

**FIVE STAR INTERLOCAL COOPERATIVE**  
**Cushing, Oklahoma**

**FINANCIAL STATEMENTS**  
**June 30, 2024**

**FIVE STAR INTERLOCAL COOPERATIVE  
Cushing, Oklahoma**

**OFFICIALS  
June 30, 2024**

**BOARD OF DIRECTORS**

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Vice-President	Angela Avila
Clerk	Stacy Womack
Member	Danny Acord
Member	Danielle Deere
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**ADMINISTRATOR**

Kim Reese

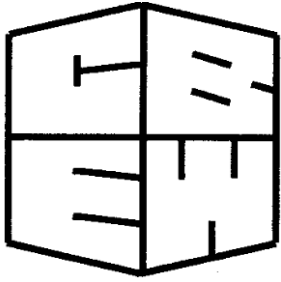
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Kimberly Custer

**FIVE STAR INTERLOCAL COOPERATIVE  
Cushing, Oklahoma**

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## **CBEW Professional Group, LLP**

Certified Public Accountants

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### **INDEPENDENT AUDITOR'S REPORT**

July 16, 2024

The Honorable Board of Directors  
Five Star Interlocal Cooperative  
Cushing, Oklahoma

#### ***Opinions***

We have audited the accompanying combined fund type and account group financial statements—regulatory basis of the Five Star Interlocal Cooperative, Cushing, Oklahoma (CO-OP), 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 balance arising from regulatory basis transactions of each fund type and account group of Five Star Interlocal Cooperative, Cushing, 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 financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Five Star Interlocal Cooperative, Cushing, 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 Five Star Interlocal Cooperative, Cushing, 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 Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As discussed in Note 1, the financial statements are prepared by the Five Star Interlocal Cooperative, 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 and pervasive.

### ***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.

### ***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 Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 Five Star Interlocal Cooperative, Cushing, 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 Five Star Interlocal Cooperative, Cushing, 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 CO-OP's 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 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 July 16, 2024 on our consideration of the CO-OP'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 CO-OP'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 CO-OP's internal control over financial reporting and compliance.

***CBEW Professional Group, LLP***

CBEW PROFESSIONAL GROUP, LLP  
Certified Public Accountants

**FIVE STAR INTERLOCAL COOPERATIVE**  
Cushing, Oklahoma

**COMBINED STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCES**  
**ALL FUND TYPES AND ACCOUNT GROUPS - REGULATORY BASIS**  
June 30, 2024

**ASSETS**

	<b>Governmental Fund Types</b>	<b>Totals (Memorandum Only)</b>	
<b>Assets:</b>	<b>Operating</b>	<b>June 30, 2024</b>	<b>June, 30 2023</b>
Cash and investments	\$ 604,408	\$ 604,408	\$ 685,871
<b>Total assets</b>	<b>\$ 604,408</b>	<b>\$ 604,408</b>	<b>\$ 685,871</b>

**LIABILITIES AND FUND BALANCES**

<b>Liabilities:</b>			
Warrants payable	\$ 348,300	\$ 348,300	\$ 390,978
Encumbrances	8,843	8,843	3,129
<b>Total liabilities</b>	<b>357,143</b>	<b>357,143</b>	<b>394,107</b>
<b>Fund balances:</b>			
Restricted for:			
CO-OP	247,265	247,265	291,764
Unassigned	-	-	-
<b>Total fund balances</b>	<b>247,265</b>	<b>247,265</b>	<b>291,764</b>
<b>Total liabilities and fund balances</b>	<b>\$ 604,408</b>	<b>\$ 604,408</b>	<b>\$ 685,871</b>

The accompanying notes are an integral part of these financial statements.

**FIVE STAR INTERLOCAL COOPERATIVE**  
Cushing, Oklahoma

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**ALL GOVERNMENTAL FUND TYPES - REGULATORY BASIS**  
For the Fiscal Year Ended June 30, 2024

	Governmental	Totals	
	Fund	(Memorandum Only)	
	Types	June 30,	June 30,
	Operating	2024	2023
<b>Revenues:</b>			
Local sources	\$ 1,678,224	\$ 1,678,224	\$ 1,581,533
Intermediate sources	-	-	-
State sources	354,643	354,643	342,959
Federal sources	1,486,997	1,486,997	1,548,719
Other sources	-	-	5,904
<b>Total revenues collected</b>	<u>3,519,864</u>	<u>3,519,864</u>	<u>3,479,115</u>
<b>Expenditures:</b>			
Instruction	1,958,787	1,958,787	2,093,328
Support services	1,604,462	1,604,462	1,260,364
Non-instructional services	2,999	2,999	2,497
Capital outlay	-	-	-
Other outlays	-	-	5,904
<b>Total expenditures</b>	<u>3,566,248</u>	<u>3,566,248</u>	<u>3,362,093</u>
<b>Excess of revenues over (under) expenditures</b>	(46,384)	(46,384)	117,022
<b>Adjustments to prior year encumbrances</b>	1,885	1,885	4,429
<b>Beginning fund balances</b>	<u>291,764</u>	<u>291,764</u>	<u>170,313</u>
<b>Ending fund balances</b>	<u>\$ 247,265</u>	<u>\$ 247,265</u>	<u>\$ 291,764</u>

The accompanying notes are and integral part of these financial statements.



**FIVE STAR INTERLOCAL COOPERATIVE**  
Cushing, Oklahoma

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - REGULATORY BASIS**

**SPECIAL REVENUE FUND - COOP FUND**  
**For the Fiscal Year Ended June 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues:</b>				
Local sources	\$ 1,676,251	\$ 1,676,251	\$ 1,678,224	\$ 1,973
Intermediate sources	-	-	-	-
State sources	392,154	392,154	354,643	(37,511)
Federal sources	1,625,883	1,625,883	1,486,997	(138,886)
Other sources	-	-	-	-
<b>Total revenues</b>	<u>3,694,288</u>	<u>3,694,288</u>	<u>3,519,864</u>	<u>(174,424)</u>
<b>Expenditures:</b>				
Instruction	2,378,591	2,378,591	1,958,787	419,804
Support services	1,604,462	1,604,462	1,604,462	-
Non-instructional services	2,999	2,999	2,999	-
Capital outlay	-	-	-	-
Other outlays	-	-	-	-
<b>Total expenditures</b>	<u>3,986,052</u>	<u>3,986,052</u>	<u>3,566,248</u>	<u>419,804</u>
<b>Net change in fund balance</b>	(291,764)	(291,764)	(46,384)	245,380
<b>Adjustments to prior year encumbrance</b>	-	-	1,885	1,885
<b>Beginning fund balance</b>	<u>291,764</u>	<u>291,764</u>	<u>291,764</u>	<u>-</u>
<b>Ending fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 247,265</u>	<u>\$ 247,265</u>

The accompanying notes are an integral part of these financial statements.

**FIVE STAR INTERLOCAL COOPERATIVE**  
**Cushing, Oklahoma**

**NOTES TO THE FINANCIAL STATEMENTS - REGULATORY BASIS**  
**June 30, 2024**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements of the Five Star Interlocal Cooperative, Cushing, Oklahoma (the "CO-OP") conform to the regulatory basis of accounting, which is another comprehensive basis of accounting prescribed by the Oklahoma State Department of Education and conforms to the system of accounting authorized by the State of Oklahoma. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America. The CO-OP's accounting policies are described in the following notes that are an integral part of the CO-OP's financial statements.

**A. Reporting Entity**

The CO-OP is a corporate body for public purposes created under Title 70 of the Oklahoma Statutes and accordingly is a separate entity for operating and financial reporting purposes. The CO-OP 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 CO-OP was established by the boards of education of two or more school districts entering in cooperative agreements and maintaining joint programs.

The governing body of the CO-OP is the Board of Directors (Board) composed of nine members who are elected by representatives of each school district in the CO-OP. The appointed administrator is the executive officer of the CO-OP. The Board, constituting an on-going entity, is the level of government, which has governance responsibilities over all activities. The CO-OP receives funding from local, including the individual contributions of participating school districts, state and federal government sources and must comply with the requirements of these funding source entities. However, the CO-OP is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards, since Board members are from each school district and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

These financial statements present only the activities of the CO-OP. There are no component units (entities that are considered to be financially accountable to the CO-OP).

**B. Measurement Focus**

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

The CO-OP has the following fund types and account groups:

**Governmental funds** - are used to account for most of the CO-OP's general activities and disbursement of earmarked monies (special revenue funds). Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental type funds are accounted for using the Regulatory (Statutory) basis of accounting. All revenues from all sources, including property taxes, entitlements, grants, and shared revenues are recognized when they are received rather than earned.

**FIVE STAR INTERLOCAL COOPERATIVE**  
**Cushing, Oklahoma**

**NOTES TO THE FINANCIAL STATEMENTS - REGULATORY BASIS**  
**June 30, 2024**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Measurement Focus (Continued)**

Expenditures are generally recognized when encumbered or reserved rather than at the time the related liability is incurred. These practices differ from generally accepted accounting principles.

Governmental funds include the following fund type:

Special Revenue Fund - account for revenue sources that are restricted to expenditures for specific purposes (not including expendable trusts or major capital projects). The special revenue fund is composed of the CO-OP's operating fund. This is a budgeted fund and any fund balance is considered as resources available for use. Major revenue sources include local, federal and state funding. Expenditures include all costs associated with the daily operations of the CO-OP. The fund also accounts for federal and state financed programs where restricted monies must be expended for specific programs. Project accounting is employed to maintain integrity for the various sources of these funds.

**Account groups** – are not funds and consist of a self-balancing set of accounts used only to establish accounting control over fixed assets.

No account groups are presented in the financial statements.

**C. Basis of Accounting and Presentation**

The CO-OP prepares its financial statements in a presentation format that is prescribed by the Oklahoma State Department of Education. This format is essentially the generally accepted form of presentation used by state and local governments prior to the effective date of GASB Statement No. 34, *Basic Financial Statements-Management's Discussion and Analysis for State and Local Governments* with certain modifications. This format differs significantly from that required by GASB 34.

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

- Encumbrances represented by purchase orders, contracts, and other commitments for the expenditure of monies are recorded as expenditures when approved.
- Investments are recorded as assets when acquired.
- Supplies are recorded as expenditures and not as inventory assets.
- Warrants payable are recorded as liabilities when issued.
- Long-term debt is recorded in the General Long-Term Debt Account Group and not in the basic financial statements.
- Compensated absences are recorded as expenditure 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.

**FIVE STAR INTERLOCAL COOPERATIVE**  
**Cushing, Oklahoma**

**NOTES TO THE FINANCIAL STATEMENTS - REGULATORY BASIS**  
**June 30, 2024**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities, Fund Balance, Revenue and Expenditures**

**1. Deposits and Investments**

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

**2. Fair Value of Financial Instruments**

The CO-OP's financial instruments include cash and investments. The CO-OP's estimate of the fair value of all financial instruments does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of assets, liabilities and fund balances. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

**3. Estimates**

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

**4. Interfund Transactions**

Interfund transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund or expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the fund that is reimbursed. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers.

**5. Inventories**

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

**6. Fixed Assets**

Fixed assets used in governmental fund-type operations (general fixed assets) are recorded as capital expenditures at the time of purchase and are recorded as property, plant and equipment in the General Fixed Asset Account Group. All fixed assets are valued at historical cost, except for donated fixed assets, which are recorded at their estimated acquisition value at the date of donation. Depreciation and accumulated depreciation are not reported against general fixed assets. Five Star maintains a capitalization threshold of \$1,000. The cost of normal maintenance and repairs that do not add value of the asset or materially extend assets lives are not capitalized.

**FIVE STAR INTERLOCAL COOPERATIVE**  
Cushing, Oklahoma

**NOTES TO THE FINANCIAL STATEMENTS - REGULATORY BASIS**  
June 30, 2024

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities, Fund Balance, Revenue and Expenditures (Continued)**

**7. Compensated Absences**

The CO-OP 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. CO-OP policy allows certified employees to accumulate such days to a maximum number of days. None of the benefits are payable upon retirement or death. Accrued vacation and sick leave benefits are not reflected in the financial statements because such statements are prepared on the regulatory basis of accounting. This practice differs from generally accepted accounting principles.

**8. Long-term Obligations**

The CO-OP has no long-term debt at June 30, 2024; therefore, it is not presented in the financial statements. If so, it would be reported in the general long-term debt account group.

**9. Fund Balance**

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

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

**Restricted** fund balance represents amounts that are constrained either externally by creditors (such as debt covenants), grantors, contributors or laws or regulations of other governments; or by law, through constitutional provisions or enabling legislation.

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

**Assigned** fund balance represents amounts that are *intended* to be used for specific purposes but are neither restricted nor committed. Intent is expressed by the governing body itself, or a subordinated high-level body or official who the governing body has delegated the authority to assign amounts to be used for specific purposes. Assigned fund balances includes all remaining spendable amounts (except negative balances) that are reported in governmental funds *other than the general fund*, that are neither restricted nor committed, and amounts in the general fund that are intended to be used for specific purpose in accordance with the provisions of the standard.

**Unassigned** fund balance is the residual classification for the general fund. It represents the amounts that have not been assigned to other funds, and that have not been restricted, committed, or assigned to specific purposes within the general fund.

**FIVE STAR INTERLOCAL COOPERATIVE**  
**Cushing, Oklahoma**

**NOTES TO THE FINANCIAL STATEMENTS - REGULATORY BASIS**  
**June 30, 2024**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities, Fund Balance, Revenue and Expenditures (Continued)**

**10. Local Revenues**

Revenue from local sources is the money generated from within the boundaries of the CO-OP and available to the CO-OP for its use. Local sources of revenues include interest earnings, tuition, fees, rentals, disposals, commissions and reimbursements.

**11. Intermediate Revenues**

Revenue from intermediate source is the amount of money from funds collected by an intermediate administrative unit, or a political subdivision between the CO-OP and the state, and distributed to CO-OPs in amounts that differ in proportion to those which were collected within such systems.

**12. State Revenues**

Revenues from state sources for current operations are primarily governed by state aid formula under the provisions of Article XVIII, Title 70, Oklahoma Statutes. The State Board of Education administers the allocation of state aid funds to school CO-OPs based on information accumulated from the CO-OPs. 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 CO-OP receives revenue from the state to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for these programs be expended only for the program for which the money is provided and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical programs. The State Department of Education requires that categorical educational program revenues be accounted for in the general fund.

**13. Federal Revenues**

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

**14. Non-Revenue Transactions**

Non-revenue receipts represent receipts deposited that are not new revenues to the CO-OP, but the return of assets.

**15. Memorandum Only - Total Columns**

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

**FIVE STAR INTERLOCAL COOPERATIVE**  
Cushing, Oklahoma

**NOTES TO THE FINANCIAL STATEMENTS - REGULATORY BASIS**  
June 30, 2024

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities, Fund Balance, Revenue and Expenditures (Continued)**

**16. Comparative Data**

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the CO-OP's assets, liabilities, fund balances, revenues and expenses. However, complete comparative data (i.e., presentation of prior year totals by fund type in each of the statements) has not been presented since their inclusion would make the statements unduly complex and difficult to read. Certain previously reported amounts have been reclassified to conform to current year classifications.

**17. Resource Use Policy**

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

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary Information**

The CO-OP is required by state law to prepare an annual budget. A preliminary budget is submitted to the Board of Education by December 31 for the fiscal year beginning the following July 1. Under current Oklahoma Statutes, a formal Estimate of Needs (Budget) is required for all funds except for trust and agency funds. Budgets are presented for all funds that include the originally approved budgeted appropriations for expenditures and final budgeted appropriations as adjusted for supplemental appropriations and approved transfers between budget categories. The annual Estimate of Needs, when approved by the Board and subsequently filed with the County Clerk and approved by the County Excise Board becomes the legal budget. Supplemental appropriations, if required, were made during the year and are reflected on the budget vs. actual presentations shown as original budget and final budget.

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

**3. DETAILED NOTES CONCERNING THE FUNDS**

**A. Deposits and Investments**

*Custodial Credit Risk*

At June 30, 2024, the CO-OP held deposits of approximately \$604,408 at financial institutions. The CO-OP's cash deposits, including interest-bearing certificates of deposit, are entirely covered by Federal Depository Insurance (FDIC) or direct obligation of the U.S. Government insured or collateralized with securities held by the CO-OP or by its agent in the CO-OP's name.

**FIVE STAR INTERLOCAL COOPERATIVE**  
**Cushing, Oklahoma**

**NOTES TO THE FINANCIAL STATEMENTS - REGULATORY BASIS**  
**June 30, 2024**

**3. DETAILED NOTES CONCERNING THE FUNDS (Continued)**

**A. Deposits and Investments (Continued)**

*Investment Interest Rate Risk*

The CO-OP does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Investment Credit Risk*

The CO-OP has no policy that limits its investment choices other than the limitation of state law as follows:

- a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- b. Certificates of deposits or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
- c. With certain limitation, negotiable certificates of deposit, prime bankers' acceptances, prime commercial paper and repurchase agreements with certain limitations.
- d. County, municipal or school CO-OP tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school CO-OP.
- e. Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
- f. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs (a.-d.).

The cash and investments held at June 30, 2024 are as follows:

Type	Weighted Average Maturity (Months)	Credit Rating	Market Value	Cost
Investments				
Money Market	N/A	AAAm	\$ 604,408	\$ 604,408
Total investments			<u>\$ 604,408</u>	<u>\$ 604,408</u>

*Concentration of Investment Credit Risk*

The CO-OP places no limit on the amount it may invest in any one issuer. The CO-OP has the following of credit risk: 100% in Money Market funds (\$604,408).



**FIVE STAR INTERLOCAL COOPERATIVE**  
**Cushing, Oklahoma**

**NOTES TO THE FINANCIAL STATEMENTS - REGULATORY BASIS**  
**June 30, 2024**

**4. OTHER INFORMATION**

**A. Risk Management**

The CO-OP is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; or acts of God. The CO-OP purchases commercial insurance to cover these risks, including general and auto liability, property damage, and public officials' liability. The CO-OP had the following insurance coverage during the year: commercial property - \$1,000,000,000; general liability - \$1,000,000; and educators' liability \$1,000,000. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

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

**B. Contingent Liabilities**

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

**C. Employee Retirement System and Plan**

Description of Plan

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

**FIVE STAR INTERLOCAL COOPERATIVE**  
**Cushing, Oklahoma**

**NOTES TO THE FINANCIAL STATEMENTS - REGULATORY BASIS**  
**June 30, 2024**

**4. OTHER INFORMATION (Continued)**

**C. Employee Retirement System and Plan (Continued)**

Basis of Accounting

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

Funding Policy

The CO-OP, the State of Oklahoma, and the participating employee make contributions. The contribution rates for the CO-OP and its employees are established by and may be amended by Oklahoma Statutes. The rates are not actuarially determined. The rates are applied to the employee's earnings plus employer-paid fringe benefits. The required contribution for the participating members is 7.0% of compensation. Additionally, OTRS receives "federal matching contributions" for positions whose funding comes from federal sources or certain grants. The CO-OP and State are required to contribute 14.0% of applicable compensation. Contributions received by the System from the State of Oklahoma are from 3.54% of its revenues from sales tax use taxes, corporate income taxes and individual income taxes. The CO-OP contributed 9.5% and the State of Oklahoma plus the federal contribution contributed the remaining 4.5% during this year. The CO-OP is allowed by the Oklahoma Teachers' Retirement System to make the required contributions on behalf of the participating members. The school is required to pay 16.5% for any compensated retired teachers already receiving retirement benefits.

Annual Pension Cost

The CO-OP's total contributions for 2024, 2023 and 2022 were \$161,511, \$144,291 and \$142,192 respectively.

401(a) Governmental Plan

The CO-OP provides a 401(a) governmental plan for eligible employees. Employees with six months or more employment may enroll in the plan. The CO-OP pays into the plan for any participating employee based on a schedule using term or employment and whether certified or non-certified. Employees do not contribute to the plan. Plan participants are vested after three years. Normal retirement age is 55. Participants may withdraw funds in a lump sum or installment payments. The amount of the payment will vary depending on the amount invested, years of employment and earning of the investment. The CO-OP paid \$30,829, \$27,913 and \$29,735 into the plan for the fiscal years ending June 30, 2024, 2023 and 2022, respectively.

**D. Surety Bonds**

The Administrator is bonded by Western Surety Company, bond number 72106566, for the penal sum of \$100,000 for the term February 21, 2024 to February 21, 2025.

The Encumbrance clerk is bonded by Western Surety Company, bond number 72106561, for the penal sum of \$2,000 for the term December 12, 2023 to December 12, 2024.

The Treasurer is bonded by Western Surety Company, bond number 72106545, for the penal sum of \$200,000 for the term February 21, 2024 to February 21, 2025.

**6. SUBSEQUENT EVENTS**

**FIVE STAR INTERLOCAL COOPERATIVE**  
**Cushing, Oklahoma**

**NOTES TO THE FINANCIAL STATEMENTS - REGULATORY BASIS**  
**June 30, 2024**

Management has evaluated subsequent events and transactions through the date of the audit report, which is the date the financial statements were available to be issued and have determine that no additional information will need to be added to the financial statements.

**FIVE STAR INTERLOCAL COOPERATIVE  
Cushing, Oklahoma**

**SUPPLEMENTARY INFORMATION  
June 30, 2024**

**FIVE STAR INTERLOCAL COOPERATIVE**  
Cushing, Oklahoma

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Fiscal Year Ended June 30, 2024

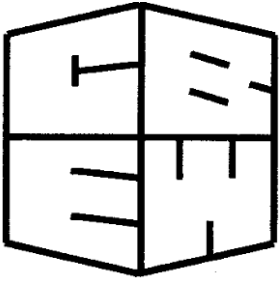
Federal Grantor/ Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number	Pass-through Grantor's Project Number	Grant Number	Program or Award Amount	Balance at July 1, 2023	Revenue Collected	Total Expenditures	Balance at June 30, 2024
<b><u>U.S. Department of Education:</u></b>								
<b><u>Passed through State Department of Education:</u></b>								
<b>Special Educaiton Cluster (IDEA)</b>								
IDEA-B, Flow Through	84.027	621	H027A210051	1,533,619	-	1,442,098	1,442,098	-
IDEA-B, SEA Discretionary	84.027	613	Discretionary	1,385	-	1,385	1,385	-
IDEA-B, Preschool	84.173	641	H173A210084	37,806	-	37,433	37,433	-
<b>Special Ed Cluster Sub-Total</b>				<u>1,572,810</u>	<u>-</u>	<u>1,480,916</u>	<u>1,480,916</u>	<u>-</u>
<b><u>Passed through State Department of Education:</u></b>								
ESSER III	84.425U	726	S425U220025	646	-	646	646	-
Rehabilitation Services	84.126	456		5,435	-	5,435	5,435	-
<b>Total Expenditures of Federal Awards</b>				<u>\$ 1,578,891</u>	<u>\$ -</u>	<u>\$ 1,486,997</u>	<u>\$ 1,486,997</u>	<u>\$ -</u>

**Note A - Basis of Presentation** - The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the School under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only selected portion of the operations of the School, it is not intended and does not present the financial position, changes in net assets, or cash flows of the School.

**Note B - Summary of Significant Accounting Policies** - Expenditures reported on the Schedule are reported on the regulatory basis of accounting consistent with the preparation of the combined financial statements except for non-monetary assistance noted in Note C. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The School has elected not to use the 10 percent de minimus indirect cost rate allowed under the Uniform Guidance.

**FIVE STAR INTERLOCAL COOPERATIVE  
Cushing, Oklahoma**

**REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*  
June 30, 2024**



## **CBEW Professional Group, LLP**

Certified Public Accountants

P.O. Box 790

Cushing, OK 74023

918-225-4216 FAX 918-225-4315

Charles E. Crooks, Jr., CPA – Trisha J. Rieman, CPA – Gabrielle Conchola, CPA

### **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**

July 16, 2024

The Honorable Board of Directors  
Five Star Interlocal Cooperative  
Cushing, Oklahoma

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying fund type and account group financial statements—regulatory basis within the combined financial statements of the Five Star Interlocal Cooperative, Cushing, Oklahoma (CO-OP), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the CO-OP's financial statements, and have issued our report thereon dated July 16, 2024, which was adverse with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in the United States 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 asset account group with respect to the presentation of financial statements on the regulatory basis of accounting authorized by the Oklahoma State Board of Education.

#### ***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the CO-OP's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CO-OP's internal control. Accordingly, we do not express an opinion on the effectiveness of CO-OP's internal control.

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

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

### ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the CO-OP'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*.

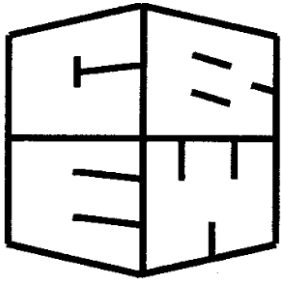
### ***Purpose of this Report***

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

***CBEW Professional Group, LLP***

CBEW PROFESSIONAL GROUP, LLP  
Certified Public Accountants





## **CBEW Professional Group, LLP**

Certified Public Accountants

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

July 16, 2024

The Honorable Board of Directors  
Five Star Interlocal Cooperative  
Cushing, Oklahoma

#### ***Report on Compliance for Each Major Federal Program***

##### ***Opinion on Each Major Federal Program***

We have audited the Five Star Interlocal Cooperative, Cushing, Oklahoma (CO-OP)'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 CO-OP's major federal programs for the year ended June 30, 2024. The CO-OP'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, Five Star Interlocal Cooperative, Cushing, 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 Five Star Interlocal Cooperative, Cushing, 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 Five Star Interlocal Cooperative, Cushing, 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 Five Star Interlocal Cooperative, Cushing, 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 Five Star Interlocal Cooperative, Cushing, 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 Five Star Interlocal Cooperative, Cushing, Oklahoma's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Five Star Interlocal Cooperative, Cushing, 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 Five Star Interlocal Cooperative, Cushing, 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 Five Star Interlocal Cooperative, Cushing, 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.

*CBEW Professional Group, LLP*

CBEW PROFESSIONAL GROUP, LLP  
Certified Public Accountants

**FIVE STAR INTERLOCAL COOPERATIVE**  
**Cushing, Oklahoma**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Fiscal Year Ended June 30, 2024**

**SUMMARY OF AUDITOR'S RESULTS**

*Financial Statements:*

Type of Auditor's Report Issued: Adverse opinion on the combined financial statements in conformity with generally accepted accounting principles and a qualified opinion for the omission of the general fixed asset account group on the combined financial statements in conformity with a regulatory basis of accounting prescribed by the Oklahoma Department of Education.

Internal Control Over Financial Reporting:

Material Weakness(es) identified?  Yes  No

Significant Deficiencies identified not considered to be material weaknesses?  Yes  No

Noncompliance material to financial statements noted?  Yes  No

*Federal Awards:*

Type of auditors' report issued on compliance for major programs: Unmodified in conformity with the regulatory basis of accounting.

Internal Control Over Major Programs:

Material Weakness(es) identified?  Yes  No

Significant Deficiencies identified not considered to be material weaknesses?  Yes  No

Audit findings disclosed that are required to be reported in accordance with Uniform Guidance, Section .510(a)?  Yes  No

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

Auditee Qualified as low-risk auditee?  Yes  No

*Identification of Major Programs:*

Federal Assistance Listing Number:

Special Education Cluster (IDEA)

84.027 IDEA-B Flow Through

84.027 IDEA-B SEA Discretionary

84.173 IDEA-B Preschool

84.425U – Education Stabilization Fund –ESSER III Formula Funds

**FINDINGS - FINANCIAL STATEMENT AUDIT**

1. None

**FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

1. None

**FIVE STAR INTERLOCAL COOPERATIVE  
Cushing, Oklahoma**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
For the Fiscal Year Ended June 30, 2024**

1. None.

FIVE STAR INTERLOCAL COOPERATIVE  
Cushing, Oklahoma

SCHEDULE OF ACCOUNTANT'S PROFESSIONAL  
LIABILITY INSURANCE AFFIDAVIT

JULY 1, 2023 TO JUNE 30, 2024

State of Oklahoma )

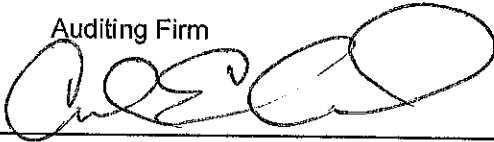
County of Payne )

The undersigned auditing firm of lawful age, being first duly sworn on oath, says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with Five Star Interlocal Cooperative for the audit year 2023-2024.

CBEW Professional Group, LLP  
Certified Public Accountants

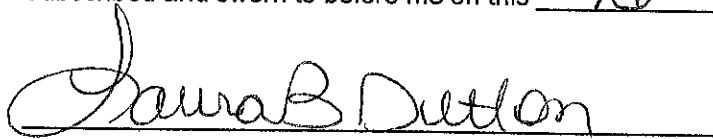
Auditing Firm

By



Authorized Agent

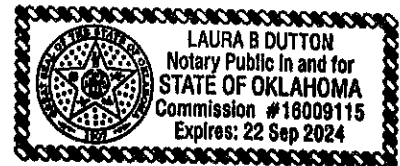
Subscribed and sworn to before me on this 16 day of July, 2024.

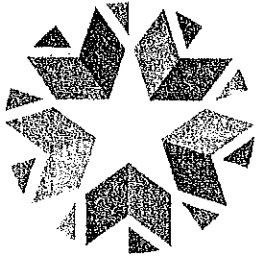


Notary Public

My commission expires on:

22 day of Sept, 2024





# OKLAHOMA Education

**Audit**  
**Acknowledgment Audit**  
**Year: 2023-2024**

District Name Five-Star Interlocal Cooperative

District Number K-002

County Name Payne County

County Code 60

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 August 14, 2024

The audit was presented by CBEW Professional Group, LLP *[Signature]*  
(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 acknowledgement 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

\_\_\_\_\_  
Board of Education Member

\_\_\_\_\_  
Board of Education Member

Subscribed and sworn before me on August 14, 2024

*[Signature]*  
(Notary Public)

My commission expires 05/04/2028

