing accounts, and investments are entirely covered by Federal Depository Insurance (FDIC) or direct obligations of the U.S. Government

ROBIN HILL SCHOOL DISTRICT NO. C-16
Cleveland County, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
June 30, 2020

3. DETAILED NOTES CONCERNING THE FUNDS – cont'd

A Deposits and Investments – cont'd

insured or collateralized with securities held by the District or by its agent in the District's name. Therefore, the District was not exposed to custodial credit risk as defined above.

Investment Credit Risk

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

1. Direct obligations of the U.S. government, its agencies and instrumentalities to which the full faith and credit of the U.S. government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
2. Certificates of deposit of banks when such certificates of deposits are secured by acceptable collateral for the deposit of public monies.
3. Savings accounts or saving certificates to the extent that such accounts or certificates are fully insured by the United States government.
4. Repurchase agreements that have underlying collateral including obligations of the United States government, its agencies and instrumentalities, or the State of Oklahoma.
5. County, municipal or school district debt obligations for which an ad valorem tax may be levied.
6. Money market funds regulated by the SEC and in which investments consist of the investments of obligations of the United States, its agencies and instrumentalities.
7. Warrants, bonds or judgments of the school district.
8. Qualified pooled investment programs through an interlocal cooperative agreement formed pursuant to applicable law and to which the board of education has voted to be a member, the investments of which consist of those items specified in paragraphs 1 through 7 above, as well as obligations of the United States agencies and instrumentalities.
9. Any other investment that is authorized by law.

Investment credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The District has no formal policy limiting investments based on credit rating. Unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

The District had no investment credit risk as of June 30, 2020, as defined above.

Investment Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits investment

ROBIN HILL SCHOOL DISTRICT NO. C-16
Cleveland County, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
June 30, 2020

3. DETAILED NOTES CONCERNING THE FUNDS – cont'd

A. Deposits and Investments – cont'd

maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District had no investment interest rate risk as defined above.

Concentration of Investment Credit Risk

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

At June 30, 2020, the District had no concentration of credit risk as defined above.

B. 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 from the date of issue. Debt Service requirements for bonds are payable solely from fund balance and future revenues of the debt service fund.

On July 1, 2018, the District issued general obligation bonds in the amount of \$415,000 with interest rates of 3.30% to 3.40%. Bond maturities begin July 1, 2020 with a payment of \$200,000 and final payment of \$215,000 due July 1, 2021.

The District approved entering into a lease purchase agreement with the Cleveland County Educational Facilities Authority for the purchase of a building and furniture. The original issue amount of the agreement is for \$2,383,250 due in bi-annual installments beginning September 1, 2012, with the final payment due September 1, 2022. The District will pay semi-annual rental payments of \$1,500 over the life of this agreement beginning March 1, 2011.

ROBIN HILL SCHOOL DISTRICT NO. C-16
Cleveland County, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
June 30, 2020

3. DETAILED NOTES CONCERNING THE FUNDS – cont'd

B. Long-term Debt – cont'd

Annual debt service requirements to maturity are as follows:

Year Ended June 30,	General Obligation Bonds and Capital Leases		Total
	Principal	Interest	Requirements
2021	\$ 430,350	6,547	436,897
2022	215,000	6,548	221,548
2023	460,050	1,500	461,550
Total	<u>\$ 1,105,400</u>	<u>14,595</u>	<u>1,119,995</u>

Interest paid on general long-term debt during the current year totaled \$30,790.

C. Changes in General Long-term Debt

General long-term debt consists of bonds payable. The following is a summary of the changes in general long-term debt transactions of the District for the fiscal year:

	Balance July 1, 2019	Additions	Retirements	Balance June 30, 2020
Bonds	\$ 415,000	-	200,000	215,000
Capital Leases	890,400	-	-	890,400
Total	<u>\$ 1,305,400</u>	<u>-</u>	<u>200,000</u>	<u>1,105,400</u>

ROBIN HILL SCHOOL DISTRICT NO. C-16
Cleveland County, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
June 30, 2020

4. OTHER INFORMATION

A. Risk Management

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

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

B. Contingent Liabilities

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

C. Non-Monetary Transactions

The fair market value as determined by the Oklahoma Department of Human Services of the commodities received during the period under audit was \$7,936.

ROBIN HILL SCHOOL DISTRICT NO. C-16
Cleveland County, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
June 30, 2020

4. OTHER INFORMATION – cont'd

D. Employee Retirement System and Plan

Description of Plan

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

Basis of Accounting

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

Funding Policy

The District, the State of Oklahoma, and the participating employees 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 7.00% of covered compensation. Additionally, OTRS receives "federal matching contributions" for positions whose funding comes from federal sources or certain grants. The matching contribution rate was 7.70%. The District and the State are required to contribute 14.00% of acceptable compensation. Contributions received by the System from the State of Oklahoma are from 3.54% of its revenues from sales taxes, use taxes, corporate income taxes and individual income taxes. The District contributed 9.50% the remaining 4.50% during this year. The District is allowed by the Oklahoma Teachers' Retirement System to make the required contributions on behalf of the participating members. The District is required to pay 16.50% for any compensated retired teachers already receiving retirement benefits.

ROBIN HILL SCHOOL DISTRICT NO. C-16
Cleveland County, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
June 30, 2020

4. OTHER INFORMATION – cont'd

D. Employee Retirement System and Plan – cont'd

Annual Pension Cost

The District's total contributions, including the state credit, for 2020, 2019 and 2018 were \$256,237, \$244,819, and \$173,382, respectively.

E. Surety Bonds

The superintendent is bonded by Ohio Casualty Insurance Company, bond number 601081942 for the penal sum of \$100,000 for the term beginning July 1, 2019 and ending July 1, 2020. This is a renewal of a continuous bond.

The treasurer is bonded by Ohio Casualty Insurance Company, bond number 601094061 for the penal sum of \$100,000 for the term beginning July 29, 2019 and ending July 29, 2020. This is a renewal of a continuous bond.

The deputy treasurer is bonded by Ohio Casualty Insurance Company, bond number 601094065 for the penal sum of \$100,000 for the term beginning August 1, 2019 and ending August 1, 2020. This is a renewal of a continuous bond.

The District has a position schedule bond with Western Surety Company. The bond number is 01615046, and it covers the minutes clerk, activity fund and lunch custodians, and payroll and encumbrance clerks for the penal sum of \$12,000, term beginning October 25, 2019 and ending October 25, 2020. This is a renewal of a continuous bond.

F. Subsequent Events

The District sold \$440,000 in building bonds on June 5, 2020. These bonds will be dated July 1, 2020.

ROBIN HILL SCHOOL DISTRICT NO. C-16
Cleveland County, Oklahoma

COMBINING STATEMENT OF ASSETS, LIABILITIES AND CASH FUND BALANCES - REGULATORY BASIS
ALL SPECIAL REVENUE FUNDS
JUNE 30, 2020

	BUILDING FUND	CHILD NUTRITION FUND	TOTAL
<u>ASSETS</u>			
Cash	\$ 67,125	36,637	103,762
<u>LIABILITIES AND CASH FUND BALANCES</u>			
Liabilities			
Warrants payable	\$ -	8,063	8,063
Cash Fund Balances			
Restricted	67,125	28,574	95,699
Total Liabilities and Cash Fund Balances	\$ 67,125	36,637	103,762

ROBIN HILLSCHOOL DISTRICT NO. C-16
Cleveland County, Oklahoma

**COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES
AND CHANGES IN CASH FUND BALANCES -
REGULATORY BASIS - ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>BUILDING FUND</u>	<u>CHILD NUTRITION FUND</u>	<u>TOTAL</u>
Revenues collected:			
Local sources	\$ 42,560	-	42,560
State sources	-	1,395	1,395
Federal sources	-	73,176	73,176
Non-revenue receipts	-	38,214	38,214
Total revenues collected	<u>42,560</u>	<u>112,785</u>	<u>155,345</u>
Expenditures:			
Support services	18,000	-	18,000
Operation of non-instruction services	-	78,945	78,945
Facilities acquisition & construction services	3,000	-	3,000
Other outlays	-	40,000	40,000
Total expenditures	<u>21,000</u>	<u>118,945</u>	<u>139,945</u>
Excess of revenues collected over (under) expenditures	21,560	(6,160)	15,400
Cash fund balances, beginning of year	<u>45,565</u>	<u>34,734</u>	<u>80,299</u>
Cash fund balances, end of year	<u>\$ 67,125</u>	<u>28,574</u>	<u>95,699</u>

ROBIN HILL SCHOOL DISTRICT NO. C-16
Cleveland County, Oklahoma

**COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES
AND CHANGES IN CASH FUND BALANCES - BUDGET AND ACTUAL -
REGULATORY BASIS - ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	BUILDING FUND			VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
Revenues collected:				
Local sources	\$ 39,234	39,234	42,560	3,326
Expenditures:				
Support services	-	81,799	18,000	63,799
Facilities acquisition & construction services	-	3,000	3,000	-
Unbudgeted	84,799	-	-	-
Total expenditures	84,799	84,799	21,000	63,799
Excess of revenues collected over (under) expenditures	(45,565)	(45,565)	21,560	67,125
Cash fund balances, beginning of year	45,565	45,565	45,565	-
Cash fund balances, end of year	\$ -	-	67,125	67,125

ROBIN HILL SCHOOL DISTRICT NO. C-16
Cleveland County, Oklahoma

**COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES
AND CHANGES IN CASH FUND BALANCES - BUDGET AND ACTUAL -
REGULATORY BASIS - ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	CHILD NUTRITION FUND			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
Revenues collected:				
State sources	\$ 1,035	1,035	1,395	360
Federal sources	56,775	56,775	73,176	16,401
Non-revenue receipts	43,549	43,549	38,214	(5,335)
Total revenues collected	101,359	101,359	112,785	11,426
Expenditures:				
Operation of non-instruction services	-	96,093	78,945	17,148
Other outlays	-	40,000	40,000	-
Unbudgeted	136,093	-	-	-
Total expenditures	136,093	136,093	118,945	17,148
Excess of revenues collected over (under) expenditures	(34,734)	(34,734)	(6,160)	28,574
Cash fund balances, beginning of year	34,734	34,734	34,734	-
Cash fund balances, end of year	\$ -	-	28,574	28,574

ROBIN HILL SCHOOL DISTRICT NO. C-16
Cleveland County, Oklahoma

COMBINING STATEMENT OF ASSETS AND LIABILITIES AND CASH FUND BALANCES -
REGULATORY BASIS - ALL FIDUCIARY FUND TYPES
JUNE 30, 2020

	<u>AGENCY FUND</u> <u>ACTIVITY FUND</u>
<u>ASSETS</u>	
Cash	<u>\$ 35,376</u>
<u>LIABILITIES</u>	
Liabilities	
Funds held for school organizations	<u>\$ 35,376</u>

ROBIN HILL SCHOOL DISTRICT NO. C-16
Cleveland County, Oklahoma

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
REGULATORY BASIS - AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

<u>ASSETS</u>	BALANCE 7-01-19	ADDITIONS	ADJUST/ TRANSFERS	DEDUCTIONS	BALANCE 6-30-20
Cash	\$ 25,158	142,014	-	131,796	35,376
<u>LIABILITIES</u>					
Funds held for school organizations:					
Athletics	\$ 4,822	26,921	-	18,933	12,810
Library	2,998	4,800	-	2,897	4,901
General Activities	1,849	4,598	-	5,179	1,268
K4A Class	79	488	-	482	85
K4B Class	231	237	-	254	214
K5A Class	65	807	-	570	302
K5B Class	233	913	-	906	240
1A Class	289	405	-	409	285
2A Class	438	561	-	471	528
5B Class	337	547	-	484	400
4A Class	181	1,109	-	749	541
7 Class	866	759	-	219	1,406
5A Class	436	484	-	492	428
4 Class	213	362	-	453	122
Yearbook	1,963	4,254	-	6,215	2
K4C Class	298	315	-	205	408
General Fund Refund	-	206	-	202	4
Child Nutrition Fund	-	38,694	-	38,694	-
After School Care	-	48,320	-	48,320	-
OPOE	53	-	(53)	-	-
6 B Class	-	265	53	-	318
Staff Activity	43	-	-	-	43
1 B Class	580	789	-	473	896
2B Class	604	932	-	783	753
School Improvement	3,556	-	-	370	3,186
3A Class	341	485	-	221	605
8 Class	1,157	2,117	-	1,901	1,373
6th Class	129	234	-	-	363
3B Class	131	568	-	268	431
Academic Team	3,242	1,799	-	1,646	3,395
Stem	24	45	-	-	69
TOTAL LIABILITIES	\$ 25,158	142,014	-	131,796	35,376

ROBIN HILL SCHOOL DISTRICT NO. C-16
Cleveland County, Oklahoma
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020

Federal Grantor/Pass Through Grantor/Program Title	Pass Through Grantor's Project Number	Approved Amount	Balance at July 1, 2019	Receipts	Expenditures	Balance at June 30, 2020
U.S. Department of Education:						
Direct Program:						
Title VI Indian Education		\$ 10,722	-	10,722	10,722	-
Title VI Subpart 1, Small Rural School Achievement	561	42,391	-	42,391	42,391	-
Subtotal	588	53,113	-	53,113	53,113	-
Passed Through Oklahoma State Department of Education:						
Title I		38,304	-	12,557	38,304	-
Title I 2018-19 - Note 1	511	-	-	35,415	-	-
Title I Cluster	799	38,304	-	47,972	38,304	-
IDEA-B Flow Through	621	54,318	-	22,274	54,318	-
IDEA-B Preschool	641	2,423	-	2,423	2,423	-
Special Education Cluster		56,741	-	24,697	56,741	-
Title IV Part A Student Support & Academic Enrichment Grant	552	15,000	-	-	-	15,000
FY2020 CARES Act	788	27,451	-	-	20,000	7,451
Subtotal		42,451	-	-	20,000	22,451
Total U.S. Department of Education		190,609	-	125,782	168,158	22,451
U.S. Department of Agriculture:						
Passed Through Oklahoma State Department of Education:						
Child Nutrition Programs:						
School Breakfast Program	764	-	-	17,838	17,838	-
National School Lunch Program	763	-	-	55,338	55,338	-
National School Lunch Program - commodities - Note 4	763	-	-	7,936	7,936	-
Total U.S. Department of Agriculture		-	-	81,112	81,112	-
Total Expenditures of Federal Awards		\$ 190,609	-	206,894	249,270	22,451

ROBIN HILL SCHOOL DISTRICT NO. C-16
Cleveland County, Oklahoma
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020

- Note 1:** This amount represents reimbursement for prior year expenditures which was not received until the current fiscal year.
- Note 2: Basis of Presentation** - The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended and does not present the financial position, changes in net assets, or cash flows of the School.
- Note 3: Summary of Significant Accounting Policies** - Expenditures reported on the Schedule are reported on the regulatory basis of accounting consistent with the preparation of the combined financial statements except for nonmonetary assistance noted in Note 4. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has elected not to use the 10 percent de minimus indirect cost rate allowed under the Uniform Guidance.
- Note 4: Food Distribution** - Non monetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed.

WILSON, DOTSON & ASSOCIATES, P.L.L.C.

Certified Public Accountants

Members

American Institute of Certified Public Accountants

Oklahoma Society of Certified Public Accountants

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

The Honorable Board of Education
Robin Hill School District Number C-16
Cleveland County, Oklahoma

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying fund type and account group financial statements-regulatory basis, within the combined financial statements of the Robin Hill School District No. C-16, Cleveland County, Oklahoma ("District"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated April 15, 2021, which was adverse with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America because presentation followed the regulatory basis of accounting for Oklahoma school districts and did not conform to the presentation requirements of the Governmental Accounting Standards Board. However, our report was qualified for the omission of the general fixed asset account group with respect to the presentation of financial statements on the regulatory basis of accounting authorized by the Oklahoma State Board of Education.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Wilson, Dotson & Associates

Wilson, Dotson & Associates, PLLC

Shawnee, Oklahoma
April 15, 2021

**ROBIN HILL SCHOOL DISTRICT NO. C-16
Cleveland County**

**FINDINGS RELATED TO FINANCIAL REPORTING
FOR THE YEAR ENDED JUNE 30, 2020**

There were no material weaknesses or instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**ROBIN HILL SCHOOL DISTRICT NO. C-16
Cleveland County**

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020**

There were no prior year findings.

ROBIN HILL SCHOOL DISTRICT NO. C-16
Cleveland County

SCHEDULE OF ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE AFFIDAVIT
FOR THE YEAR ENDING JUNE 30, 2020

State of Oklahoma)
)ss
County of Pottawatomie)

The undersigned auditing firm of lawful age, being first duly sworn on oath says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with Robin Hill Public School for the audit year 2019-20.

Wilson, Dotson & Associates, P.L.L.C.
Auditing Firm

Pamela R. Dotson

by _____
Authorized Agent

Subscribed and sworn to before me this 15th day of April, 2021.

Lisa Cook

Notary Public (Commission #11002236)
My Commission Expires March 10, 2023

