

FINANCIAL STATEMENTS AND REPORTS OF
CARLTON LANDING ACADEMY NO. E-20
PITTSBURG COUNTY, OKLAHOMA
JUNE 30, 2024

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CARLTON LANDING ACADEMY NO. E-20
PITTSBURG COUNTY, OKLAHOMA
JUNE 30, 2024

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CARLTON LANDING ACADEMY NO. E-20
PITTSBURG COUNTY, OKLAHOMA
SCHOOL DISTRICT OFFICIALS
JUNE 30, 2024

BOARD OF EDUCATION

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Encumbrance Clerk

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Pam Snyder

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INDEPENDENT AUDITORS REPORT

The Honorable Board of Education
Carlton Landing Academy School No. E-20
Pittsburg County, Oklahoma
Carlton Landing, Oklahoma

OPINIONS

We have audited the accompanying combined fund type and account group financial statements—regulatory basis of Carlton Landing Academy School No. E-20, Pittsburg 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 Carlton Landing Academy School No. E-20, Pittsburg 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 Carlton Landing Academy School No. E-20, Pittsburg 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 Carlton Landing Academy School No. E-20, Pittsburg 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 Carlton Landing Academy School No. E-20, 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, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Carlton Landing Academy School No. E-20, Pittsburg 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 Carlton Landing Academy School No. E-20, Pittsburg 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, 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 March 3, 2025 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.

Sincerely,

Ralph Osborn, CPA LLP

Ralph Osborn, CPA LLP
Bristow, Oklahoma
March 3, 2025

CARLTON LANDING ACADEMY NO. E-20
PITTSBURG 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	Total
	General	Building Fund	Trust Debt Service	(Memorandum Only)
<u>ASSETS</u>				
Cash and cash equivalents	\$ 154,358	\$ 25,672	\$ 7,494	\$ 187,524
Total Assets	<u>\$ 154,358</u>	<u>\$ 25,672</u>	<u>\$ 7,494</u>	<u>\$ 187,524</u>
<u>LIABILITIES AND FUND EQUITY</u>				
LIABILITIES				
Warrants payable	\$ 51,885	\$ -	\$ -	\$ 51,885
Encumbrances	5,106	-	-	5,106
Due to other groups	<u>-</u>	<u>-</u>	<u>7,494</u>	<u>7,494</u>
Total Liabilities	<u>56,991</u>	<u>-</u>	<u>7,494</u>	<u>64,485</u>
FUND EQUITY				
Unreserved				
Undesignated	<u>97,367</u>	<u>25,672</u>	<u>-</u>	<u>123,039</u>
Total fund equity	<u>97,367</u>	<u>25,672</u>	<u>7,494</u>	<u>123,039</u>
Total liabilities and fund equity	<u>\$ 154,358</u>	<u>\$ 25,672</u>	<u>\$ 7,494</u>	<u>\$ 187,524</u>

The accompanying notes are an integral part of this statement.

CARLTON LANDING ACADEMY NO. E-20
PITTSBURG 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>Building Fund</u>	<u>Total (Memorandum Only)</u>
Revenues Collected			
Local Resources	\$ 358,064	\$ -	\$ 358,064
Intermediate Sources	-	-	-
State Sources	469,942	26,059	496,001
Federal Sources	156,822	-	156,822
Non-Revenue Receipts	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues Collected	<u>984,828</u>	<u>26,059</u>	<u>1,010,887</u>
Expenditures Paid			
Instruction	512,571	-	512,571
Support Services	400,241	387	400,628
Other Outlay	<u>2,057</u>	<u>-</u>	<u>2,057</u>
Total Expenditures Paid	<u>914,869</u>	<u>387</u>	<u>915,256</u>
Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year			
	69,959	25,672	95,631
Adjustments to Prior Year			
Lapsed Appropriations	<u>1,526</u>	<u>-</u>	<u>1,526</u>
Excess of Revenues Collected Over (Under) Expenditures Paid, Adjustments to Prior year			
	71,485	25,672	97,157
Fund Balance, Beginning	<u>25,882</u>	<u>-</u>	<u>25,882</u>
Fund Balance, Ending	<u>\$ 97,367</u>	<u>\$ 25,672</u>	<u>\$ 123,039</u>

The accompanying notes are an integral part of this statement.

CARLTON LANDING ACADEMY NO. E-20
PITTSBURG COUNTY, OKLAHOMA
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
REGULATORY BASIS - BUDGETED GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund			Building Fund		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
REVENUES COLLECTED						
Local Sources	\$ 128,000	\$ 229,400	\$ 358,064	\$ -	\$ -	\$ -
Intermediate Sources	-	-	-	-	-	-
State Sources	440,192	514,760	469,942	-	13,082	26,059
Federal Sources	243,951	243,951	156,822	-	-	-
Return of Assets	-	-	-	-	-	-
TOTAL REVENUES COLLECTED	<u>812,143</u>	<u>988,111</u>	<u>984,828</u>	<u>-</u>	<u>13,082</u>	<u>26,059</u>
EXPENDITURES PAID						
Instruction	435,727	606,589	512,571	-	-	-
Support Services	400,241	405,347	400,241	-	13,082	387
Other Outlay	<u>2,057</u>	<u>2,057</u>	<u>2,057</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES PAID	<u>838,025</u>	<u>1,013,993</u>	<u>914,869</u>	<u>-</u>	<u>13,082</u>	<u>387</u>
Excess of Revenues Collected Over(Under) Expenditures	(25,882)	(25,882)	69,959	-	-	25,672
Adjustments to Prior Year Lapsed Appropriations	<u>-</u>	<u>-</u>	<u>1,526</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Collected Over (Under) Expenditures Paid, and Adjustments	(25,882)	(25,882)	71,485	-	-	25,672
Fund Balance, Beginning	<u>25,882</u>	<u>25,882</u>	<u>25,882</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,367</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,672</u>

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

CARLTON LANDING ACADEMY NO. E-20
PITTSBURG COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

1. Summary of Significant Accounting Policies

The accompanying financial statements of the Canton Landing Academy No. E-20 (the "District") have been prepared in conformity with another comprehensive basis of accounting prescribed by the Oklahoma State Department of Education as authorized by Oklahoma Statutes. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with the accounting principles generally accepted in the United States of America. The District's accounting policies are described in the following notes that are an integral part of the District's financial statements.

A. Reporting entity

Carlton Landing, Inc., an Oklahoma not-for profit corporation described in Internal Revenue Code Section 501(c)(3), was formed for the benefit of a charter school to be called Carlton Landing Academy. The District operates under provisions of the Oklahoma Charter Districts Act through a contract with Independent School District No. 2 of Pittsburg County (Canadian Public Schools), as its sponsoring school. Approval was granted by the Oklahoma State Department of Education and District operations began in July 2016. The District is also a corporate body for public purposes created under Title 70 of the Oklahoma Statutes and accordingly is a separate entity for operating and financial reporting purposes. The District is part of the public school system of Oklahoma under the general direction and control of the State Board of Education and is financially dependent on State of Oklahoma support. The general operating authority for the public school system is the Oklahoma School Code contained in Title 70, Oklahoma Statutes.

The governing body of the District is the Board of Education composed of up to seven appointed members. The appointed Head of District is the executive officer of the District. The Board, constituting an on-going entity, is the level of government, which has governance responsibilities over all activities, related to public elementary and secondary school education within the jurisdiction of the local independent school district. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities.

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.

CARLTON LANDING ACADEMY NO. E-20
PITTSBURG COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

B. Measurement Focus

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

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

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

Governmental Fund Types

Governmental funds are used to account for all or most of 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. The Child Nutrition Fund derives monies from the operation of the school lunch and breakfast programs and is included in the general fund.

Building Fund

The building fund consists of funds received from the Oklahoma State Department of Education for Redbud School Funding Act funds, and are used for the purpose of erecting, remodeling, repairing, or maintaining school buildings and for purchasing furniture, equipment and computer software to be used on or for school district property, for paying energy and utility costs, for purchasing telecommunications services, for paying fire and casualty insurance premiums for school facilities, for purchasing security systems, and for paying salaries of security personnel.

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. The District does not have a debt service fund at this time.

CARLTON LANDING ACADEMY NO. E-20
PITTSBURG COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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. The District does not have a Capital Projects Fund at this time.

Proprietary Fund Types

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of the 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.

Fiduciary Fund Types

Fiduciary funds are used to account for assets held on behave of outside partners, including other governments, or on behave 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. The District does not have a General Long-Term Debt account group at this time.

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. The District does not have a General Fixed Asset account group at this time.

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.

CARLTON LANDING ACADEMY NO. E-20
PITTSBURG COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

C. Basis of Accounting and Presentation

The District prepares its financial statements in a presentation format that is prescribed by the Oklahoma State Department of Education. This format is essentially the generally accepted form of presentation used by 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:

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

This regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, which require revenues to be recognized when they become available and measurable, or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred for governmental fund types; and, when revenues are earned 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. The Board of Education must request an initial temporary appropriations budget from their County Excise Board before June 30. The District uses the temporary appropriation amounts as their legal expenditure limit until the annual Estimate of Needs is completed.

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

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

CARLTON LANDING ACADEMY NO. E-20
PITTSBURG COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

E. Assets, Liabilities, and Fund Equity

Cash and Cash Equivalents

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

Investments

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

Inventories

The value of consumable inventories at June 30, 2024 is not known but is not believed to be material to the basic financial statements.

Capital Assets

The District does not own and has not purchased any fixed assets that would be considered material to the financial statements. The District entered into a lease agreement with Carlton Landing, Inc. for the use of the building in which they operate.

Warrants/Checks Payable

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

Encumbrances

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

Compensated Absences

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

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.

CARLTON LANDING ACADEMY NO. E-20
PITTSBURG COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Funds Held for School Organizations

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

Fund Balance

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

Local Revenues

Revenue from local sources is the money generated from within the boundaries of the District and available to the District for its use. School districts are authorized by state law to levy property taxes which consist of ad valorem taxes on real and personal property within the District. These property taxes are distributed to the District's general, building and sinking funds based on the levies approved for each fund. The County Assessor, upon receipt of the certification of tax levies from the county excise board, extends the tax levies on the tax rolls for submission to the county treasurer prior to October 1. The county treasurer must commence tax collection within fifteen days of receipt of the tax rolls. The first half of taxes is due prior to January 1. The second half is due prior to April 1. If the first payment is not made in a timely manner, the entire tax becomes due and payable on January 2. Second half taxes become delinquent on April 1, of the year following the year of assessment. If not paid by the following October 1, the property is offered for sale for the amount of taxes due. The owner has two years to redeem the property by paying the taxes and penalty owed. If at the end of two years the owner has not done so, the purchaser is issued a deed to the property. The District does not currently receive property tax proceeds. Other local sources of revenues include tuition, fees, rentals, disposals, commissions and reimbursements.

Intermediate Revenues

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

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 expected 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.

CARLTON LANDING ACADEMY NO. E-20
PITTSBURG COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Federal Revenues

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

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.

Deposits and Investments

The District's cash deposits at June 30, 2024, were completely insured or collateralized by federal deposit insurance, direct obligations of the United States Government, or securities held by the District or by its agent in the District's name.

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 \$187,524 at June 30, 2024. The bank balance of the deposits at June 30, 2024 was approximately \$187,524.

CARLTON LANDING ACADEMY NO. E-20
PITTSBURG COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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

The District did not maintain any long-term debt as of June 30, 2024.

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. 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.

CARLTON LANDING ACADEMY NO. E-20
PITTSBURG COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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 \$57,190, \$61,492, and \$64,672 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 sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

7. Subsequent Events

The District has considered subsequent events through March 3, 2025, the date which the financial statements were available for release. The District is not aware of any subsequent events which would require disclosure.

8. Related Party Transactions

The foundation for Carlton Landing Academy, The Carlton Landing Community Foundation, Inc. (the Foundation), was formed to support the needs of Carlton Landing Academy, as defined by the District and the Foundation's governing boards. The District entered into a lease agreement with the Foundation for the use of school buildings. The District pays all operating expenses for maintaining the buildings and pays the Foundation \$1 per year for rent.

CARLTON LANDING ACADEMY NO. E-20
PITTSBURG COUNTY, OKLAHOMA
COMBINING STATEMENT OF ASSETS, LIABILITIES AND CASH FUND BALANCES
REGULATORY BASIS - ACTIVITY FUND
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Agency Fund Activity Funds</u>	<u>Total</u>
ASSETS		
Cash and Cash Equivalents	\$ 7,494	\$ 7,494
TOTAL ASSETS	<u>\$ 7,494</u>	<u>\$ 7,494</u>
LIABILITIES AND FUND EQUITY		
LIABILITIES		
Due to Student Groups	\$ 7,494	\$ 7,494
TOTAL LIABILITIES	<u>7,494</u>	<u>7,494</u>
FUND EQUITY		
Unreserved/Undesignated	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 7,494</u>	<u>\$ 7,494</u>

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

CARLTON LANDING ACADEMY NO. E-20
PITTSBURG COUNTY, OKLAHOMA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
REGULATORY BASIS - ACTIVITY FUND
FOR THE YEAR ENDED JUNE 30, 2024

	<u>July 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2024</u>
Athletics Activity Acct	\$ 1,302	\$ 3,840	\$ 3,282	\$ 1,860
Fishing Club	-	680	421	259
General Activity Acct	5,247	515	2,395	3,367
Yearbook	440	-	-	440
Campus Beautification	1,318	-	-	1,318
Teacher Appreciation	<u>-</u>	<u>250</u>	<u>-</u>	<u>250</u>
Total Activities	<u>\$ 8,307</u>	<u>\$ 5,285</u>	<u>\$ 6,098</u>	<u>\$ 7,494</u>

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

CARLTON LANDING ACADEMY NO. E-20
PITTSBURG COUNTY, OKLAHOMA
SCHEDULE OF FEDERAL AWARDS EXPENDED
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass Through Grantor/Program Title	Federal Grantor's CFDA#	Approved Balance at Number	Amount	July1,2023	Receipts	Expenditures*	Balance at June30,2024
U.S. Department of Education							
Direct Programs							
Title VII	84.060		\$ -	\$ -	\$ 4,000	\$ 4,000	-
Title VI, Subpart 1	84.358A		-	-	12,014	12,014	-
Total Direct			-	-	16,014	16,014	-
Passed Through State Department of Education							
Title 1,Part A	84.010		-	-	14,521	26,396	-
Title 1,Part D Local	84.010		-	-	26,168	12,886	-
Total Title I Cluster			-	-	40,689	39,282	-
IDEA, Part B	84.027		-	-	11,494	11,494	-
Subtotal Flow Through			-	-	11,494	11,494	-
Preschool	84.173		-	-	74	74	-
Total IDEA Cluster			-	-	11,568	11,568	-
ARP ESSER Science of Reading	84.425D		-	-	35,749	35,749	-
ARP ESSER III	84.425U		-	-	40,927	36,772	-
Total ESF Cluster			-	-	76,676	72,521	-
Title IV	84.424		-	-	10,129	-	-
Teacher/Principal	84.367		-	-	1,746	-	-
Total Passed Through State Department of Education			-	-	140,808	123,371	-
Total U.S. Department of Education			-	-	156,822	139,385	-
Total Expenditures of Federal Awards			\$ -	\$ -	\$ 156,822	\$ 139,385	\$ -

Note 1 - *Represents federal share of expenditures only.

Note 2 - Commodities received in the amount of \$0 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.

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

CARLTON LANDING ACADEMY NO. E-20
PITTSBURG 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/Head of School	RLI Surety	1705031	\$ 100,000	07/01/23-07/01/24
Surety/Treasurer	RLI Surety	LSM1180406	100,000	07/01/23-07/01/24
Surety/Enc. Clerk	RLI Surety	1705030	1,000	07/01/23-07/01/24
Surety/Admin. Assistant/ Minutes Clerk	RLI Surety	1705030	1,000	07/01/23-07/01/24
Surety/Activity Clerk	RLI Surety	1705030	1,000	07/01/23-07/01/24

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
Carlton Landing Academy School No. E-20
Pittsburg County
Carlton Landing, 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 Carlton Landing Academy School No. E-20, Pittsburg 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 March 3, 2025 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.

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.

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.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and 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
March 3, 2025

CARLTON LANDING ACADEMY NO. E-20
PITTSBURG COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COST
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

Reportable condition(s) identified that are
not considered to be material weakness(es)?

___ Yes X None Reported

Noncompliance material to financial
statements noted?

___ Yes X No

Section II - Financial Statement Findings

There were no financial statement findings.

CARLTON LANDING ACADEMY NO. E-20
PITTSBURG COUNTY, OKLAHOMA
STATUS OF PRIOR AUDIT FINDING
FOR THE YEAR ENDED JUNE 30, 2024

No prior year audit findings.

CARLTON LANDING ACADEMY NO. E-20
PITTSBURG 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 Carlton Landing Academy for the audit year 2023-2024.

Ralph Osborn, CPA LLP
Auditing Firm

Ralph Osborn

By _____
Authorized Agent

Subscribed and sworn to before me
On this 3rd day of March, 2025.

Candice Neesmith

Notary Public

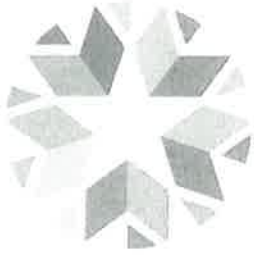
My commission expires on:

1st day of June, 2026

My commission number:

22007533





OKLAHOMA Education

AUDIT ACKNOWLEDGMENT

Audit Year: 2023-2024

District Name Carlton Landing Academy

District Number E-20

County Name Pittsburg County

County Code 61

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 3, 2025.
(Date of Meeting)

The audit was presented by Ralph Osborn, CPA LLP Ralph Osborn, CPA LLP
(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



[Signature]
Board of Education Vice-President
[Signature]
Board of Education Member
[Signature]
Board of Education Member
[Signature]
Board of Education Member
[Signature]
Board of Education Member

Subscribed and sworn before me on 03-03-2025 My commission expires 09-08-2028.
(Sworn On)

[Signature]
(Notary Public)