Marietta School District I-16
Love County, Oklahoma

Financial Statements

Year-End June 30, 2025

Mary E. Johnson & Associates, PLLC
Certified Public Accountants

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Love County, Oklahoma
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Mary E. Johnson & Associates, PLLC
Certified Public Accountants

Independent Auditor's Report

The Honorable Board of Education
Marietta School District I-16
Marietta, Oklahoma 73448

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Marietta School District I-16, Love County, Oklahoma which comprise the combined statement of assets, liabilities and fund equity – all fund types and account groups as of June 30, 2025, and the related combined statement of revenues collected and expenditures paid and changes in cash fund balances – regulatory basis for the year then ended, and the related notes to the financial statements.

Qualified Opinion on Account Groups

In our opinion, except for the effects of the matter described in the Basis for Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the assets and liabilities of the account groups in accordance with the financial reporting provisions of the Oklahoma State Department of Education as described in Note 1.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and fund equity arising from regulatory basis transactions for each fund type of the Marietta School District I-16, Love County, Oklahoma as of June 30, 2025, and the revenues it collected and expenditures it paid and budgetary results for the year then ended, in accordance with the financial reporting provisions of Oklahoma State Department of Education as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Marietta School District I-16, Love County, Oklahoma as of June 30, 2025, or changes in net position, or cash flows thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Marietta School District I-16, Love County, Oklahoma and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Qualified Opinion on the Account Groups

As discussed in Note 1, the combined financial statements referred to above do not include the General Fixed Asset Account Group which should be included to conform with financial reporting provisions of Oklahoma State Department of Education. The amount that should be recorded in the General Fixed Asset Account Group has not been determined.

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

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Oklahoma State Department of Education. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Marietta School District I-16's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement

resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Marietta School District I-16's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Marietta School District I-16's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise School District's financial statements as a whole. The accompanying combining financial statements, combining statement of changes in cash balances – regulatory basis – activity funds, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* are presented for purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining

financial statements 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.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 5, 2026 on our consideration of Marietta School District I-16 Love County, Oklahoma's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contract 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 Marietta School District I-16 Love County, Oklahoma's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering Marietta School District I-16 Love County, Oklahoma's internal control over financial reporting and compliance.

Mary C. Johnson & Associates PLLC

Norman, Oklahoma
January 5, 2026

Marietta School District I-16
Love County, Oklahoma
Combined Statement of Assets, Liabilities and Fund Equity
Regulatory Basis – All Fund Types and Account Groups
June 30, 2025

	Governmental Fund Types				Fiduciary Fund Types	Account Group	Total (memorandum only - Note 1)
ASSETS	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency	General Long Term Debt	June 30, 2025
Cash & Cash Equivalents	$ 1,470,630	$ 364,590	$ 215,184	$ 22,851	$ 265,554	$ -	$ 2,338,809
Investments	1,847,240	2,138,625	477,404	2,013,824	3,861	-	6,480,954
Amount available in							
Debt service fund	-	-	-	-	-	215,184	215,184
Trustee fund for debt service	-	-	-	-	-	42,770	42,770
Amount to be provided for							
Financed purchase	-	-	-	-	-	11,432,230	11,432,230
Retirement of general long term debt	-	-	-	-	-	2,799,816	2,799,816
Total Assets	$ 3,317,870	$ 2,503,215	$ 866,731	$ 2,036,675	$ 269,415	$ 14,490,000	$ 23,483,906
LIABILITIES AND FUND EQUITY							
Liabilities:							
Warrants payable	$ 575,646	$ 21,427	$ -	$ -	$ -	$ -	$ 597,073
Encumbrances outstanding	51,577	47,034	-	-	-	-	98,611
Due to others	-	-	-	-	269,415	-	269,415
Finance purchase payable	-	-	-	-	-	11,475,000	11,475,000
General obligation bonds payable	-	-	-	-	-	3,015,000	3,015,000
Total Liabilities	627,223	68,461	-	-	269,415	14,490,000	15,455,099
Fund Equity:							
Restricted for:							
Debt service	-	-	866,731	-	-	-	866,731
Building programs	-	2,212,121	-	-	-	-	2,212,121
Child Nutrition programs	-	222,633	-	-	-	-	222,633
Capital projects	-	-	-	2,036,675	-	-	2,036,675
Undesignated	2,690,647	-	-	-	-	-	2,690,647
Total Cash Fund Balances	2,690,647	2,434,754	866,731	2,036,675	-	-	8,028,807
Total Liabilities and Fund Equity	$ 3,317,870	$ 2,503,215	$ 866,731	$ 2,036,675	$ 269,415	$ 14,490,000	$ 23,483,906

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

Marietta School District I-16
Love County, Oklahoma
Combined Statement of Revenues Collected, Expenditures Paid and Changes in Cash Fund Balances
Regulatory Basis – All Governmental Fund Types
For the Year Ended June 30, 2025

	Governmental Fund Types				Total (memorandum only - Note 1)
	General	Special Revenue	Debt Service	Capital Projects	June 30, 2025
Revenues collected:					
Local sources	$ 1,664,684	$ 781,389	$ 1,526,294	$ -	$ 3,972,367
Intermediate sources	406,061	-	-	-	406,061
State sources	7,843,268	312,954	655	-	8,156,877
Federal sources	1,051,578	464,326	-	-	1,515,904
Total Revenues Collected	10,965,591	1,558,669	1,526,949	-	14,051,209
Expenditures paid:					
Instruction	6,370,443	-	-	-	6,370,443
Support services	4,721,720	320,566	-	13,700	5,055,986
Non-Instructional services	-	570,767	-	-	570,767
Capital outlay	12,091	405,781	-	1,792,567	2,210,439
Other outlays	551	50,034	-	-	50,585
Debt service:					
Principal payments	-	-	1,315,000	-	1,315,000
Interest and fiscal agent fees	-	-	59,156	-	59,156
Total expenditures paid	11,104,805	1,347,148	1,374,156	1,806,267	15,632,376
Excess of revenues collected over (under) expenditures paid	(139,214)	211,521	152,793	(1,806,267)	(1,581,167)
Other financing sources:					
Premium on bond sales	-	-	2,209	-	2,209
Estopped warrants	-	-	-	-	-
Bond sale proceeds	-	-	-	845,000	845,000
Total other financing sources:	-	-	2,209	845,000	847,209
Adjustments to prior year encumbrances	19,957	57	-	854,892	874,906
Excess of revenues collected and other sources over (under) expenditures paid and other uses	(119,257)	211,578	155,002	(106,375)	140,948
Cash fund balances, beginning of year	2,809,904	2,223,176	711,729	2,143,050	7,887,859
Cash fund balances, end of year	$ 2,690,647	$ 2,434,754	$ 866,731	$ 2,036,675	$ 8,028,807

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

Marietta School District I-16
Love County, Oklahoma
Combined Statement of Revenues Collected, Expenditures Paid and Changes in Cash Fund Balances – Budget and Actual
Regulatory Basis – Budgeted Governmental Fund Types
For the Year Ended June 30, 2025

	General Fund				Building and Child Nutrition Funds			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Beginning cash fund balances - Budgetary basis	$ 2,809,904	$ 2,809,904	$ 2,809,904	$ -	$ 2,223,176	$ 2,223,176	$ 2,223,176	$ -
Revenues collected:								
Local sources	1,928,729	1,928,729	1,664,684	(264,045)	715,346	715,346	781,389	66,043
Intermediate sources	362,000	362,000	406,061	44,061	-	-	-	-
State sources	7,721,807	7,721,807	7,843,268	121,461	174,000	174,000	312,954	138,954
Federal sources	1,366,000	1,366,000	1,051,578	(314,422)	1,089,000	1,089,000	464,326	(624,674)
Total Revenues Collected	11,378,536	11,378,536	10,965,591	(412,945)	1,978,346	1,978,346	1,558,669	(419,677)
Expenditures paid:								
Instruction	6,473,000	6,473,000	6,370,443	102,557	-	-	-	-
Support services	4,786,000	4,786,000	4,721,720	64,280	1,006,500	1,006,500	320,566	685,934
Non-Instructional services	-	-	-	-	913,057	913,057	570,767	342,290
Capital outlay	54,500	54,500	12,091	42,409	526,000	526,000	405,781	120,219
Other outlays	2,899,940	2,899,940	551	2,899,389	1,835,965	1,835,965	50,034	1,785,931
Total Expenditures paid	14,213,440	14,213,440	11,104,805	3,108,635	4,281,522	4,281,522	1,347,148	2,934,374
Excess of revenues collected over (under) expenditures paid	(2,834,904)	(2,834,904)	(139,214)	2,695,690	(2,303,176)	(2,303,176)	211,521	2,514,697
Other financing sources:								
Estopped warrants	25,000	25,000	-	25,000	-	-	-	-
Adjustment to prior year encumbrances	-	-	19,957	19,957	80,000	80,000	57	(79,943)
Ending cash fund balances	$ -	$ -	$ 2,690,647	$ (3,476,623)	$ -	$ -	$ 2,434,754	$ 2,434,754

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

Marietta School District I-16
Love County, Oklahoma
Combined Statement of Revenues Collected, Expenditures Paid and Changes in Cash Fund Balances – Budget and Actual
Regulatory Basis – Budgeted Governmental Fund Types
For the Year Ended June 30, 2025

	Debt Service Fund			
	Original Budget	Final Budget	Actual	Variance
Beginning cash fund balances -				
Budgetary basis	$ 26,285.00	$ 26,285.00	$ 711,729	$ 685,444
Revenues collected:				
Local sources	1,483,391	1,483,391	1,526,294	42,903
State sources	-	-	655	655
Total Revenues Collected	1,483,391	1,483,391	1,526,949	43,558
Expenditures paid:				
Debt service:				
Principal payments	1,280,000	1,280,000	1,315,000	(35,000)
Interest and fiscal agent fees	229,676	229,676	59,156	170,520
Total expenditures paid	1,509,676	1,509,676	1,374,156	135,520
Excess of revenues collected over (under) expenditures paid	(26,285.00)	(26,285.00)	152,793	179,078
Other financing sources:				
Premium on bond sales	-	-	2,209	2,209
Ending cash balances	$ -	$ -	$ 866,731	$ 866,731

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

1. Summary of Significant Accounting Policies

The basic financial statements of the Marietta School District Number I-16, Love County, Oklahoma (the "District") have been prepared in conformity with an other comprehensive basis of accounting as prescribed by the Oklahoma State Department of Education. The more significant of the District's accounting policies are described below.

A. The 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 for support. The general operating authority for the public school system is the Oklahoma School Code contained in Title 70, Oklahoma Statutes.

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

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

1. Summary of Significant Accounting Policies – (continued)

B. Fund Accounting

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

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

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

Governmental Fund Types

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

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

Special Revenue Fund - The special revenue fund consists of the District's Building Fund and Child Nutrition Fund. The Building fund consists of monies derived from property taxes levied for the purpose of erecting, remodeling, or repairing buildings and for purchasing furniture and equipment.

The Child Nutrition Fund derives monies from local sources for meals. Reimbursements are received from state and federal sources for reimbursement of free and reduced lunches.

1. Summary of Significant Accounting Policies – (continued)

B. Fund Accounting – (continued)

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

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

Fiduciary Fund Types

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

Account Groups

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

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

General Fixed Asset Account Group - This account group is used to account for property, plant and equipment of the school district. The District does not maintain the fixed asset records necessary to account for this account group.

1. Summary of Significant Accounting Policies – (continued)

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

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.* This format significantly differs from that required by GASB 34.

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

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

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

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

1. Summary of Significant Accounting Policies – (continued)

Noncash Transactions - The District received federal food commodities in the amount of $35,185.

D. Budgets and Budgetary Accounting

The District is required by state law to prepare an annual budget. No later than October 1, each Board of Education shall prepare a financial statements and estimate of needs to be filed with the applicable county clerk and the State Department of Education. Once the county excise board has approved the estimate of needs, the Board shall adopt a final budget within 45 days or the second regularly schedule board meeting. No later than 15 days prior to adoption of a final budget, the Board must conduct a public hearing for purposes of taking public comments

A final budget may be revised upon approval of the Board of Education in open meeting.

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

E. Assets, Liabilities and Fund Equity

Cash and Cash Equivalents - The District considers all cash on hand, demand deposits, money market checking and certificates of deposit, held at an individual bank which are subject to early withdrawal penalties no matter what the maturity period, to be cash. All short-term cash surpluses are maintained in a cash pool, the earnings from which are allocated to each fund based on month-end deposit balances. State statutes require collateral for deposits in excess of insured amounts. The collateral's market value must exceed the insured deposit.

Investments – The District's investment policies are governed by Oklahoma Statutes. Permissible investments include direct obligations of the United States government and agencies, certificates of deposits of savings and loan associations, and bank and trust companies; and savings accounts or savings certificates of savings and loan associations, banks and trust companies. Collateral is required for all amounts not covered by FDIC insurance.

1. Summary of Significant Accounting Policies – (continued)

Inventories - The value of consumable inventories at June 30, 2025 is not material to the financial statements.

Compensated Absences - Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure of the governmental funds that will pay it. There are no amounts of vested or accumulated vacation leave.

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

Fund Balance - Fund balance represents the funds not encumbered by purchase order, legal contracts, and outstanding warrants.

E. Revenue, Expenses and Expenditures

Property Tax Revenues - The District is authorized by state law to levy property taxes which consist of ad valorem taxes on real and personal property within the District. The County Assessor, upon receipt of the certification of tax levies from the county excise board, extends the tax levies on the tax roll for submission to the county treasurer prior to October 1. The county treasurer must commence tax collection within fifteen days of receipt of the tax rolls. The first halves of taxes are due prior to January 1 and the balance due prior to April 1. If the first payment is not made timely, the entire tax becomes due and payable on January 2. Second half taxes become delinquent on April 1 of the year following the year of assessment.

If not paid for a period of three years or more as of the date of such taxes first become due, the property is offered for sale of the amount of taxes due.

State Revenues - Revenues from state sources for current operations are primarily governed by the state aid formula under the provisions of Article XVIII, Title 70, Oklahoma Statutes. The State Board of Education administers the allocation of state aid funds to school districts based on information accumulated from the districts. Approximately 72% of the District's general fund revenue comes from state sources.

1. Summary of Significant Accounting Policies – (continued)

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

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

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

All other interfund transactions, except quasi-external transactions which are reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers.

2. Cash and Investments

Custodial Credit Risk - Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned or the District will not be able to recover collateral securities in the possession of an outside party. The District's policy requires collateral for demand deposits and certificates of deposit for all amounts not covered by federal deposit insurance. As of June 30, 2025, cash deposits were fully insured or collateralized by a pledging bank's agent in the District's name. All funds were held as demand deposits at a local bank.

Investments - The District participates in an external investment pool, Oklahoma Public School Liquid Asset Pool (OLAP). The plan is sponsored by the Oklahoma State School Boards Association, Cooperative Council of Oklahoma School Administration, Organization of Rural Oklahoma Schools and the Oklahoma Association of School Business Officials. OLAP is governed through an inter local cooperative agreement and the investment advisors and other professionals are competitively selected. OLAP reported value and fair market

2. Cash and Investments -- (continued)

value are equal at June 30, 2025. To receive a copy of the Oklahoma Public School Liquid Asset Pool annual audit report, call toll free 1-866-472-6527 or visit www.OLAPonline.org. OLAP's portfolio consists of cash and short-term investments valued at amortized cost which approximates fair value. OLAP invest in obligations of the U.S Government, its agencies and instrumentalities and repurchase agreements, provided that the underlying collateral consists of obligations of the U.S. government, its agencies and instrumentalities and the OLAP custodian takes delivery of the collateral. Total external pool investments at June 30, 2025 are $6,480,954 which are shown on the combined statement of assets, liabilities and fund equity regulatory basis, all fund types and account groups.

Credit Risk - Investments – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The District does not have a formal policy limiting its exposure arising from concentration of investments. Investments held by the District in investment pools (sweep accounts and external investment pools) are considered unclassified as to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form. OLAP held securities of $6,480,954 have Standard & Poor's ratings of 17.64 percent AA+, 0.15 percent AAAm, 57.65 percent N/A and 24.56 percent NR. Securities with NR rating are bank deposit accounts.

Investment Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. Due to the nature of the District's external investment pool, there are no defined maturity dates. The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses from increasing interest rates.

3. General Long Term Debt

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

3. General Long Term Debt – (continued)

General long-term debt of the District consists of bonds payable, and financed purchases. Debt service requirements for bonds are payable solely from fund balance and future revenues of the debt service fund. The following is a summary of the long-term debt transactions of the District for the year ended June 30, 2025:

	Bonds Payable (Direct Placement)	***Financed Lease Purchase (Direct Borrowing)***
Balance July 1, 2024	$ 3,485,000	$ 12,085,000
Additions	845,000	-
Retirements	(1,315,000)	(610,000)
Balance June 30, 2025	$ 3,015,000	$ 11,475,000

General Obligation Bonds

A brief description of the outstanding general obligations bond issues at June 30, 2025, is set forth below:

	Amount Outstanding
Marietta Independent School District, I-16 General Obligation Building Bonds of 2025, original issue of $845,000, interest rates 5.00%. Bond maturities begin February 1, 2027 in increments of $390,000 the first year with following a final payment of $455,000.	$ 845,000
Marietta Independent School District, I-16 General Obligation Building Bonds of 2024, original issue of $2,170,000, interest rates of 5.350%. Bond maturities begin Janaury 1, 2026 of $640,000 the initial year, and two payments of $765,000 on January 1, 2027 with final maturity January 1, 2028.	2,170,000
	$ 3,015,000

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

Year Ended June 30,	*Principal*	*Interest*	*Total*
2026	$ 640,000	$ 232,190	$ 872,190
2027	1,155,000	166,355	1,321,355
2028	1,220,000	63,678	1,283,678
Total	$ 3,015,000	$ 462,223	$ 3,477,223

State statute prohibits 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. General obligation bonded debt of the District is limited by state law to 10% of the assessed valuation of the District. The legal debt limit at June 30, 2025 is approximately $4,603,736.

The District has entered financing arrangements with the Love County Educational Facilities Authority (see Note 9). These financing arrangements are accounted for as financed purchases. The leases contain a clause which gives the District the ability to terminate the lease agreements at the end of each fiscal year.

The schedule of future minimum lease payments under the financed purchase and the present value of the net minimum lease payments for years ending June 30th are as follows:

Year Ended June 30,	*Amount Due*
2026	$ 1,068,900
2027	1,068,900
2028	1,068,900
2029	1,068,900
2030	1,068,900
Thereafter	9,323,100
	14,667,600
Less: Interest	(3,192,600)
Total	$ 11,475,000

3. General Long Term Debt – (continued)

Pledged Revenues

The District has pledged $12,960,000 of future issuances of general obligation bonds to repay $11,475,000 lease revenue bonds plus interest lease revenue bonds with Love County Education Facilities Authority (LCEFA) in 2021. Proceeds from the lease revenue bonds are to be for the construction and placement of improvements on real property. The general obligation bonds will be issued prior the lease purchase payment due dates to Love County Educational Facilities Authority. One hundred percent of the general obligation bonds will be used to pay the lease revenue bond payments and bond issuance costs. The annual payments start December 1, 2023 and will continue with final payment due to LCEFA on December 1, 2038.

Property Tax Revenues collected by the District are pledged to repay the District's General Obligation Bonds. As of June 30, 2025, $3,485,000 general obligations were outstanding. Principal and interest paid for current year and revenues collected were $1,374,156 and $1,524,066 respectively.

4. Employee Retirement System

Teachers' Retirement System of Oklahoma

Plan Description – The System provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The ability to establish and amend benefit provisions is the responsibility of the state legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the employees of the District. The System issues a publicly available financial report that can be obtained at http://www.ok.gov/trs/.

Benefits Provided – The System provides defined retirement benefits based on members' final compensation, age, and term of service. In addition, the retirement program provides for benefits upon disability and to survivors upon the death of eligible members. Title 70 O.S. Sec. 17-105 defines all retirement benefits. The authority to establish and amend benefit provisions rests with the State Legislature.

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

4. Employee Retirement System (continued)

Contributions – In accordance with *Oklahoma Statutes*, System members are required to contribute 7.00% of applicable compensation. For the year ended June 30, 2025, qualifying employee contributions were reduced by a retirement credit of $51,845 provided by Enrolled House Bill 1873 and paid by the State of Oklahoma as on-behalf payments. For the year ended June 30, 2025, the District had a statutory contribution rate of 9.5% plus 8.00% as a match for salaries funded by federal programs. The contribution requirements of System members and the District are established and may be amended by the state legislature. For the year ended June 30, 2025, the District's contributions to the System were $637,397.

Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued TRS financial report that can be obtained at http://www.ok.gov/trs/.

5. Other Post-Employment Benefits (OPEB)

In addition to the retirement plan described in Note 4, the District participates in the state-administered Supplemental Health Insurance Program (OPEB Plan) within Teachers' Retirement System of Oklahoma (the OPEB System), which is a cost-sharing multiple-employer defined benefit OPEB plan administered by the Teacher Retirement System (TRS).

Plan Description – The OPEB System provides pays a monthly health insurance premium supplement for each retired member who is enrolled in the health insurance plan provided by the State and Education Employees Group Health and Dental Insurance plan or in an insurance program provided by a participating education employer who provides health insurance coverage to former employees, provided the retired member had at least ten (10) years of Oklahoma service prior to retirement.

Benefits Provided – All retirees are eligible except for special retirees (as defined) and spouses and beneficiaries as long as they have at least 10 years of service. Retirees who elect such coverage receive the smaller of (i) a Medicare supplement benefit, if eligible, or (ii) an amount between $100 and $105 per month, depending on service and final average compensation. Payments made on the retirees' behalf to the Employees Group Insurance Division of the Office of Management and Enterprise Services, if the member continues health coverage under that Plan, or (ii) to the member's former employer, if the member retains health coverage under a plan maintained by the former employer.

5. Other Post-Employment Benefits (OPEB) (continued)

Contributions – Employer and employee contributions are made based upon the TRS Plan provisions contained in State Statute Title 70, as amended. However, the statutes do not specify or identify any particular contribution source to pay the health insurance subsidy. The cost of the subsidy averages 0.13% of normal cost, as determined by an actuarial valuation.

OPEB plan fiduciary net position – Detailed information about the OPEB plan's fiduciary net position is available in the separately issued TRS financial report that can be obtained at http://www.ok.gov/trs/.

6. Contingencies

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

As of June 30, 2025, the District had outstanding construction-related commitments totaling $637,104, which will be spent from the District's Building Fund.

7. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from prior year and settlements have not exceeded coverage in the past three years.

8. Tax Abatement

The State of Oklahoma has authorized Oklahoma State Statutes Title 31 to offer Homestead and Veterans exemptions to Ad Valorem property taxes. These exemptions reduce ad valorem taxes remitted to the District. For the year ended June 30, 2025, the District had approximately $102,200 in abated ad valorem tax revenues.

9. Lease Revenue Bond Agreements

On June 1, 2021, the District entered into ground lease and sublease agreements with the Love County Educational Facilities Authority (LCEFA), a public trust, for the purpose of facilitating the issuance of the bonds, to provide security for payment of the bonds, and to enable the District to utilize the bond proceeds for the construction and placement of improvements on real property. The lease agreements will remain in effect to June 30, 2039. The Authority advanced $12,650,000 in lease revenue bonds, series 2021, to the District for the acquisition and construction of buildings and improvements. The District also received a premium of $2,105,057 which was deposited into the District's improvement trustee fund. The District will use money received from General Obligation Debt to repay the lease. The advanced funds are being held in a trust and District remits applications for payments. The District reports the balance of advanced funds as Trustee funds for debt services in the General Long Term Debt Group on the statement of assets, liabilities and fund equity. The remaining principal balance is reported finance purchase payable in the liability section of the statement of assets, liabilities and fund equity.

10. Subsequent Event

September 2025, the District entered into a lease purchase agreement for an Energy Optimization Project with a total cost of $343,005 includes equipment and services. Monthly payments of $10,719 begin March 28, 2026 and end December 28, 2033. Payments will be billed quarterly to the District. The lease is expected to be renewed annually if funds are available.

December 2025 the District has approved the resolution calling and holding of an election for the District on February 10, 2026,for the issuance of $3,890,000 to acquire and install turf at the football/soccer field and to construct, furnish, equip and/or acquire a baseball facility to include, but not be limited to: locker rooms, concessions and restrooms.

The District has evaluated subsequent events through the date which the financial statements were available to be issued.

Marietta School District I-16
Love County, Oklahoma
Supplementary Schedule
Combining Statement of Assets, Liabilities and Fund Equity – Regulatory Basis
All Special Revenue Funds
June 30, 2025

	Building Fund	Child Nutrition Fund	Special Revenue Total
ASSETS			
Cash	$ 253,282	$ 111,308	$ 364,590
Investments	1,978,005	160,620	2,138,625
Total Assets	$ 2,231,287	$ 271,928	$ 2,503,215
LIABILITIES AND FUND EQUITY			
Liabilities:			
Warrants payable	$ 19,166	$ 2,261	$ 21,427
Encumbrances outstanding	-	47,034	47,034
Total Liabilities	19,166	49,295	68,461
Fund Equity:			
Unreserved:			
Undesignated	$ 2,212,121	$ 222,633	$ 2,434,754
Total Cash Fund Balances	2,212,121	222,633	2,434,754
Total Liabilities and Fund Equity	$ 2,231,287	$ 271,928	$ 2,503,215

Marietta School District I-16
Love County, Oklahoma
Supplementary Schedule
Combining Statement of Revenues Collected, Expenditures Paid and Changes in Cash Fund Balances – Regulatory Basis
All Special Revenue Funds
For the Year Ended June 30, 2025

	Building Fund	Child Nutrition Fund	Special Revenue Total
Revenues collected:			
Local sources	$ 766,798	$ 14,591	$ 781,389
State Sources	305,576	7,378	312,954
Federal Sources	-	464,326	464,326
Total Revenues Collected	1,072,374	486,295	1,558,669
Expenditures paid:			
Instructional Services	-	-	-
Support Services	320,566	-	320,566
Non-Instructional Services	-	570,767	570,767
Capital outlay	405,781	-	405,781
Other Outlays	3,000	47,034	50,034
Total expenditures paid	729,347	617,801	1,347,148
Excess of revenues collected over (under) expenditures paid	343,027	(131,506)	211,521
Adjustments to prior year encumbrances	-	57	57
Excess of revenues collected and other sources over (under) expenditures paid and other uses	343,027	(131,449)	211,578
Cash fund balances, beginning of year	1,869,094	354,082	2,223,176
Cash fund balances, end of year	$ 2,212,121	$ 222,633	$ 2,434,754

Marietta School District I-16
Love County, Oklahoma
Supplementary Schedule
Combining Statement of Revenues Collected, Expenditures Paid and Changes in Cash Fund Balances – Budget and Actual – Regulatory Basis
Building and Child Nutrition Funds
For the Year Ended June 30, 2025

	Building Fund			Child Nutrition Fund			Total		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
Beginning cash fund balances - Budgetary basis	$ 1,869,094	$ 1,869,094	$ 1,869,094	$ 354,082	$ 354,082	$ 354,082	$ 2,223,176	$ 2,223,176	$ 2,223,176
Revenues collected:									
Local sources	611,046	611,046	766,798	104,300	104,300	14,591	715,346	715,346	781,389
State sources	160,000	160,000	305,576	14,000	14,000	7,378	174,000	174,000	312,954
Federal sources	683,000	683,000	-	406,000	406,000	464,326	1,089,000	1,089,000	464,326
Total Revenues Collected	1,454,046	1,454,046	1,072,374	524,300	524,300	486,295	1,978,346	1,978,346	1,558,669
Expenditures paid:									
Instructional Services	-	-	-	-	-	-	-	-	-
Support Services	1,006,500	1,006,500	320,566	-	-	-	1,006,500	1,006,500	320,566
Non-Instructional Services	-	-	-	913,057	913,057	570,767	913,057	913,057	570,767
Capital outlay	526,000	526,000	405,781	-	-	-	526,000	526,000	405,781
Other outlays	1,835,640	1,835,640	3,000	325	325	47,034	1,835,965	1,835,965	50,034
Total expenditures paid	3,368,140	3,368,140	729,347	913,382	913,382	617,801	4,281,522	4,281,522	1,347,148
Excess of revenues collected over (under) expenditures paid	(1,914,094)	(1,914,094)	343,027	(389,082)	(389,082)	(131,506)	(2,303,176)	(2,303,176)	211,521
Adjustment to prior year encumbranc	45,000	45,000	-	35,000	35,000	57	80,000	80,000	57
Ending cash balances	$ -	$ -	$ 2,212,121	$ -	$ -	$ 222,633	$ -	$ -	$ 2,434,754

Marietta School District I-16
Love County, Oklahoma
Supplementary Schedule
Combining Statement of Changes in Cash Balances – Regulatory Basis
Activity Funds
For the Year Ended June 30, 2025

	BEGINNING BALANCE	RECEIPTS	CHECKS	ENDING BALANCE
801 YEARBOOK	$ 10,214	$ 10,469	$ 7,841	$ 12,841
802 ART	400	-	-	400
803 ATHLETICS	5,992	43,269	38,807	10,454
804 BOYS BASKETBALL	6,801	3,345	4,100	6,046
805 GIRLS BASKETBALL	3,350	5,099	2,971	5,479
806 BASEBALL	20,592	12,721	22,127	11,186
807 BAND	7,685	4,936	6,800	5,820
809 CHOIR	6,528	12,082	14,055	4,555
812 ELEMENTARY SCHOOL	11,510	6,848	11,459	6,899
813 ELEMENTARY LIBRARY	7,243	9,106	9,539	6,810
814 FFA	14,143	180,833	172,013	22,963
815 FCCLA	2,488	16,789	16,429	2,848
816 JR. CLASS	14,149	28,205	24,055	18,299
817 MISCELLANEOUS	24,560	60,943	52,098	33,406
818 THE TRIBE	64	-	-	64
819 HS CHEERLEADERS	8,000	27,811	30,941	4,871
821 MS CHEERLEADERS	4,870	11,884	16,029	724
822 Beta Club	-	1,386	1,056	330
823 SCHOLARSHIPS	2,965	5,095	4,000	4,060
824 HS TSA	1,187	3,488	1,935	2,740
826 SPEECH	1,476	2,796	3,821	451
827 HS STUDENT COUNCIL	1,727	413	-	2,139
829 E-Sports	-	3,486	1,597	1,890
831 SEWELL SCHOLARSHIP	4,692	169	1,000	3,861
834 SOFTBALL	7,224	8,666	4,138	11,752
839 T/F CLUB	12,713	30,406	23,619	19,501
842 MS STUDENT COUNCIL	2,247	-	125	2,122
846 HIGH SCHOOL	6,727	3,179	3,164	6,741
847 ELL	407	137	131	413
848 MS/HS LIBRARY	3,112	216	1,078	2,251
849 MS/HS ACADEMIC TEAM	536	-	-	536
850 Concessions	3,000	22,884	19,854	6,030
854 PRIMARY ELEMENTARY	16,758	40,137	41,283	15,612
855 ELEMENTARY MUSIC	4,112	1,097	1,178	4,031
856 R WILLIS MEMORIAL ACCOUI	1,500	-	-	1,500
859 MIGHTY INDIANS	14,675	4,098	4,469	14,304
861 FOOTBALL	3,212	6,081	4,756	4,537
862 4H	375	-	-	375
864 Outdoor Classroom	2,367	-	-	2,367
865 Food Pantry	3,870	-	-	3,870
866 NHS	80	1,030	1,054	56
867 Senior Class	29	820	672	177
	$ 247,832	$ 571,033	$ 549,450	$ 269,415

Marietta School District I-16
Love County, Oklahoma
Supplementary Schedule
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Federal Grant / Pass-Through Grantor / Program Title	Federal CFDA Number	Pass - Through Grantor's Project Number	Balance 6/30/2024	Federal Grant Receipts	Federal Grant Expenditures	Balance 6/30/2025
U.S. Department of Defense						
Passed Through Love County, Oklahoma						
Payments to States in Lieu of Real Estate Taxes	12.112	770	$ 506	$ 172	$ -	$ 678
U.S. Department of Interior						
477 Cluster						
Passed Through Chickasaw Nation:						
Johnson O'Malley	15.130	563	(114)	9,227	11,066	(1,953)
477 Cluster			(114)	9,227	11,066	(1,953)
U.S. Department of Education						
Direct Program:						
Title VII - Indian Education	84.060A	561	(34)	29,504	29,504	(34)
Title VIII- Impact Aid	84.041	591	-	32,618	32,618	-
Passed Through Oklahoma Department of Career and Technology Education						
Vocational Education - Basic Grant to States	84.048	424	500	-	-	500
Passed Through State Department of Education:						
Title I, Grants to Local Education Agencies	84.010	511/515	(181,072)	641,215	559,017	(98,874)
Special Education - Flow-Through	84.027	621	(7,541)	194,800	235,643	(48,384)
Special Education - Preschool	84.173	641	-	6,549	6,549	-
Special Education Cluster			(7,541)	201,349	242,192	(48,384)
Title III, Part A, English Language Acquisition	84.365	572	-	16,313	16,313	-

Marietta School District I-16
Love County, Oklahoma
Supplementary Schedule
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Federal Grant / Pass-Through Grantor / Program Title	Federal CFDA Number	Pass - Through Grantor's Project Number	Balance 6/30/2024	Federal Grant Receipts	Federal Grant Expenditures	Balance 6/30/2025
Passed Through State Department of Education:						
COVID-19 Education Stabilization Funds -American Rescue Plan (ARP) Elementary and Secondary School Emergency Relief (ESSER III) Fund	84.425U	795	(63,335)	119,624	56,289	-
COVID-19 Education Stabilization Funds -American Rescue Plan (ARP) Elementary and Secondary School Emergency Relief (ESSER III) Fund -- Homeless II	84.425U	797	(1,558)	1,558	-	-
Total ESF-ESSER			(64,893)	121,182	56,289	-
Passed Through Oklahoma State Regents for Higher Education						
GEAR-UP Grant	84.334	771	871	-	-	871
Total U.S. Department of Education			$ (252,169)	$ 1,042,181	$ 935,933	$ (145,921)
U.S. Department of Agriculture:						
Passed Through Oklahoma State Department of Education:						
Cash Assistance:						
National School Lunch Program	10.555	763	$ 216,221	$ 367,897	$ 353,599	$ 230,519
School Breakfast Program	10.553	764	54,750	96,429	142,406	8,773
Cash Assistance Subtotal:			270,971	464,326	496,005	239,292
Passed Through Oklahoma State Department of Human Services:						
Non-Cash Assitance (Commodities)						
National School Lunch Program	10.555		-	35,185	35,185	-
Non-Cash Assistance Subtotal:			-	35,185	35,185	-
Child Nutrition Cluster			270,971	499,511	531,190	239,292
Total U.S. Department of Agriculture			$ 270,971	$ 499,511	$ 531,190	$ 239,292
Total Expenditures of Federal Awards			$ 19,194	$ 1,551,091	$ 1,478,189	$ 92,096

Marietta School District I-16
Love County, Oklahoma
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Note A: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Marietta School District I-16 Love County, Oklahoma under programs of the federal government for the year ended June 30, 2025. 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 Marietta School District I-16 Love County, Oklahoma, it is not intended to and does not present the basic financial statements as listed in the table of contents, of Marietta School District I-16 Love County, Oklahoma.

Note B: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on using the cash basis of accounting. Encumbrances are included when paid rather than when incurred. Some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, where certain types of expenditures are not allowable or are limited as to reimbursement. Nonmonetary assistance is reported in the schedule at the fair market value of commodities, property or services when received.

Note C: Indirect Cost Rate

Marietta School District I-16 Love County, Oklahoma has elected not to use the 15% de minimis indirect cost rate allowed under the Uniform Guidance.

Note D: Subrecipients

Marietta School District I-16 Love County, Oklahoma did not have any awards that have been passed through to subrecipients.

Note E: Transfers between Federal Programs

Marietta School District I-16 Love County, Oklahoma received $39,378 for program CFDA#84.367 Title II, Part A funds, and received $28,034 for program CFDA#84.424 Title IV which were allowed to be transferred to be used for Title I CFDA#84.010, and thus was reported above in the Title I revenues agree with corresponding expenditures.

Mary E. Johnson & Associates, PLLC
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
Marietta School District I-16
Marietta, Oklahoma 73448

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 of Marietta School District I-16, Love County, Oklahoma, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Marietta School District I-16, Love County Oklahoma's basic regulatory financial statements and have issued our report thereon dated January 5, 2026. Our report included an adverse opinion on U.S. Generally Accepted Accounting Principles and a qualified opinion due to the omission of the general fixed asset account group.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Marietta School District I-16, Love County, Oklahoma's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on effectiveness Marietta School District I-16, Love County, Oklahoma's internal control. Accordingly, we do not express an opinion on the effectiveness of Marietta School District I-16, Love County, Oklahoma'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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Marietta School District I-16, Love County, Oklahoma'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*.

Marietta School District I-16's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Marietta School District I-16, Love County, Oklahoma's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Marietta School District I-16, Love County, Oklahoma's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.



Norman, Oklahoma
January 5, 2026

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

The Honorable Board of Education
Marietta School District I-16
Marietta, Oklahoma 73448

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Marietta School District I-16, Love County, Oklahoma's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Marietta School District I-16, Love County, Oklahoma's major federal programs for the year ended June 30, 2025. Marietta School District I-16, Love County, Oklahoma's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Marietta School District I-16, Love County, Oklahoma, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Marietta School District I-16, Love County, Oklahoma and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Marietta School District I-16, Love County, Oklahoma's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Marietta School District I-16, Love County, Oklahoma's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Marietta School District I-16, Love County, Oklahoma's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Marietta School District I-16, Love County, Oklahoma's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Marietta School District I-16, Love County, Oklahoma's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Marietta School District I-16, Love County, Oklahoma's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Marietta School District I-16, Love County, Oklahoma's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing

their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Mary E. Johnson & Associates PLLC

Norman, Oklahoma
January 5, 2026

Marietta School District I-16
Love County, Oklahoma
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

Section I – Summary of Auditor's Results

Financial Statements:

Type of audit report: Qualified Opinion on Account Group -- Regulatory Basis
Unmodified Opinion on Fund Types -- Regulatory Basis
Adverse Opinion on U.S. Generally Accepted Accounting Principles

Internal control over financial reporting:
Material weakness(es) identified? ____ Yes __X__ No
Significant Deficiency(ies) identified that are not considered to be material weaknesses? __X__ Yes ____ None Reported

Noncompliance material to financial statement ____ Yes __X__ No

Federal Awards:

Internal control over major program:
Material weakness(es) identified? ____ Yes __X__ No
Significant Deficiency(ies) identified that are not considered to be material weaknesses? ____ Yes __X__ None Reported

Type of auditors' report issued on compliance for major programs: Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? ____ Yes __X__ No

Identification of Major Programs:

Assistance/CFDA Number	*Name of Federal Program or Cluster*
84.027 & 84.173	Special Education Cluster (IDEA)
10.553 & 10.555	Child Nutrition Cluster

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

Auditee qualified as a low-risk auditee? ____ Yes __X__ No

Marietta School District I-16
Love County, Oklahoma
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

Section II – Financial Statement Findings

2025-001 Financial Reporting

Condition:	The District does not report a general fixed asset account group as required by the State Department of Education guidelines.
Criteria:	The responsibility for the financial statements remains with management even when the preparation of the financial statements including the general fixed asset account group.
Cause:	The District does not have a system for accounting for general fixed assets.
Effect:	Scope limitation on the audit for the general fixed asset account group.
Recommendation:	We recommend that the District evaluate the costs of maintaining general fixed assets group in accordance with accounting and regulatory requirements.
Views of Responsible Officials and Planned Corrective Action:	The District's current budget constraints do not allow for resources to be able to maintain the general fixed asset group.

Section III – Federal Award Findings and Questioned Costs

None

Marietta School District I-16
Love County, Oklahoma
Summary of Prior Year Findings
For the Year Ended June 30, 2025

Financial Statement Findings

2024-001 Financial Reporting

Condition:	The District does not report a general fixed asset account group as required by the State Department of Education guidelines.
Recommendation:	The Auditor recommended that the District evaluate the costs of maintaining general fixed assets group in accordance with accounting and regulatory requirements.
Current Status:	Condition still exists see current year finding 2025-001.

Federal Award Findings and Questioned Costs

None

Marietta School District I-16
Love County, Oklahoma
Statement of Statutory Fidelity, and Honest Bonds (unaudited)
For the Year Ended June 30, 2025

The treasurer is bonded by The Ohio Casualty Company, bond number 601135869 for the penal sum of $100,000, term beginning June 14, 2024 and ending June 30, 2025. This is a renewal of a continuous bond.

The Superintendent, encumbrance clerk, minutes clerk, encumbrance clerk and activity fund custodian are bonded by Western Surety Insurance Company, bond number 70761294 for the penal sum of $100,000 term beginning July 1, 2024 and ending July 1, 2025. This is a renewal of a continuous bond.

The deputy treasurer is bonded by The Ohio Casualty Company, bond number 601135871 for the penal sum of $100,000, term beginning June 14, 2024 and ending June 30, 2025 This is a renewal of a continuous bond.

Marietta School District I-16
Love County, Oklahoma
Schedule of Accountant's Professional Liability Insurance Affidavit (unaudited)
For the Year Ended June 30, 2025

State of Oklahoma)
) ss
County of Cleveland)

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 Marietta School District I-16 for the audit year 2024-2025.

MARY E. JOHNSON & ASSOCIATES, PLLC

BY: Mary E Johnson
Authorized Agent

Subscribed and sworn to before me on this 6th day of, November, 2025.

Margaret Tuttle
Notary Public

Commission Number: 23008526

My commission expires on: June 26, 2027