

FINANCIAL STATEMENTS AND REPORTS OF
BEGGS SCHOOL DISTRICT NO. I-4
OKMULGEE COUNTY, OKLAHOMA
JUNE 30, 2023

RALPH OSBORN
CERTIFIED PUBLIC ACCOUNTANT
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BEGGS SCHOOL DISTRICT NO. I-4
OKMULGEE COUNTY, OKLAHOMA
JUNE 30, 2023

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BEGGS SCHOOL DISTRICT NO. I-4
OKMULGEE COUNTY, OKLAHOMA
SCHOOL DISTRICT OFFICIALS
JUNE 30, 2023

BOARD OF EDUCATION

President
Vice-President
Clerk
Member
Member

Tyson Christy
Leonard Moore
Matt Lee
Rick Martin
Mike Siegenthaler

School District Treasurer

Kandy Lynch

Encumbrance Clerk

Kortney Crosby

Minutes Clerk

Kortney Crosby

Superintendent of Schools

Shawn Tennyson

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education
Beggs School District No. I-4
Beggs, Okmulgee County, Oklahoma

OPINIONS

I have audited the accompanying combined fund type and account group financial statements—regulatory basis of Beggs School District No. I-4, Okmulgee County, Oklahoma (District), as of and for the year ended June 30, 2023 and the related notes to the financial statements, as listed in the table of contents.

QUALIFIED OPINION ON REGULATORY BASIS OF ACCOUNTING

In my 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 Beggs School District No. I-4, Okmulgee County, Oklahoma, as of June 30, 2023, and the revenues collected and expenditures paid and encumbered for the year then ended on the regulatory basis of accounting described in Note 1.

ADVERSE OPINION ON U.S. GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

In my opinion, because the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the basic 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 Beggs School District No. I-4, Okmulgee County, Oklahoma as of June 30, 2023, the changes in its financial position, or, where applicable, its cash flows for the year then ended.

BASIS FOR OPINIONS

I conducted my 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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Beggs School District No. I-4, Okmulgee County, Oklahoma, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

BASIS FOR QUALIFIED OPINION ON REGULATORY BASIS OF ACCOUNTING

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

BASIS FOR ADVERSE OPINION ON U.S. GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

As discussed in Note 1, the financial statements are prepared by Beggs School District No. I-4, 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 comply with 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 determined, are presumed to be material.

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with financial reporting provisions of the Oklahoma State Department of Education to meet financial reporting requirements of the State of Oklahoma. 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 for the AUDIT of the FINANCIAL STATEMENTS

My 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 my opinion. 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, I:

- 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 Beggs School District No. I-4, Okmulgee County, Oklahoma '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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Beggs School District No. I-4, Okmulgee County, Oklahoma 's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

SUPPLEMENTARY INFORMATION

My 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is 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 my 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 arising from regulatory basis transactions.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with Government Auditing Standards, I have also issued my report dated March 11, 2024 on my consideration of the District's internal control over financial reporting and on my 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 my 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.



Ralph Osborn
Certified Public Accountant
Bristow, Oklahoma
March 11, 2024

BEGGS SCHOOL DISTRICT NO. I-4
OKMULGEE COUNTY, OKLAHOMA
COMBINED STATEMENT OF ASSETS, LIABILITIES, AND EQUITY
REGULATORY BASIS - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2023

	<u>Governmental Fund Type</u>				<u>Fiduciary</u>	<u>Account</u>	<u>Total</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Trust And Agency</u>	<u>General Long-Term Debt</u>	
<u>ASSETS</u>							
Cash and cash equivalents	\$ 2,213,667	\$ 914,051	\$ 536,919	\$1,633,360	\$ 347,522	\$ -	\$5,645,519
Amount available in Debt Service fund	-	-	-	-	-	536,919	536,919
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	3,163,081	3,163,081
Amount to be provided for capitalized lease agreements	-	-	-	-	-	148,678	148,678
Total Assets	\$ 2,213,667	\$ 914,051	\$ 536,919	\$1,633,360	\$ 347,522	\$3,848,678	\$ 9,494,197
<u>LIABILITIES AND FUND EQUITY</u>							
<u>LIABILITIES</u>							
Warrants payable	\$ 404,554	\$ 208,532	\$ -	\$ 23,606	\$ -	\$ -	\$ 636,692
Encumbrances	85,878	20,178	-	-	-	-	106,056
Due to other groups	-	-	-	-	347,522	-	347,522
Long-term debt:							
Judgment payable	-	-	-	-	-	-	-
Bonds payable	-	-	-	-	-	3,700,000	3,700,000
Capital leases	-	-	-	-	-	148,678	148,678
Total Liabilities	490,432	228,710	-	23,606	347,522	3,848,678	4,938,948
<u>FUND EQUITY</u>							
Unreserved							
Designated for capital projects	-	-	-	1,609,754	-	-	1,609,754
Designated for debt service	-	-	536,919	-	-	-	536,919
Undesignated	1,723,235	685,341	-	-	-	-	2,408,576
Total fund equity	1,723,235	685,341	536,919	1,609,754	-	-	4,555,249
Total liabilities and fund equity	\$ 2,213,667	\$ 914,051	\$ 536,919	\$1,633,360	\$ 347,522	\$3,848,678	\$ 9,494,197

The accompanying notes are an integral part of this statement.

BEGGS SCHOOL DISTRICT NO. I-4
OKMULGEE COUNTY, OKLAHOMA
COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES
PAID, AND CHANGES IN FUND BALANCES
REGULATORY BASIS - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2023

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total (Memorandum Only)</u>
Revenues Collected					
Local Resources	\$ 1,678,603	\$ 320,257	\$1,080,572	\$ -	\$ 3,079,432
Intermediate Sources	183,468	-	-	-	183,468
State Sources	6,274,451	228,629	-	-	6,503,080
Federal Sources	1,658,630	951,181	-	-	2,609,811
Non-Revenue Receipts	224	370	-	-	594
Total Revenues Collected	9,795,376	1,500,437	1,080,572	-	12,376,385
Expenditures Paid					
Instruction	5,341,789	-	-	10,160	5,351,949
Support Services	3,950,556	157,464	-	246,854	4,354,874
Non-Instruction Services	15,863	657,717	-	-	673,580
Capital Outlay	1,000	722,127	-	72,982	796,109
Other Outlays	226	370	-	-	596
Debt Service:					
Principal Retirement	-	-	780,000	-	780,000
Interest	-	-	48,427	-	48,427
Total Expenditures Paid	9,309,434	1,537,678	828,427	329,996	12,005,535
Excess of Revenues Collected Over (Under) Expenditures Paid	485,942	(37,241)	252,145	(329,996)	370,850
Adjustments to Prior Year					
Lapsed Appropriations	-	4,571	-	-	4,571
Estopped Warrants	601	-	-	-	601
Other Financing Sources (Uses)					
Bond Sale Proceeds	-	-	-	1,270,000	1,270,000
Excess (Deficiency) of Revenue Collected Over (Under) Expenditures Paid And Other Financing Sources (Uses)	486,543	(32,670)	252,145	940,004	1,646,022
Fund Balance, Beginning	1,236,692	718,011	284,774	669,750	2,909,227
Fund Balance, Ending	\$ 1,723,235	\$ 685,341	\$ 536,919	\$1,609,754	\$ 4,555,249

The accompanying notes are an integral part of this statement.

BEGGS SCHOOL DISTRICT NO. I-4
 OKMULGEE COUNTY, OKLAHOMA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 REGULATORY BASIS - BUDGETED GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 2023

	General Fund			Special Revenue			Debt Service Fund		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
Revenues Collected									
Local Sources	\$1,471,633	\$1,471,633	\$1,678,603	\$ 215,715	\$ 215,715	\$ 320,257	\$1,024,627	\$1,024,627	\$1,080,572
Intermediate Sources	156,917	156,917	183,468	-	-	-	-	-	-
State Sources	5,948,720	5,948,720	6,274,451	164,438	164,438	228,629	-	-	-
Federal Sources	1,888,826	1,888,826	1,658,630	739,451	739,451	951,181	-	-	-
Non-Revenue Receipts	882	882	224	136	136	370	-	-	-
Total Revenues Collected	<u>9,466,978</u>	<u>9,466,978</u>	<u>9,795,376</u>	<u>1,119,740</u>	<u>1,119,740</u>	<u>1,500,437</u>	<u>1,024,627</u>	<u>1,024,627</u>	<u>1,080,572</u>
Expenditures Paid									
Instruction	10,692,031	10,692,031	5,341,789	1,837,751	1,837,751	-	-	-	-
Support Services	-	-	3,950,556	-	-	157,464	-	-	-
Non-Instruction Services	-	-	15,863	-	-	657,717	-	-	-
Capital Outlays	-	-	1,000	-	-	722,127	-	-	-
Other Outlays	-	-	226	-	-	370	-	-	-
Debt Service:									
Principal Retirement	-	-	-	-	-	-	780,000	780,000	780,000
Interest	-	-	-	-	-	-	48,427	48,427	48,427
Total Expenditures Paid	<u>10,692,031</u>	<u>10,692,031</u>	<u>9,309,434</u>	<u>1,837,751</u>	<u>1,837,751</u>	<u>1,537,678</u>	<u>828,427</u>	<u>828,427</u>	<u>828,427</u>
Excess of Revenues Collected									
Over(Under) Expenditures									
Paid Before Adjustments									
To Prior Year	(1,225,053)	(1,225,053)	485,942	(718,011)	(718,011)	(37,241)	196,200	196,200	252,145
Adjustments to Prior Year									
Lapsed Appropriations	(11,639)	(11,639)	-	-	-	4,571	-	-	-
Estopped Warrants	-	-	601	-	-	-	-	-	-
Excess (Deficiency) of Revenue									
Collected Over (Under)									
Expenditures Paid And Other									
Financing Sources (Uses)	(1,236,692)	(1,236,692)	486,543	(718,011)	(718,011)	(32,670)	196,200	196,200	252,145
Fund Balance, Beginning	<u>1,236,692</u>	<u>1,236,692</u>	<u>1,236,692</u>	<u>718,011</u>	<u>718,011</u>	<u>718,011</u>	<u>284,774</u>	<u>284,774</u>	<u>284,774</u>
Fund Balance, Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$1,723,235</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 685,341</u>	<u>\$ 480,974</u>	<u>\$ 480,974</u>	<u>\$ 536,919</u>

The accompanying notes are an integral part of this statement.

BEGGS SCHOOL DISTRICT NO. I-4
OKMULGEE COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

1. Summary of Significant Accounting Policies

The basic financial statements of Beggs Public Schools Independent District No. I-4, Okmulgee 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 policies are described below.

A. Reporting entity

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

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

The governing body of the District is the Board of Education composed of 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.

B. Fund Accounting and Description of Funds

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.

BEGGS SCHOOL DISTRICT NO. I-4
OKMULGEE COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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

Governmental Fund Types

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

General Fund

The general fund is used to account for all 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 Salary Incentive Aid Program. Expenditures include all costs associated with the daily operation of the schools except the 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 includes the District's Co-op Fund, 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 the operation of the school lunch and breakfast programs. The Co-op Fund includes money received for certain current expenditures.

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 cost. The primary revenue source is local property taxes levied specifically for debt service.

Capital Projects Fund

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

Proprietary Fund Types

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods and services from such activities can be provided either outside parties (enterprise funds) or to other departments or agencies primarily within the District (internal service funds). The District does not have Proprietary Funds at this time.

BEGGS SCHOOL DISTRICT NO. I-4
OKMULGEE COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Fiduciary Fund Types

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

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. It is also used to account for liabilities for compensated absences and early retirement incentives, which are to be paid from funds provided in future years.

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 have information necessary to include this group in its combined financial statements.

Memorandum Only - Total Column

The total column on the 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 flow 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.

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 the 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:

1. Encumbrances represented by purchase orders, contracts, and other commitments for the expenditure of monies are recorded as expenditures when approved.
2. Investments and inventories are recorded as assets when purchased.

BEGGS SCHOOL DISTRICT NO. I-4
OKMULGEE COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

3. Capital assets in proprietary funds are recorded when acquired and depreciated over their useful lives.
4. Warrants payable are recorded as liabilities when issued.
5. Long-term debt is recorded when incurred.
6. 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; and, when revenues are earned and liabilities are incurred for proprietary fund types and trust funds.

D. Budgets and Budgetary Accounting

The District is required by state law to prepare an annual budget. A preliminary budget must be submitted to the Board of Education by December 31 for the fiscal year beginning the following July 1. If the preliminary budget requires an additional levy, the District must hold an election on the second Tuesday in February to approve the levy. If the preliminary budget does not require an additional levy, it becomes a legal budget. If an election is held and the taxes are approved, then the preliminary budget becomes the legal budget. If voters reject the additional taxes, the District must adopt a budget within the approved tax rate.

The District may upon approval by the majority of the electors of the District voting on the question make the ad valorem levy for emergency levy and local support levy permanent. The District electors have made the levies permanent.

Under current Oklahoma Statutes, a formal budget is required for all funds except for trust and agency funds. Budgets are presented for all funds that include the originally approved budgeted appropriations 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

For purposes of the statement of cash flows, the District considers all cash on hand, demand deposits, and highly liquid investments, with an original maturity of three months or less when purchased, to be cash and cash equivalents.

Investments

Investments consist of certificates of deposit or direct obligations of the United States Government and Agencies with maturities greater than three months when purchased. All investments are recorded at cost, which approximates market value.

BEGGS SCHOOL DISTRICT NO. I-4
OKMULGEE COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Property Tax Revenues

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

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

Inventories

The value of consumable inventories at June 30, 2023 is not known but is not believed to be material to the basic financial statements.

Capital Assets

The General Fixed Assets Account Group is not presented. The amount which would be included in it is not known.

Compensated Absences

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

Employees are allowed varying amounts of sick leave during the year in accordance with Oklahoma Statutes. Sick leave used during the year is recorded as an expense in the governmental fund. Vested accumulated rights to receive sick pay benefits may be used in subsequent years, transferred to another District, or added to years of service upon retirement. Based on the District's experience it is not probable that District will pay for vested accumulated rights to receive sick leave. Therefore, a liability for vested accumulated sick leave has not been recorded.

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.

BEGGS SCHOOL DISTRICT NO. I-4
OKMULGEE COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Fund Balance

Fund balance represents the cash and investments not encumbered by purchase order, legal contracts, and outstanding warrants.

State Revenues

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

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

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

Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund or expenditure/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 transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers. There were no operating transfers or residual equity transfers during fiscal year 2023.

2. Cash and Investments

The District's investment policies are governed by state statute. 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 saving 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.

BEGGS SCHOOL DISTRICT NO. I-4
OKMULGEE COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Custodial Credit Risk

Custodial credit risk is the risk that in the event of failure of counterparty, the District will not be able to recover the value of its deposits or investments. Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. Investment securities are exposed to custodial credit risk if they are uninsured, are not registered in the name of the District, and are held by counterparty or the counterparty's trust department but not in the name of the District. The District's policy requires that all deposits and investments in excess of amounts covered by federal deposit insurance be fully collateralized by the entity holding the deposits or investments. As of June 30, 2023, all of the District's deposits and investments were either covered by federal deposit insurance or were fully collateralized.

Deposits

The District had deposits at financial institutions with a carrying amount of approximately \$5,645,519 at June 30, 2023. The bank balance of the deposits at June 30, 2023 was approximately \$5,645,519.

Credit Risk

Fixed-income securities are subject to credit risk. However, the District did not have fixed income securities at June 30, 2023.

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's Treasurer and Board of Education monitor the District's investment performance on an ongoing basis to limit the District's interest rate risk. As of June 30, 2023, all of the District's deposits consisted of demand deposits.

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.

General long-term debt of the District consists of bonds payable, a judgment, and capital leases. Debt service requirements for bonds and judgments are payable solely from fund balance and future revenues of the debt service fund. Principal and interest on the capital leases is paid from the General Fund.

BEGGS SCHOOL DISTRICT NO. I-4
OKMULGEE COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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

	Bonds Payable	Capital Lease Obligation	Total
Balance, July 1, 2022	\$ 3,210,000	\$ 194,605	\$ 3,404,605
Additions	1,270,000	-	1,270,000
Retirements	(780,000)	(45,927)	(825,927)
Balance, June 30, 2023	\$ 3,700,000	\$ 148,678	\$ 3,848,678

A brief description of the outstanding general obligation bond issues and judgment at June 30, 2023 is set forth below:

	Amount
Outstanding Bonds	
Independent School District No. I-4 Building Bonds, Series 2019, original issue \$985,000, interest rate of 1.95% to 2.35%, due in annual installments of \$245,000, final payment of \$250,000 due July 1, 2024.	\$ 250,000
Independent School District No. I-4 Building Bonds, Series 2020, original issue \$675,000, interest rate of 1.90% to 2.40%, due in annual installments of \$190,000, final payment of \$190,000 due May 1, 2025.	380,000
Independent School District No. I-4 Building Bonds, Series 2021, original issue \$1,090,000, interest rate of 0.55% to 1.00%, due in annual installments of \$330,000, final payment of \$330,000 due May 1, 2026.	990,000
Independent School District No. I-4 Building Bonds, Series 2022, original issue \$1,090,000, interest rate of 1.00% to 1.50%, due in annual installments of \$160,000, final payment of \$170,000 due January 1, 2028.	810,000
Independent School District No. I-4 Building Bonds, Series 2023, original issue \$1,270,000, interest rate of 4.00%, due in annual installments of \$315,000, final payment of \$325,000 due May 1, 2028.	1,270,000
Total Bonds Outstanding	\$ 3,700,000

The annual debt service requirements of bond principal and payment of interest are as follows:

Year Ending June 30	Principal	Interest	Total
2024	\$ 680,000	\$ 6,425	\$ 686,425
2025	1,245,000	27,675	1,272,675
2026	805,000	18,445	823,445
2027	475,000	16,300	491,300
2028	495,000	16,952	511,952
Total	\$ 3,700,000	\$ 85,797	\$ 3,785,797

Interest expense on bonds paid during the current year totaled \$48,427.

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 JUNE 30, 2023

The District has entered into lease agreements as lessee for financing the acquisition of equipment. The lease agreement qualifies as a capital lease for accounting purposes since title transfers at the end of the lease term and it has been recorded at the present value of the future minimum lease payments. The lease contains a clause, which gives the District the ability to terminate the lease agreement at the end of each fiscal year.

The District has recorded the liability for future lease payments of the general long-term debt account group for the equipment. The schedule of the future minimum lease payments under the capital lease and the present value of the net minimum lease payments at June 30, is as follows:

Year Ending June 30	Turf	Total
2024	\$ 52,635	\$ 52,635
2025	52,635	52,635
2026	52,635	52,635
Total minimum lease payments	157,905	157,905
Less: Amount representing interest	(9,227)	(9,227)
Present value of future minimum lease payments	\$ 148,678	\$ 148,678

4. Employee Retirement System

The District participants in the state-administered Oklahoma Teachers' Retirement System (the "System"), which is a cost-sharing, multiple-employer Public Employee Retirement System administered by the Board of Trustees of the Oklahoma Teachers' Retirement 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 Oklahoma Statutes establishes benefit provisions and may be amended only through legislative action.

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.

The District, the State of Oklahoma, and the participating employee make contributions. The contribution rates for the District and its employees are established by and may be amended by Oklahoma Statutes. The contribution rates for the Districts, which are not actuarially determined, and its employees are established by statute and applied to the employee's earnings, plus employer-paid fringe benefits. The required contribution for participating members is 7% of compensation.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Additionally, OTRS receives federal matching contributions for positions whose funding comes from federal sources or certain grants. The District and State are required to contribute 14% of applicable compensation. Contributions received by the System from the State of Oklahoma are from 3.54% of its revenue from sales tax, use tax, corporate income tax, and individual income tax. The District is required by statute to contribute 9.5% of compensation. The District is allowed by the Oklahoma Teacher's Retirement System to make the required contributions on behalf of the participating members.

Ten-year historical trend information is presented in the Teacher's Retirement System of Oklahoma Annual Report for the year ended June 30, 2023. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due. The annual report may be obtained by writing to Oklahoma Teacher's Retirement System, PO Box 53524, Oklahoma City, OK, 73152 or by calling 405-521-2387.

The Districts total contributions for 2023, 2022, and 2021 were \$851,174, \$956,764, and \$683,415 respectively.

5. Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustments by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, 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.

6. Risk Management

The District is exposed to various risk of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees's health and life, and natural disasters. The District manages these various risks of loss through the purchase of commercial insurance. Management believes such coverage is generally sufficient to preclude any significant uninsured losses to the District.

7. Subsequent Events

The District has evaluated subsequent events through March 11, 2024, the date which financial statements were available, for items that need to be disclosed. The District is not aware of any subsequent event which needs to be disclosed.

BEGGS SCHOOL DISTRICT NO. I-4
 OKMULGEE COUNTY, OKLAHOMA
 COMBINING STATEMENT OF ASSETS, LIABILITIES, AND CASH FUND BALANCES
 REGULATORY BASIS - ALL SPECIAL REVENUE FUNDS
 JUNE 30, 2023

	<u>Building Fund</u>	<u>Child Nutrition</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 648,164	\$ 265,887	\$ 914,051
Total Assets	<u>\$ 648,164</u>	<u>\$ 265,887</u>	<u>\$ 914,051</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Warrants Payable	\$ 189,027	\$ 19,505	\$ 208,532
Encumbrances	<u>326</u>	<u>19,852</u>	<u>20,178</u>
Total Liabilities	<u>189,353</u>	<u>39,357</u>	<u>228,710</u>
Fund Equity:			
Unreserved Undesignated	<u>458,811</u>	<u>226,530</u>	<u>685,341</u>
Total Fund Equity	<u>458,811</u>	<u>226,530</u>	<u>685,341</u>
Total Liabilities and Fund Equity	<u>\$ 648,164</u>	<u>\$ 265,887</u>	<u>\$ 914,051</u>

The accompanying notes are an integral part of this statement.

BEGGS SCHOOL DISTRICT NO. I-4
OKMULGEE COUNTY, OKLAHOMA
COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES
PAID, AND CHANGES IN CASH BALANCES - REGULATORY BASIS
ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Building Fund</u>	<u>Child Nutrition</u>	<u>Total</u>
Revenues Collected:			
Local Sources	\$ 212,245	\$ 108,012	\$ 320,257
Intermediate Sources	-	-	-
State Sources	159,560	69,069	228,629
Federal Sources	452,706	498,475	951,181
Non-Revenue Receipts	<u>-</u>	<u>370</u>	<u>370</u>
Total Revenues	<u>824,511</u>	<u>675,926</u>	<u>1,500,437</u>
Expenditures Paid:			
Instruction	-	-	-
Support Services	157,464	-	157,464
Non-instruction	-	657,717	657,717
Capital Outlay	722,087	40	722,127
Other Outlay	<u>-</u>	<u>370</u>	<u>370</u>
Total Expenditures Paid	<u>879,551</u>	<u>658,127</u>	<u>1,537,678</u>
Excess of Revenues Collected Over(Under) Expenses Paid Before Adjustments to Prior Year	<u>(55,040)</u>	<u>17,799</u>	<u>(37,241)</u>
Adjustments to Prior Year			
Lapsed Encumbrances	<u>-</u>	<u>4,571</u>	<u>4,571</u>
Total Adjustments	<u>-</u>	<u>4,571</u>	<u>4,571</u>
Excess (Deficiency) of Revenue Collected Over(Under) Expenditures Paid and Other Financing Sources (Uses)	(55,040)	22,370	(32,670)
Fund Balance - Beginning of Year	<u>513,851</u>	<u>204,160</u>	<u>718,011</u>
Fund Balance - Ending of Year	<u>\$ 458,811</u>	<u>\$ 226,530</u>	<u>\$ 685,341</u>

The accompanying notes are an integral part of this statement.

BEGGS SCHOOL DISTRICT NO. I-4
 OKMULGEE COUNTY, OKLAHOMA
 COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 REGULATORY BASIS - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	Building Fund			Child Nutrition Fund			Total		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
Revenue Collected:									
Local Sources	\$ 202,217	\$ 202,217	\$ 212,245	\$ 13,498	\$ 13,498	\$ 108,012	\$ 215,715	\$ 215,715	\$ 320,257
Intermediate Sources	-	-	-	-	-	-	-	-	-
State Sources	93,501	93,501	159,560	70,937	70,937	69,069	164,438	164,438	228,629
Federal Sources	176,544	176,544	452,706	562,907	562,907	498,475	739,451	739,451	951,181
Non-Revenue Receipts	-	-	-	136	136	370	136	136	370
Total Revenue Collected	<u>472,262</u>	<u>472,262</u>	<u>824,511</u>	<u>647,478</u>	<u>647,478</u>	<u>675,926</u>	<u>1,119,740</u>	<u>1,119,740</u>	<u>1,500,437</u>
Expenditures Paid:									
Instruction	986,113	986,113	-	851,638	851,638	-	1,837,751	1,837,751	-
Support Services	-	-	157,464	-	-	-	-	-	157,464
Non-Instruction Services	-	-	-	-	-	657,717	-	-	657,717
Capital Outlay	-	-	722,087	-	-	40	-	-	722,127
Other Outlay	-	-	-	-	-	370	-	-	370
Total Expenditures Paid	<u>986,113</u>	<u>986,113</u>	<u>879,551</u>	<u>851,638</u>	<u>851,638</u>	<u>658,127</u>	<u>1,837,751</u>	<u>1,837,751</u>	<u>1,537,678</u>
Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments To Prior Year	<u>(513,851)</u>	<u>(513,851)</u>	<u>(55,040)</u>	<u>(204,160)</u>	<u>(204,160)</u>	<u>17,799</u>	<u>(718,011)</u>	<u>(718,011)</u>	<u>(37,241)</u>
Adjustments to Prior Year									
Estopped Warrants	-	-	-	-	-	-	-	-	-
Lapsed Encumbrances	-	-	-	-	-	4,571	-	-	4,571
Total Adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,571</u>	<u>-</u>	<u>-</u>	<u>4,571</u>
Excess (Deficiency) of Revenue Collected Over (Under) Expenditures Paid and Other Financing Sources (Uses)	(513,851)	(513,851)	(55,040)	(204,160)	(204,160)	22,370	(718,011)	(718,011)	(32,670)
Fund Balance - Beginning	<u>513,851</u>	<u>513,851</u>	<u>513,851</u>	<u>204,160</u>	<u>204,160</u>	<u>204,160</u>	<u>718,011</u>	<u>718,011</u>	<u>718,011</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 458,811</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 226,530</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 685,341</u>

The accompanying notes are an integral part of this statement.

BEGGS SCHOOL DISTRICT NO. I-4
 OKMULGEE COUNTY, OKLAHOMA
 COMBINING STATEMENT OF ASSETS, LIABILITIES, AND CASH FUND BALANCES
 REGULATORY BASIS - ALL CAPITAL PROJECTS FUNDS
 JUNE 30, 2023

	<u>Bond 32</u>	<u>Bond 34</u>	<u>Bond 35</u>	<u>Total</u>
ASSETS				
Cash and Cash Equivalents	\$ 67,377	\$ 231,331	\$ 1,334,652	\$ 1,633,360
Total Assets	<u>\$ 67,377</u>	<u>\$ 231,331</u>	<u>\$ 1,334,652</u>	<u>\$ 1,633,360</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Warrants Payable	\$ 23,606	\$ -	\$ -	\$ 23,606
Encumbrances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>23,606</u>	<u>-</u>	<u>-</u>	<u>23,606</u>
Fund Equity:				
Unreserved				
Undesignated	<u>43,771</u>	<u>231,331</u>	<u>1,334,652</u>	<u>1,609,754</u>
Total Fund Equity	<u>43,771</u>	<u>231,331</u>	<u>1,334,652</u>	<u>1,609,754</u>
Total Liabilities and Fund Equity	<u>\$ 67,377</u>	<u>\$ 231,331</u>	<u>\$ 1,334,652</u>	<u>\$ 1,633,360</u>

The accompanying notes are an integral part of this statement.

BEGGS SCHOOL DISTRICT NO. I-4
 OKMULGEE COUNTY, OKLAHOMA
 COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES
 PAID, AND CHANGES IN CASH BALANCES - REGULATORY BASIS
 ALL SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	Bond 32	Bond 34	Bond 35	Total
Revenues Collected:				
Local Sources	\$ -	\$ -	\$ -	\$ -
Intermediate Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	-	-	-
Non-Revenue Receipts	-	-	-	-
	-	-	-	-
Total Revenues	-	-	-	-
Expenditures Paid:				
Instruction	-	-	10,160	10,160
Support Services	20,582	222,233	4,039	246,854
Non-instruction	-	-	-	-
Capital Outlay	61,606	-	11,376	72,982
Other Outlay	-	-	-	-
	-	-	-	-
Total Expenditures Paid	82,188	222,233	25,575	329,996
Excess of Revenues Collected Over (Under) Expenses Paid Before Adjustments to Prior Year	(82,188)	(222,233)	(25,575)	(329,996)
Other Financing Sources (Uses)				
Bond Sale Proceeds	-	-	1,270,000	1,270,000
	-	-	1,270,000	1,270,000
Excess (Deficiency) of Revenue Collected Over (Under) Expenditures Paid and Other Financing Sources (Uses)	(82,188)	(222,233)	1,244,425	940,004
Fund Balance - Beginning of Year	125,959	453,564	90,227	669,750
Fund Balance - Ending of Year	\$ 43,771	\$ 231,331	\$ 1,334,652	\$ 1,609,754

The accompanying notes are an integral part of this statement.

BEGGS SCHOOL DISTRICT NO. I-4
 OKMULGEE COUNTY, OKLAHOMA
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND EQUITY
 REGULATORY FUNDS - ALL AGENCY FUNDS
 JUNE 30, 2023

	<u>Agency Fund Activity Funds</u>	<u>Total</u>
ASSETS		
Cash and Cash Equivalents	\$ 347,522	\$ 347,522
Total Assets	<u>\$ 347,522</u>	<u>\$ 347,522</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Due to Others	\$ 347,522	\$ 347,522
Total Liabilities	<u>347,522</u>	<u>347,522</u>
Fund Equity:		
Unreserved/Undesignated	<u>-</u>	<u>-</u>
Total Liabilities and Fund Equity	<u>\$ 347,522</u>	<u>\$ 347,522</u>

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

BEGGS SCHOOL DISTRICT NO. I-4
OKMULGEE COUNTY, OKLAHOMA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
REGULATORY BASIS - ACTIVITY FUND
JUNE 30, 2023

	<u>July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2023</u>
FOOTBALL	\$ 13,009	\$ 28,221	\$ 24,166	\$ 17,064
FOOTBALL BOOSTERS	2,340	9,798	7,537	4,601
GIRLS BASKETBALL	959	9,778	9,691	1,046
BASEBALL	16,014	34,674	18,821	31,867
SOFTBALL	3,547	3,000	2,502	4,045
BOYS BASKETBALL	473	3,614	3,228	859
DUGOUT CLUB	95	-	-	95
TENNIS	1,642	-	1,642	-
TRACK	2,059	1,750	1,024	2,785
SOFTBALL DUGOUT CLUB	2,031	-	1,842	189
GOLF	979	1,708	1,807	880
GIRLS TRACK	10,153	1,751	6,704	5,200
HIGH SCHOOL COUNSELING	52	-	52	-
WEIGHT CLASS	153	-	-	153
MIDDLE SCHOOL ATHLETICS	20,043	15,249	18,901	16,391
HUDL	-	12,500	1,800	10,700
BES LIBRARY	6,134	1,032	1,665	5,501
GS ACT	28,563	33,882	43,167	19,278
GS VENDING	786	6,242	5,131	1,897
GS STUDENT STORE	724	-	724	-
GS BACK PACK BUDDIES	3,907	402	1,569	2,740
MIDDLE SCHOOL ACTIVITIES	12,777	8,921	13,660	8,038
MIDDLE SCHOOL STUDENT COUNCIL	2,928	1,201	1,272	2,857
MIDDLE SCHOOL LIBRARY	3,182	5,026	4,230	3,978
BMS VENDING	1,754	46	-	1,800
DAY CARE TARGET DONATION	402	-	402	-
MS NATIONAL JR HONOR SOCIETY	362	390	311	441
MS BACK PACK BUDDIES	7,626	-	2,019	5,607
FACS/FCCLA	-	1,347	1,086	261
HIGH SCHOOL ACTIVITIES	3,056	108,388	76,098	35,346
HIGH SCHOOL ART	69	-	69	-
HIGH SCHOOL ACADEMIC TEAM	61	-	-	61
BAND	19,102	38,740	29,405	28,437
SPEECH AND DRAMA	990	-	990	-
HIGH SCHOOL CHEERLEADERS	(1,206)	42,302	34,167	6,929
BAND TRIP	415	1,314	760	969
FFA	14,206	65,717	71,706	8,217
CONCESSION	37,246	56,489	79,536	14,199
BUSINESS PROFESSIONALS OF AMERICA	1,376	16,057	5,672	11,761
4-H AND FFA BOOSTERS	23,481	47,223	40,077	30,627
HORTICULTURE	9,871	1,530	5,824	5,577
JUNIORS	9,452	2,345	6,481	5,316
HIGH SCHOOL LIBRARY	54	-	-	54

BEGGS SCHOOL DISTRICT NO. I-4
OKMULGEE COUNTY, OKLAHOMA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
REGULATORY BASIS - ACTIVITY FUND - CONTINUED
JUNE 30, 2023

	<u>July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2023</u>
MORRIS PI	\$ 278	-	-	\$ 278
HS NATIONAL HONOR SOCIETY	1,632	329	92	1,869
SENIORS	1,423	3,280	1,500	3,203
TSA	1,865	3,085	1,676	3,274
ARCHERY	841	1,837	1,243	1,435
NATIVE PRIDE	8,840	499	489	8,850
HIGH SCHOOL STUDENT COUNCIL	585	734	742	577
YEARBOOK	8,829	16,516	18,361	6,984
MU ALPHA THETA	1,491	315	1,044	762
BAND BOOSTERS	9,520	17,991	27,461	50
ALPHA	1,519	4,070	4,373	1,216
ADMIN ACCOUNT	18,845	10,084	20,958	7,971
HIGH SCHOOL SCIENCE	193	-	193	-
SPECIAL EDUCATION ACTIVITIES	195	-	-	195
HS CHEER MOM'S CLUB	2,419	-	-	2,419
HS VENDING	5,249	556	649	5,156
HS ATHLETICS	6,618	17,434	17,308	6,744
MS SCIENCE	242	-	242	-
MS COUNSELING	117	-	-	117
SWAB	50	-	50	-
CAMPUS POLICE	336	320	-	656
	<u>331,954</u>	<u>637,687</u>	<u>622,119</u>	<u>347,522</u>
TOTAL ACTIVITIES	<u>\$ 331,954</u>	<u>\$637,687</u>	<u>\$ 622,119</u>	<u>\$ 347,522</u>

BEGGS SCHOOL DISTRICT NO. I-4
OKMULGEE COUNTY, OKLAHOMA
SCHEDULE OF FEDERAL AWARDS EXPENDED
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass Through Grantor/Program Title	Federal Grantor's Approved Balance at					Balance at June30,2023	
	CFDA#	Number	Amount	July1,2022	Receipts		Expenditures*
U.S. Department of Education							
Direct Programs							
Title VII	84.060		\$ -	\$ -	\$ 94,884	\$ 92,729	\$ -
Total Direct			-	-	94,884	92,729	-
Passed Through State							
Dept. of Educ.							
Title 1/Basic	84.010		-	-	270,581	304,239	-
Total Title 1 Cluster			-	-	270,581	304,239	-
Sp Ed Pro Devlp OSDE Sponsored	84.027		-	-	1,782	1,782	-
IDEA-B, SEA Discretionary	84.027		-	-	242,581	237,582	-
IDEA-B, Flow Through PL	84.027		-	-	11,382	-	-
IDEA-B, ARP Preschool	84.027X		-	-	50,055	-	-
Subtotal Flow Through			-	-	305,800	239,364	-
IDEA-B, Preschool	84.173		-	-	2,957	2,957	-
Total Sp Ed Prof Devlp Cluster			-	-	308,757	242,321	-
ESSER II/CARES Act	84.425D		-	-	7,731	5,215	-
ARP ESSER Elem & Sec School	84.425U		-	-	1,150,209	616,170	-
ARP ESSER-Science of Reading	84.425U		-	-	1,938	1,938	-
Subtotal CARES Act			-	-	1,159,878	623,323	-
Learning Center	84.287		-	-	208,875	243,003	-
Teacher/Principal	84.367		-	-	33,658	-	-
Title IV	84.424A		-	-	17,827	17,827	-
Total Other			-	-	260,360	260,830	-
Total Passed Through			-	-	1,999,576	1,430,713	-
State Dept. of Educ.			-	-	2,094,460	1,523,442	-
Total U.S. Dept. Of Education			-	-			-
U.S. Department of Health & Human Serv.							
Passed Through Bureau of Indian Affairs							
Johnson O'Malley	15.130		-	-	16,580	19,549	-
Johnson O'Malley/MCN/BIA	15.130		-	-	-	4,406	-
Total Johnson O'Malley			-	-	16,580	23,955	-
Passed Through Oklahoma							
Health Care Authority							
Medical Assistance Program	93.778		-	-	297	-	-
U.S. Dept Of Agriculture Passed							
Through State Dept.of Education							
USDA Supply Chain Assistance	10.555		-	-	36,951	34,198	-
P-EBT Local Admin Funds	10.649		-	-	628	-	-
School Breakfast Program	10.553		-	-	102,157	85,239	-
School Lunch Program	10.555		-	-	319,621	288,432	-
Summer Food Service	10.559		-	67,316	-	-	67,316
Child & Adult Care Food Program	10.559		-	243,395	39,117	34,647	247,865
Subtotal Dept of Agriculture			-	310,711	498,474	442,516	315,181
Passed Through State Dept.							
Of Human Services							
Child Nutrition Cluster							
Non-Cash Asst (Commodities)	10.555		-	-	57,781	57,781	-
Total Child Nutrition Cluster			-	310,711	556,255	500,297	315,181
Total Expenditures of Federal Awards			\$ -	\$310,711	\$2,667,592	\$ 2,047,694	\$ 315,181

Note 1 - * Represents federal share of expenditures only.

Note 2 - Commodities received in the amount of \$57,781 were of a nonmonetary nature and therefore the total revenue does not agree with the financial statements by this amount.

Note 3 - This schedule is prepared using the regulatory basis of accounting described in Note 1C.

Note 4 - The District has elected not to use the 10% de minimis indirect cost rate as allowed under Uniform Guidance

The accompanying notes are an integral part of this statement.

BEGGS SCHOOL DISTRICT NO. I-4
 OKMULGEE COUNTY, OKLAHOMA
 STATEMENT OF STATUTORY, FIDELITY, AND HONESTY BONDS
 FOR THE YEAR ENDED JUNE 30, 2023

<u>Bond Type</u>	<u>Bonding Company</u>	<u>Bond Number</u>	<u>Amount</u>	<u>Effective Date</u>
Surety/Position	Old Republic	POB2102855	\$ 250,000	10/4/21-10/04/22*
Surety/Position	Old Republic	POB2102855	\$ 250,000	10/4/22-10/04/23*

*Covers the following:

<u>Position</u>	<u>Bond Amount</u>
Treasurer	\$ 250,000
Lunch Fund	\$ 5,000
Activity Fund	\$ 5,000
Encumbrance Clerk	\$ 5,000
Minutes Clerk	\$ 5,000
Superintendent	\$ 100,000

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

To the Board of Education
Beggs School District No. I-4
Okmulgee County
Beggs, Oklahoma

I have audited, in accordance with the 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 Beggs School District No. I-4, Okmulgee County, Oklahoma (District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued my report thereon dated March 11, 2024 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 the presentation followed the regulatory basis of accounting for Oklahoma school districts and did not conform to the presentation requirements of the Governmental Accounting Standards Board. However, our report was qualified for the omission of the General Fixed Assets Account Group with respect to the presentation of the financial statements on the regulatory basis of accounting authorized by the Oklahoma State Department of Education.

Report on Internal Control Over Financial Reporting

In planning and performing my audit, I 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 my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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 combination of deficiencies, in internal control such that there is 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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2023-01 and 2023-02.

My 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 deficiencies, significant deficiencies or material weaknesses. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2023-01 and 2023-02.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control 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.

Sincerely,



Ralph Osborn
Certified Public Accountant
Bristow, Oklahoma
March 11, 2024

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

To the Honorable Board of Education
Independent School District No. I-4
Beggs, Okmulgee County, Oklahoma

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

I have audited Beggs School District No. I-4, Okmulgee County, Oklahoma (the District)'s compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In my opinion, Beggs School District No. I-4, Okmulgee County, Oklahoma, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis of Opinion on Each Major Federal Program

I conducted my 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). My responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

I am required to be independent of Beggs School District No. I-4, Okmulgee County, Oklahoma and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major federal program. My audit does not provide a legal determination of Beggs School District No. I-4, Okmulgee 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 Beggs School District No. I-4, Okmulgee County, Oklahoma's federal programs.

Auditor's Responsibilities for the Audit of Compliance

My 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 Beggs School District No. I-4, Okmulgee County, Oklahoma's compliance based on my 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 Beggs School District No. I-4, Okmulgee 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, I:

- 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 Beggs School District No. I-4, Okmulgee County, Oklahoma's compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.
- Obtain an understanding of Beggs School District No. I-4, Okmulgee 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 Beggs School District No. I-4, Okmulgee County, Oklahoma's internal control over compliance. Accordingly, no such opinion is expressed.

I am 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 I 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 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.

My 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 my audit I did not identify any deficiencies in internal control over compliance that I 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.

My 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 my testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Ralph Osborn
Certified Public Accountant
Bristow, Oklahoma
March 11, 2024

BEGGS SCHOOL DISTRICT NO. I-4
 OKMULGEE COUNTY, OKLAHOMA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2023

Section I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Qualified on regulatory basis of accounting

Internal control over financial reporting:
 Material weakness(es) identified? ___ Yes X No
 Significant deficiency identified that is not considered to be material weakness(es)? ___ Yes X None Reported

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

Internal control over major programs:
 Material Weakness(es) identified? ___ Yes X No
 Significant deficiency identified that is not considered to be material weakness(es)? ___ Yes X None Reported

Type of auditor's report issued on compliance to major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510 of Uniform Guidance ___ Yes X No

Identification of Major Programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027	IDEA-Part B Flow Through
84.425D	ESSER/CARES

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

Auditee qualified as low-risk auditee? ___ Yes X No

Section II - FINANCIAL STATEMENT FINDINGS

2023-01 Stipend payments

Condition: The District paid stipends prior to warrants being approved by the Beggs Board of Education.

Criteria: The District is required to obtain Board approval prior to paying stipends and payroll.

Cause/Effect: The District paid expenditures without proper prior approval.

Recommendation: The Beggs Board of Education should approve stipends and payroll prior to payment.

Districts Response: The Beggs Board of Education will approve all stipends prior to payment.

BEGGS SCHOOL DISTRICT NO. I-4
OKMULGEE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

2023-02 Misclassification of Bond Proceeds

Condition: The District coded bond proceeds into local revenues.

Criteria: The District is required to code bond proceeds correctly based upon the OCAS manual.

Cause/Effect: The Treasurer thought initial bond proceeds was accrued interest on bond and coded it to local revenue. The error results in misstating local revenue and bond proceeds by the same amount.

Recommendation: The District should consult with their Bond advisor and record bond proceeds based upon the OCAS manual.

Districts Response: The District will consult their Bond advisor prior to future coding.

Section III - FEDERAL AWARD PROGRAM FINDINGS

There were no items noted.

BEGGS SCHOOL DISTRICT NO. I-4
OKMULGEE COUNTY, OKLAHOMA
STATUS OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023

There were no prior year significant deficiencies or material instances of non-compliance.

BEGGS SCHOOL DISTRICT NO. I-4
OKMULGEE COUNTY, OKLAHOMA
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE AFFIDAVIT
JULY 1, 2022 TO JUNE 30, 2023

State of Oklahoma)
County of Creek)

The undersigned auditing firm of lawful age, being first duly sworn on oath, says that 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 Beggs School District No. I-4 for the audit year 2022-2023.

Ralph Osborn, CPA

Auditing Firm

Ralph Osborn

By _____

Authorized Agent

Subscribed and sworn to before me
on this 11th day of March, 2024.

Candice NeSmith

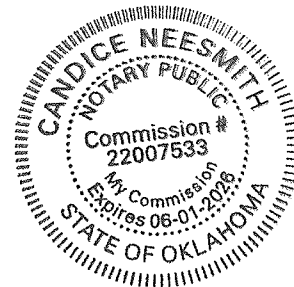
Notary Public

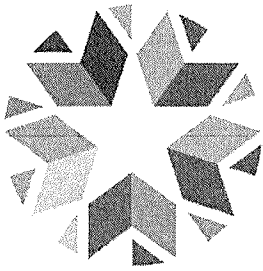
My commission expires on:

1st day of June, 2026

My commission number:

22007533





OKLAHOMA Education

AUDIT ACKNOWLEDGMENT

Audit Year: 2022-2023

District Name Beggs School District

District Number I-4

County Name Okmulgee County

County Code 56

The annual independent audit was presented to the Board of Education in a meeting conducted in accordance with the Open Meeting Act 25 O.S. Section 301-314 on March 11, 2024.
(Date of Meeting)

Ralph Osborn

The audit was presented by Ralph Osborn, CPA
(Independent Auditor)

(Independent Auditor's Signature)

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

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

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

Signature of the Board of Education:

[Signature]
Superintendent

[Signature]
Board of Education President

Leonard Moore
Board of Education Vice -President

[Signature]
Board of Education Member

[Signature]
Board of Education Member

[Signature]
Board of Education Member

Board of Education Member

Subscribed and sworn before me on March 11, 2024 My commission expires 5-21-2027.
(Sworn On)

Kortney Crosby
(Notary Public)

