

FINANCIAL STATEMENTS AND REPORTS OF  
BEGGS SCHOOL DISTRICT NO. I-4  
OKMULGEE COUNTY, OKLAHOMA  
JUNE 30, 2024

RALPH OSBORN, CPA LLP  
500 SOUTH CHESTNUT  
P.O. BOX 1015  
BRISTOW, OKLAHOMA 74010-1015

BEGGS SCHOOL DISTRICT NO. I-4  
OKMULGEE COUNTY, OKLAHOMA  
JUNE 30, 2024

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BEGGS SCHOOL DISTRICT NO. I-4  
OKMULGEE COUNTY, OKLAHOMA  
SCHOOL DISTRICT OFFICIALS  
JUNE 30, 2024

BOARD OF EDUCATION

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Clerk  
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Kortney Crosby

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# RALPH OSBORN, CPA LLP

500 S. Chestnut  
P.O. Box 1015  
Bristow, OK 74010

(918) 367-2208  
(888) 413-2208  
Fax (918) 367-1034  
or (888) 261-6468

## INDEPENDENT AUDITOR'S REPORT

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

### *OPINIONS*

We 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, 2024 and the related notes to the financial statements, as listed in the table of contents.

### *QUALIFIED OPINION ON REGULATORY BASIS OF ACCOUNTING*

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, the financial statements referred to 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, 2024, 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 our 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, 2024, the changes in its financial position, or, where applicable, its cash flows for the year then ended.

### *BASIS FOR OPINIONS*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Beggs School District No. I-4, Okmulgee County, Oklahoma, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence We have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *BASIS FOR QUALIFIED OPINION ON REGULATORY BASIS OF ACCOUNTING*

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

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

As 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***

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 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 our 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.

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 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 our opinion, the combining statements—regulatory basis and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole arising from regulatory basis transactions.

## ***OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS***

In accordance with Government Auditing Standards, We have also issued our report dated December 9, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

***Ralph Osborn, CPA LLP***

Ralph Osborn, CPA LLP  
Bristow, Oklahoma  
December 9, 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, 2024

	Governmental Fund Type				Fiduciary Fund Types	Account Groups	
	General	Special Revenue	Debt Service	Capital Projects	Trust And Agency	General Long-Term Debt	Total (Memorandum Only)
<b><u>ASSETS</u></b>							
Cash and cash equivalents	\$ 2,366,269	\$1,134,710	\$ 725,906	\$ 82,433	\$ 375,364	\$ -	\$4,684,682
Amount available in Debt Service fund	-	-	-	-	-	725,906	725,906
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	3,414,094	3,414,094
Amount to be provided for capitalized lease agreements	-	-	-	-	-	101,168	101,168
<b>Total Assets</b>	<b><u>\$ 2,366,269</u></b>	<b><u>\$1,134,710</u></b>	<b><u>\$ 725,906</u></b>	<b><u>\$ 82,433</u></b>	<b><u>\$ 375,364</u></b>	<b><u>\$4,241,168</u></b>	<b><u>\$ 8,925,850</u></b>
<b><u>LIABILITIES AND FUND EQUITY</u></b>							
<b><u>LIABILITIES</u></b>							
Warrants payable	\$ 323,925	\$ 44,311	\$ -	\$ 12,727	\$ -	\$ -	\$ 380,963
Encumbrances	-	-	-	-	-	-	-
Due to other groups	-	-	-	-	375,364	-	375,364
Long-term debt:							
Judgment payable	-	-	-	-	-	-	-
Bonds payable	-	-	-	-	-	4,140,000	4,140,000
Capital leases	-	-	-	-	-	101,168	101,168
<b>Total Liabilities</b>	<b><u>323,925</u></b>	<b><u>44,311</u></b>	<b><u>-</u></b>	<b><u>12,727</u></b>	<b><u>375,364</u></b>	<b><u>4,241,168</u></b>	<b><u>4,997,495</u></b>
<b><u>FUND EQUITY</u></b>							
Unreserved							
Designated for capital projects	-	-	-	69,706	-	-	69,706
Designated for debt service	-	-	725,906	-	-	-	725,906
Undesignated	<u>2,042,344</u>	<u>1,090,399</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,132,743</u>
<b>Total fund equity</b>	<b><u>2,042,344</u></b>	<b><u>1,090,399</u></b>	<b><u>725,906</u></b>	<b><u>69,706</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>3,928,355</u></b>
<b>Total liabilities and fund equity</b>	<b><u>\$ 2,366,269</u></b>	<b><u>\$1,134,710</u></b>	<b><u>\$ 725,906</u></b>	<b><u>\$ 82,433</u></b>	<b><u>\$ 375,364</u></b>	<b><u>\$4,241,168</u></b>	<b><u>\$ 8,925,850</u></b>

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, 2024

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total (Memorandum Only)</u>
<b>Revenues Collected</b>					
Local Resources	\$ 1,879,255	\$ 440,175	\$1,197,442	\$ -	\$ 3,516,872
Intermediate Sources	181,321	-	-	-	181,321
State Sources	7,058,933	406,904	-	-	7,465,837
Federal Sources	1,055,129	538,510	-	-	1,593,639
Non-Revenue Receipts	<u>153</u>	<u>291</u>	<u>-</u>	<u>-</u>	<u>444</u>
Total Revenues Collected	<u>10,174,791</u>	<u>1,385,880</u>	<u>1,197,442</u>	<u>-</u>	<u>12,758,113</u>
<b>Expenditures Paid</b>					
Instruction	5,576,468	-	-	30,855	5,607,323
Support Services	4,339,845	188,949	-	2,714,802	7,243,596
Non-Instruction Services	14,658	669,487	-	-	684,145
Capital Outlay	-	141,936	-	-	141,936
Other Outlays	153	291	-	-	444
Other Uses	-	-	-	164,391	164,391
Debt Service:					
Principal Retirement	-	-	930,000	-	930,000
Interest	<u>-</u>	<u>-</u>	<u>78,455</u>	<u>-</u>	<u>78,455</u>
Total Expenditures Paid	<u>9,931,124</u>	<u>1,000,663</u>	<u>1,008,455</u>	<u>2,910,048</u>	<u>14,850,290</u>
Excess of Revenues Collected Over (Under) Expenditures Paid	243,667	385,217	188,987	(2,910,048)	(2,092,177)
Adjustments to Prior Year					
Lapsed Appropriations	74,521	19,841	-	-	94,362
Estopped Warrants	921	-	-	-	921
Other Financing Sources (Uses)					
Bond Sale Proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,370,000</u>	<u>1,370,000</u>
Excess (Deficiency) of Revenue Collected Over (Under) Expenditures Paid And Other Financing Sources (Uses)	319,109	405,058	188,987	(1,540,048)	(626,894)
Fund Balance, Beginning	<u>1,723,235</u>	<u>685,341</u>	<u>536,919</u>	<u>1,609,754</u>	<u>4,555,249</u>
Fund Balance, Ending	<u>\$ 2,042,344</u>	<u>\$1,090,399</u>	<u>\$ 725,906</u>	<u>\$ 69,706</u>	<u>\$ 3,928,355</u>

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, 2024

	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	\$1,751,949	\$1,751,949	\$1,879,255	\$ 322,691	\$ 322,691	\$ 440,175	\$1,101,029	\$1,101,029	\$1,197,442
Intermediate Sources	165,121	165,121	181,321	-	-	-	-	-	-
State Sources	5,647,006	5,647,006	7,058,933	130,554	130,554	406,904	-	-	-
Federal Sources	993,296	993,296	1,055,129	448,627	448,627	538,510	-	-	-
Non-Revenue Receipts	<u>202</u>	<u>202</u>	<u>153</u>	<u>333</u>	<u>333</u>	<u>291</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues Collected	<u>8,557,574</u>	<u>8,557,574</u>	<u>10,174,791</u>	<u>902,205</u>	<u>902,205</u>	<u>1,385,880</u>	<u>1,101,029</u>	<u>1,101,029</u>	<u>1,197,442</u>
Expenditures Paid									
Instruction	10,280,809	10,280,809	5,576,468	-	-	-	-	-	-
Support Services	-	-	4,339,845	752,682	752,682	188,949	-	-	-
Non-Instruction Services	-	-	14,658	834,864	834,864	669,487	-	-	-
Capital Outlays	-	-	-	-	-	141,936	-	-	-
Other Outlays	-	-	153	-	-	291	-	-	-
Debt Service:									
Principal Retirement	-	-	-	-	-	-	930,000	930,000	930,000
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,455</u>	<u>78,455</u>	<u>78,455</u>
Total Expenditures Paid	<u>10,280,809</u>	<u>10,280,809</u>	<u>9,931,124</u>	<u>1,587,546</u>	<u>1,587,546</u>	<u>1,000,663</u>	<u>1,008,455</u>	<u>1,008,455</u>	<u>1,008,455</u>
Excess of Revenues Collected									
Over(Under) Expenditures									
Paid Before Adjustments									
To Prior Year	<u>(1,723,235)</u>	<u>(1,723,235)</u>	<u>243,667</u>	<u>(685,341)</u>	<u>(685,341)</u>	<u>385,217</u>	<u>92,574</u>	<u>92,574</u>	<u>188,987</u>
Adjustments to Prior Year									
Lapsed Appropriations	-	-	74,521	-	-	19,841	-	-	-
Estopped Warrants	<u>-</u>	<u>-</u>	<u>921</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenue									
Collected Over (Under)									
Expenditures Paid And Other									
Financing Sources (Uses)	<u>(1,723,235)</u>	<u>(1,723,235)</u>	<u>319,109</u>	<u>(685,341)</u>	<u>(685,341)</u>	<u>405,058</u>	<u>92,574</u>	<u>92,574</u>	<u>188,987</u>
Fund Balance, Beginning	<u>1,723,235</u>	<u>1,723,235</u>	<u>1,723,235</u>	<u>685,341</u>	<u>685,341</u>	<u>685,341</u>	<u>536,919</u>	<u>536,919</u>	<u>536,919</u>
Fund Balance, Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$2,042,344</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$1,090,399</u>	<u>\$ 629,493</u>	<u>\$ 629,493</u>	<u>\$ 725,906</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, 2024

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, 2024

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's 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, 2024

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.

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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.

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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, 2024 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.

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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 2024.

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.

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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, 2024, 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 \$4,684,682 at June 30, 2024. The bank balance of the deposits at June 30, 2024 was approximately \$4,684,682.

Credit Risk

Fixed-income securities are subject to credit risk. However, the District did not have fixed income securities at June 30, 2024.

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, 2024, 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.

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The following is a summary of the long-term debt transactions of the District for the year ended June 30, 2024:

	<u>Bonds Payable</u>	<u>Capital Lease Obligation</u>	<u>Total</u>
Balance, July 1, 2023	\$ 3,700,000	\$ 148,678	\$ 3,848,678
Additions	1,370,000	-	1,370,000
Retirements	<u>(930,000)</u>	<u>(47,510)</u>	<u>(977,510)</u>
Balance, June 30, 2024	<u>\$ 4,140,000</u>	<u>\$ 101,168</u>	<u>\$ 4,241,168</u>

A brief description of the outstanding general obligation bond issues and judgment at June 30, 2024 is set forth below:

	<u>Amount</u>
<b>Outstanding Bonds</b>	
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.	\$ 190,000
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.	660,000
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.	650,000
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
Independent School District No. I-4 Building Bonds, Series 2024, original issue \$1,370,000, interest rate of 4.00%, due in annual installments of \$455,000, final payment of \$460,000 due April 1, 2028.	<u>1,370,000</u>
<b>Total Bonds Outstanding</b>	<u>\$ 4,140,000</u>

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 995,000	\$ 19,775	\$ 1,014,775
2026	1,260,000	15,545	1,275,545
2027	930,000	13,400	943,400
2028	<u>955,000</u>	<u>13,893</u>	<u>968,893</u>
Total	<u>\$ 4,140,000</u>	<u>\$ 62,613</u>	<u>\$ 4,202,613</u>

Interest expense on bonds paid during the current year totaled \$78,455.



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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:

<u>Year Ending June 30</u>	<u>Turf</u>	<u>Total</u>
2025	\$ 52,635	\$ 52,635
2026	<u>52,635</u>	<u>52,635</u>
Total minimum lease payments	105,270	105,270
Less: Amount representing interest	<u>(4,102)</u>	<u>(4,102)</u>
Present value of future minimum lease payments	<u>\$ 101,168</u>	<u>\$ 101,168</u>

#### 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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JUNE 30, 2024

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, 2024. 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 2024, 2023, and 2022 were \$642,455, \$851,174, and \$956,764 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 December 9, 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.

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COMBINING STATEMENT OF ASSETS, LIABILITIES, AND CASH FUND BALANCES  
REGULATORY BASIS - ALL SPECIAL REVENUE FUNDS  
JUNE 30, 2024

	<u>Building Fund</u>	<u>Child Nutrition</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 931,882	\$ 202,828	\$ 1,134,710
Total Assets	<u>\$ 931,882</u>	<u>\$ 202,828</u>	<u>\$ 1,134,710</u>
<b>LIABILITIES AND FUND EQUITY</b>			
<b>Liabilities:</b>			
Warrants Payable	\$ 29,700	\$ 14,611	\$ 44,311
Encumbrances	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>29,700</u>	<u>14,611</u>	<u>44,311</u>
<b>Fund Equity:</b>			
Unreserved			
Undesignated	<u>902,182</u>	<u>188,217</u>	<u>1,090,399</u>
Total Fund Equity	<u>902,182</u>	<u>188,217</u>	<u>1,090,399</u>
Total Liabilities and Fund Equity	<u>\$ 931,882</u>	<u>\$ 202,828</u>	<u>\$ 1,134,710</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, 2024

	<u>Building Fund</u>	<u>Child Nutrition</u>	<u>Total</u>
Revenues Collected:			
Local Sources	\$ 316,804	\$ 123,371	\$ 440,175
Intermediate Sources	-	-	-
State Sources	334,753	72,151	406,904
Federal Sources	122,699	415,811	538,510
Non-Revenue Receipts	<u>7</u>	<u>284</u>	<u>291</u>
Total Revenues	<u>774,263</u>	<u>611,617</u>	<u>1,385,880</u>
Expenditures Paid:			
Instruction	-	-	-
Support Services	188,949	-	188,949
Non-instruction	-	669,487	669,487
Capital Outlay	141,936	-	141,936
Other Outlay	<u>7</u>	<u>284</u>	<u>291</u>
Total Expenditures Paid	<u>330,892</u>	<u>669,771</u>	<u>1,000,663</u>
Excess of Revenues Collected Over(Under) Expenses Paid Before Adjustments to Prior Year	<u>443,371</u>	<u>(58,154)</u>	<u>385,217</u>
Adjustments to Prior Year Lapsed Encumbrances	<u>-</u>	<u>19,841</u>	<u>19,841</u>
Total Adjustments	<u>-</u>	<u>19,841</u>	<u>19,841</u>
Excess (Deficiency) of Revenue Collected Over(Under) Expenditures Paid and Other Financing Sources (Uses)	443,371	(38,313)	405,058
Fund Balance - Beginning of Year	<u>458,811</u>	<u>226,530</u>	<u>685,341</u>
Fund Balance - Ending of Year	<u>\$ 902,182</u>	<u>\$ 188,217</u>	<u>\$ 1,090,399</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, 2024

	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	\$ 225,479	\$ 225,479	\$ 316,804	\$ 97,212	\$ 97,212	\$ 123,371	\$ 322,691	\$ 322,691	\$ 440,175
Intermediate Sources	-	-	-	-	-	-	-	-	-
State Sources	68,392	68,392	334,753	62,162	62,162	72,151	130,554	130,554	406,904
Federal Sources	-	-	122,699	448,627	448,627	415,811	448,627	448,627	538,510
Non-Revenue Receipts	-	-	7	333	333	284	333	333	291
Total Revenue Collected	<u>293,871</u>	<u>293,871</u>	<u>774,263</u>	<u>608,334</u>	<u>608,334</u>	<u>611,617</u>	<u>902,205</u>	<u>902,205</u>	<u>1,385,880</u>
Expenditures Paid:									
Instruction	-	-	-	-	-	-	-	-	-
Support Services	752,682	752,682	188,949	-	-	-	752,682	752,682	188,949
Non-Instruction Services	-	-	-	834,864	834,864	669,487	834,864	834,864	669,487
Capital Outlay	-	-	141,936	-	-	-	-	-	141,936
Other Outlay	-	-	7	-	-	284	-	-	291
Total Expenditures Paid	<u>752,682</u>	<u>752,682</u>	<u>330,892</u>	<u>834,864</u>	<u>834,864</u>	<u>669,771</u>	<u>1,587,546</u>	<u>1,587,546</u>	<u>1,000,663</u>
Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments To Prior Year	<u>(458,811)</u>	<u>(458,811)</u>	<u>443,371</u>	<u>(226,530)</u>	<u>(226,530)</u>	<u>(58,154)</u>	<u>(685,341)</u>	<u>(685,341)</u>	<u>385,217</u>
Adjustments to Prior Year									
Estopped Warrants	-	-	-	-	-	-	-	-	-
Lapsed Encumbrances	-	-	-	-	-	19,841	-	-	19,841
Total Adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,841</u>	<u>-</u>	<u>-</u>	<u>19,841</u>
Excess (Deficiency) of Revenue Collected Over (Under) Expenditures Paid and Other Financing Sources (Uses)	(458,811)	(458,811)	443,371	(226,530)	(226,530)	(38,313)	(685,341)	(685,341)	405,058
Fund Balance - Beginning	<u>458,811</u>	<u>458,811</u>	<u>458,811</u>	<u>226,530</u>	<u>226,530</u>	<u>226,530</u>	<u>685,341</u>	<u>685,341</u>	<u>685,341</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 902,182</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 188,217</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$1,090,399</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, 2024

	<u>Bond 32</u>	<u>Bond 34</u>	<u>Bond 35</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 27,994	\$ -	\$ 54,439	\$ 82,433
Total Assets	<u>\$ 27,994</u>	<u>\$ -</u>	<u>\$ 54,439</u>	<u>\$ 82,433</u>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>Liabilities:</b>				
Warrants Payable	\$ 12,727	\$ -	\$ -	\$ 12,727
Encumbrances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>12,727</u>	<u>-</u>	<u>-</u>	<u>12,727</u>
<b>Fund Equity:</b>				
Unreserved				
Undesignated	<u>15,267</u>	<u>-</u>	<u>54,439</u>	<u>69,706</u>
Total Fund Equity	<u>15,267</u>	<u>-</u>	<u>54,439</u>	<u>69,706</u>
Total Liabilities and Fund Equity	<u>\$ 27,994</u>	<u>\$ -</u>	<u>\$ 54,439</u>	<u>\$ 82,433</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, 2024

	<u>Bond 32</u>	<u>Bond 34</u>	<u>Bond 35</u>	<u>Total</u>
Revenues Collected:				
Local Sources	\$ -	\$ -	\$ -	\$ -
Intermediate Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	-	-	-
Non-Revenue Receipts	-	-	-	-
Total Revenues	-	-	-	-
Expenditures Paid:				
Instruction	17,550	-	13,305	30,855
Support Services	10,954	231,331	2,472,517	2,714,802
Non-instruction	-	-	-	-
Other Uses	-	-	164,391	164,391
Other Outlay	-	-	-	-
Total Expenditures Paid	28,504	231,331	2,650,213	2,910,048
Excess of Revenues Collected Over(Under) Expenses Paid Before Adjustments to Prior Year	(28,504)	(231,331)	(2,650,213)	(2,910,048)
Other Financing Sources (Uses)				
Bond Sale Proceeds	-	-	1,370,000	1,370,000
Excess (Deficiency) of Revenue Collected Over(Under) Expenditures Paid and Other Financing Sources (Uses)	(28,504)	(231,331)	(1,280,213)	(1,540,048)
Fund Balance - Beginning of Year	43,771	231,331	1,334,652	1,609,754
Fund Balance - Ending of Year	\$ 15,267	\$ -	\$ 54,439	\$ 69,706

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, 2024

	Agency Fund Activity Funds	Total
ASSETS		
Cash and Cash Equivalents	\$ 375,364	\$ 375,364
Total Assets	<u>\$ 375,364</u>	<u>\$ 375,364</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Due to Others	\$ 375,364	\$ 375,364
Total Liabilities	<u>375,364</u>	<u>375,364</u>
Fund Equity:		
Unreserved/Undesignated	<u>-</u>	<u>-</u>
Total Liabilities and Fund Equity	<u>\$ 375,364</u>	<u>\$ 375,364</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, 2024

	<u>July 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2024</u>
FOOTBALL	\$ 17,064	\$ 49,584	\$ 42,389	\$ 24,259
FOOTBALL BOOSTERS	4,601	884	2,207	3,278
GIRLS BASKETBALL	1,046	12,845	12,910	981
BASEBALL	31,868	40,947	33,798	39,017
SOFTBALL	4,045	8,311	6,311	6,045
BOYS BASKETBALL	859	9,741	6,257	4,343
DUGOUT CLUB	95	-	95	-
BOYS TRACK	2,785	1,750	1,743	2,792
SOFTBALL DUGOUT CLUB	189	-	189	-
GOLF	880	2,306	2,156	1,030
GIRLS TRACK	5,200	1,750	1,922	5,028
HEARTLAND CONFERENCE	-	3,678	-	3,678
WEIGHT CLASS	153	-	-	153
MIDDLE SCHOOL ATHLETICS	16,391	18,526	18,829	16,088
HUDL	10,700	2,050	9,900	2,850
BES LIBRARY	5,501	515	1,377	4,639
ELEM ACTIVITY	19,278	29,358	28,551	20,085
ELEM VENDING	1,897	7,863	3,796	5,964
GS BACK PACK BUDDIES	2,740	1,250	1,523	2,467
MIDDLE SCHOOL ACTIVITIES	8,038	11,582	14,945	4,675
MIDDLE SCHOOL STUDENT COUNCIL	2,856	850	1,115	2,591
MIDDLE SCHOOL LIBRARY	3,978	5,052	5,694	3,336
BMS VENDING	1,800	-	-	1,800
MS FCCLA	-	1,827	712	1,115
HS SPANISH CLUB	-	1,812	1,427	385
HS DRAMA	-	97	-	97
MS NATIONAL JR HONOR SOCIETY	441	-	150	291
MS BACK PACK BUDDIES	5,607	300	1,725	4,182
FACS/FCCLA	261	2,912	2,081	1,092
HIGH SCHOOL ACTIVITIES	35,346	63,412	80,334	18,424
HIGH SCHOOL ACADEMIC TEAM	61	-	-	61
BAND	28,436	37,243	47,056	18,623
HIGH SCHOOL CHEERLEADERS	6,929	25,588	26,366	6,151
BAND TRIP	969	-	-	969
FFA	8,217	71,924	63,127	17,014
CONCESSION	14,199	59,979	39,079	35,099
BUSINESS PROFESSIONALS OF AMERICA	11,761	12,355	10,895	13,221
4-H AND FFA BOOSTERS	30,627	44,580	40,224	34,983
HORTICULTURE	5,577	1,648	2,960	4,265
JUNIORS	5,316	2,999	6,055	2,260
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, 2024

	<u>July 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2024</u>
MORRIS PI	\$ 278	-	-	\$ 278
HS NATIONAL HONOR SOCIETY	1,869	-	180	1,689
SENIORS	3,203	3,670	3,519	3,354
TSA	3,274	2,328	2,134	3,468
ARCHERY	1,435	1,545	-	2,980
NATIVE PRIDE	8,850	-	4,265	4,585
HIGH SCHOOL STUDENT COUNCIL	577	968	739	806
YEARBOOK	6,984	15,790	3,408	19,366
MU ALPHA THETA	762	-	762	-
BAND BOOSTERS	50	-	-	50
ALPHA	1,216	-	1,216	-
ADMIN ACCOUNT	7,971	10,773	6,148	12,596
SPECIAL EDUCATION ACTIVITIES	195	352	124	423
HS CHEER MOM' S CLUB	2,419	-	2,419	-
HS VENDING	5,156	742	353	5,545
HS ATHLETICS	6,744	4,734	5,724	5,754
MS COUNSELING	117	-	-	117
CAMPUS POLICE	<u>656</u>	<u>312</u>	<u>-</u>	<u>968</u>
 TOTAL ACTIVITIES	 <u>\$ 347,521</u>	 <u>\$576,732</u>	 <u>\$ 548,889</u>	 <u>\$ 375,364</u>

BEGGS SCHOOL DISTRICT NO. I-4  
OKMULGEE COUNTY, OKLAHOMA  
SCHEDULE OF FEDERAL AWARDS EXPENDED  
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass Through Grantor/Program Title	Federal Grantor's Approved Balance at CFDA# Number Amount July1,2023	Receipts	Expenditures*	Balance at June30,2024
U.S. Department of Education				
Direct Programs				
Title VII	84.060	\$ -	\$ -	\$ -
Total Direct		-	97,200	94,101
Passed Through State				
Dept. of Educ.				
Sp Ed Pro Devlp OSDE Sponsored	84.027	-	1,086	1,086
IDEA-B, SEA Discretionary	84.027	-	252,062	252,062
ARP Spec Ed Flow Through	84.027X	-	550	550
Subtotal Flow Through		-	253,698	253,698
IDEA-B, Preschool	84.173	-	3,221	3,221
Total Sp Ed Prof Devlp Cluster		-	256,919	256,919
ARP ESSER Elem & Sec School	84.425U	-	335,682	186,064
ARP ESSER-Science of Reading	84.425U	-	3,230	3,230
Subtotal CARES Act		-	338,912	189,294
Learning Center	84.287	-	87,190	-
Title 1/Basic	84.010	-	314,366	348,788
Teacher/Principal	84.367	-	34,422	-
Title IV	84.424A	-	20,626	20,626
Total Other		-	456,604	369,414
Total Passed Through				
State Dept. of Educ.		-	1,052,435	815,627
Total U.S. Dept. Of Education		-	1,149,635	909,728
U.S. Department of Health & Human Serv.				
Passed Through Bureau of Indian Affairs				
Johnson O'Malley	15.130	-	28,192	18,360
Total Johnson O'Malley		-	28,192	18,360
U.S. Dept Of Agriculture Passed				
Through State Dept.of Education				
USDA Supply Chain Assistance	10.555	-	29,924	29,924
School Breakfast Program	10.553	-	118,309	117,957
School Lunch Program	10.555	-	267,579	267,579
Summer Food Service	10.559	-	67,316	-
Child & Adult Care Food Program	10.559	-	247,865	-
Subtotal Dept of Agriculture		-	315,181	415,812
Passed Through State Dept.				
Of Human Services				
Child Nutrition Cluster				
Non-Cash Asst (Commodities)	10.555	-	43,819	43,819
Total Child Nutrition Cluster		-	315,181	459,631
Total Expenditures of Federal Awards		\$ -	\$315,181	\$1,637,458
			\$ 1,387,367	\$ 315,181

Note 1 - \* Represents federal share of expenditures only.

Note 2 - Commodities received in the amount of \$43,819 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, 2024

<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	10/4/22-10/04/23*
Surety/Position	Old Republic	POB2102855	\$ 250,000	10/4/23-10/04/24*

\*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

# RALPH OSBORN, CPA LLP

500 S. Chestnut  
P.O. Box 1015  
Bristow, OK 74010

(918) 367-2208  
(888) 413-2208  
Fax (918) 367-1034  
or (888) 261-6468

## 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

We 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, 2024, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated December 9, 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 our audit, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our 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, We 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 2024-01.

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

#### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, We performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, We do not express such an opinion. The results of our tests disclosed 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 2024-01.

#### Purpose of this Report

The purpose of this report is solely to describe the scope of our 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, CPA LLP***

Ralph Osborn, CPA LLP  
Bristow, Oklahoma  
December 9, 2024

# RALPH OSBORN, CPA LLP

500 S. Chestnut  
P.O. Box 1015  
Bristow, OK 74010

(918) 367-2208  
(888) 413-2208  
Fax (918) 367-1034  
or (888) 261-6468

## 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

We 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, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, 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, 2024.

#### Basis of 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 Beggs School District No. I-4, Okmulgee 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 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

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 Beggs School District No. I-4, Okmulgee 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 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 We 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.

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 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

***Ralph Osborn, CPA LLP***

Ralph Osborn, CPA LLP  
Bristow, Oklahoma  
December 9, 2024

BEGGS SCHOOL DISTRICT NO. I-4  
OKMULGEE COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024

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

CFDA Number(s)

Name of Federal Program or Cluster

84.010

Title I

84.425U

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

2024-01 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, 2024

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, 2024

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.

Status: This has continued into the 2024 fiscal year.

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.

Status: This has been corrected.

BEGGS SCHOOL DISTRICT NO. I-4  
OKMULGEE COUNTY, OKLAHOMA  
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE AFFIDAVIT  
JULY 1, 2023 TO JUNE 30, 2024

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 2023-2024.

Ralph Osborn, CPA

Auditing Firm

*Ralph Osborn*

By \_\_\_\_\_  
Authorized Agent

Subscribed and sworn to before me  
on this 9<sup>th</sup> day of December, 2024.

*Candice Neesmith*  
\_\_\_\_\_  
Notary Public

My commission expires on:

1<sup>st</sup> day of June, 2026

My commission number:

22007533



