

Plainview School District I-27
Carter County, Oklahoma
Financial Statements
Year-End June 30, 2022

Plainview School District I-27
Carter County, Oklahoma
School District Officials
June 30, 2022

Board of Education

President	Mark Sheaman
Vice-President	Jeff Clemons
Member	Jason Ingram
Member	Kristin Roberts
Member	Suni Savage

Board of Education Clerk

Teanna Jones

School District Treasurer

Kari Smart

Superintendent of Schools

Karl Stricker

Plainview School District I-27
Carter County, Oklahoma
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Carter County, Oklahoma
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Independent Auditor's Report

The Honorable Board of Education
Plainview School District I-27
Ardmore, Oklahoma 73401

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Plainview School District I-27, Carter County, Oklahoma which comprise the combined statement of assets, liabilities and fund equity – all fund types and account groups as of June 30, 2022, and the related combined statement of revenues collected and expenditures paid and changes in cash fund balances – regulatory basis for the year then ended, and the related notes to the financial statements.

Qualified Opinion on Account Groups

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

Unmodified Opinion on Fund Types

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and fund equity arising from regulatory basis transactions for each fund type of the Plainview School District I-27, Carter County, Oklahoma as of June 30, 2022, and the revenues it collected and expenditures it paid and budgetary results for the year then ended, in accordance with the financial reporting provisions of Oklahoma State Department of Education as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Plainview School District I-27, Carter County, Oklahoma as of June 30, 2022, or changes in net position, or cash flows thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plainview School District I-27, Carter County, Oklahoma and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Qualified Opinion on the Account Groups

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

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

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plainview School District I-27's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plainview School District I-27'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 Plainview School District I-27's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

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

financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2023, on our consideration of Plainview School District I-27 Carter County, Oklahoma's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contract and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Plainview School District I-27 Carter County, Oklahoma's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering Plainview School District I-27 Carter County, Oklahoma's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Mary E. Johnson & Associates PLLC".

Norman, Oklahoma
February 7, 2023

Plainview School District I-27
Carter County, Oklahoma
Combined Statement of Assets, Liabilities and Fund Balances
Regulatory Basis – All Fund Types and Account Groups
June 30, 2022

	Governmental Fund Types				Fiduciary Fund Types	Account Group	Total (memorandum only - Note 1) June 30, 2022
ASSETS	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency	General Long Term Debt	
Cash	\$ 3,018,409	\$ 2,966,725	\$ 1,720,601	\$ 2,077,926	\$ 554,629	\$ -	\$ 10,338,290
Amount available in							
Debt service fund	-	-	-	-	-	1,720,601	1,720,601
Trustee fund for debt service	-	-	-	-	-	12,011,410	12,011,410
Amount to be provided for							
Financed purchases	-	-	-	-	-	9,710,590	9,710,590
Retirement of general long term debt	-	-	-	-	-	3,426,082	3,426,082
Total Assets	<u>\$ 3,018,409</u>	<u>\$ 2,966,725</u>	<u>\$ 1,720,601</u>	<u>\$ 2,077,926</u>	<u>\$ 554,629</u>	<u>\$ 26,868,683</u>	<u>\$ 37,206,973</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Warrants payable	\$ 551,080	\$ 95,265	\$ -	\$ 11,950	\$ -	\$ -	\$ 658,295
Due to others	-	-	-	-	554,629	-	554,629
Capital leases payable	-	-	-	-	-	21,353,683	21,353,683
General obligation bonds payable	-	-	-	-	-	5,515,000	5,515,000
Total Liabilities	<u>551,080</u>	<u>95,265</u>	<u>-</u>	<u>11,950</u>	<u>554,629</u>	<u>26,868,683</u>	<u>28,081,607</u>
Fund Balances:							
Restricted For:							
Debt Service	-	-	1,720,601	-	-	-	1,720,601
Building Services	-	2,098,170	-	-	-	-	2,098,170
Child Nutrition Programs	-	393,793	-	-	-	-	393,793
Instructional Materials & Technology	-	379,497	-	-	-	-	379,497
Capital Projects	-	-	-	2,065,976	-	-	2,065,976
Unassigned	<u>2,467,329</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,467,329</u>
Total Cash Fund Balances	<u>2,467,329</u>	<u>2,871,460</u>	<u>1,720,601</u>	<u>2,065,976</u>	<u>-</u>	<u>-</u>	<u>9,125,366</u>
Total Liabilities and Fund Balances	<u>\$ 3,018,409</u>	<u>\$ 2,966,725</u>	<u>\$ 1,720,601</u>	<u>\$ 2,077,926</u>	<u>\$ 554,629</u>	<u>\$ 26,868,683</u>	<u>\$ 37,206,973</u>

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

Plainview School District I-27
Carter County, Oklahoma
Combined Statement of Revenues Collected, Expenditures Paid and Changes in Cash Fund Balances
Regulatory Basis – All Governmental Fund Types
For the Year Ended June 30, 2022

	Governmental Fund Types				Total (memorandum only - Note 1) June 30, 2022
	General	Special Revenue	Debt Service	Capital Projects	
Revenues collected:					
Local sources	\$ 3,479,903	\$ 1,737,012	\$ 1,633,926	\$ -	\$ 6,850,841
Intermediate sources	453,114	454,508	-	-	907,622
State sources	7,632,560	71,927	3,263	-	7,707,750
Federal sources	1,576,980	994,484	-	-	2,571,464
Total Revenues Collected	<u>13,142,557</u>	<u>3,257,931</u>	<u>1,637,189</u>	<u>-</u>	<u>18,037,677</u>
Expenditures paid:					
Instruction	7,826,448	317,825	-	-	8,144,273
Support services	4,599,231	43,166	-	19,100	4,661,497
Non-Instructional services	119,768	927,500	-	-	1,047,268
Capital outlay	-	524,159	-	2,269,006	2,793,165
Other outlays	77	1,767	-	-	1,844
Debt service:					
Principal payments	-	-	1,530,000	-	1,530,000
Interest and fiscal agent fees	-	-	98,630	-	98,630
Total expenditures paid	<u>12,545,524</u>	<u>1,814,417</u>	<u>1,628,630</u>	<u>2,288,106</u>	<u>18,276,677</u>
Excess of revenues collected over (under) expenditures paid	597,033	1,443,514	8,559	(2,288,106)	(239,000)
Other financing sources:					
Bond sale proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,965,000</u>	<u>2,965,000</u>
Excess of revenues collected and other sources over (under) expenditures paid and other uses	597,033	1,443,514	8,559	676,894	2,726,000
Cash fund balances, beginning of year	<u>1,870,296</u>	<u>1,427,946</u>	<u>1,712,042</u>	<u>1,389,082</u>	<u>6,399,366</u>
Cash fund balances, end of year	<u>\$ 2,467,329</u>	<u>\$ 2,871,460</u>	<u>\$ 1,720,601</u>	<u>\$ 2,065,976</u>	<u>\$ 9,125,366</u>

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

Plainview School District I-27

Carter County, Oklahoma

Combined Statement of Revenues Collected, Expenditures Paid and Changes in Cash Fund Balances – Budget and Actual

Regulatory Basis – Budgeted Governmental Fund Types

For the Year Ended June 30, 2022

	General Fund				Building and Child Nutrition Funds			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Beginning cash fund balances - Budgetary basis	\$ 1,870,296	\$ 1,870,296	\$ 1,870,296	\$ -	\$ 1,183,293	\$ 1,183,293	\$ 1,183,293	\$ -
Revenues collected:								
Local sources	3,475,139	3,475,139	3,479,903	4,764	509,214	509,214	1,737,012	1,227,798
Intermediate sources	400,400	400,400	453,114	52,714	-	-	-	-
State sources	6,604,078	6,604,078	7,632,560	1,028,482	62,000	62,000	71,927	9,927
Federal sources	2,430,899	2,430,899	1,576,980	(853,919)	596,000	596,000	994,484	398,484
Total Revenues Collected	<u>12,910,516</u>	<u>12,910,516</u>	<u>13,142,557</u>	<u>232,041</u>	<u>1,167,214</u>	<u>1,167,214</u>	<u>2,803,423</u>	<u>1,636,209</u>
Expenditures paid:								
Instruction	7,826,448	7,826,448	7,826,448	-	50,000	50,000	-	50,000
Support services	4,599,231	4,599,231	4,599,231	-	41,326	41,326	41,327	(1)
Non-Instructional services	119,768	119,768	119,768	-	941,023	941,023	927,500	13,523
Capital outlay	0	0	0	-	510,636	510,636	524,159	(13,523)
Other outlays	<u>2,235,365</u>	<u>2,235,365</u>	<u>77</u>	<u>2,235,288</u>	<u>807,521</u>	<u>807,521</u>	<u>1,767</u>	<u>805,754</u>
Total Expenditures paid	<u>14,780,812</u>	<u>14,780,812</u>	<u>12,545,524</u>	<u>2,235,288</u>	<u>2,350,506</u>	<u>2,350,506</u>	<u>1,494,753</u>	<u>855,753</u>
Excess of revenues collected over (under) expenditures paid	<u>(1,870,296)</u>	<u>(1,870,296)</u>	<u>597,033</u>	<u>2,467,329</u>	<u>(1,183,292)</u>	<u>(1,183,292)</u>	<u>1,308,670</u>	<u>2,491,962</u>
Ending cash fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,467,329</u>	<u>\$ 2,467,329</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,491,963</u>	<u>\$ 2,491,962</u>

Reconciliation between Building and Child Nutrition Funds Budgetary Comparison Schedule
and Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances -- Special Revenues.

End cash fund balances from Budgetary Comparison Schedule:	\$ 2,491,963
Nonappropriated fund: County Sales Tax Fund Cash fund balance:	<u>379,497</u>

End cash fund balance per Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances- Special Revenues	<u>\$ 2,871,460</u>
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The notes to the financial statements are an integral part of this statement.

Plainview School District I-27

Carter County, Oklahoma

**Combined Statement of Revenues Collected, Expenditures Paid and Changes in Cash Fund Balances – Budget and Actual
Regulatory Basis – Budgeted Governmental Fund Types
For the Year Ended June 30, 2022**

	Debt Service Fund			
	Original Budget	Final Budget	Actual	Variance
Beginning cash fund balances - Budgetary basis	\$ 94,112	\$ 94,112	\$ 1,712,042	\$ 1,617,930
Revenues collected:				
Local sources	1,558,524	1,558,524	1,633,927	75,403
State sources	-	-	3,263	3,263
Total Revenues Collected	<u>1,558,524</u>	<u>1,558,524</u>	<u>1,637,190</u>	<u>78,666</u>
Expenditures paid:				
Debt service:				
Principal payments	1,530,000	1,530,000	1,530,000	-
Interest and fiscal agent fees	<u>122,636</u>	<u>122,636</u>	<u>98,630</u>	<u>24,006</u>
Total expenditures paid	<u>1,652,636</u>	<u>1,652,636</u>	<u>1,628,630</u>	<u>24,006</u>
Excess of revenues collected over (under) expenditures paid	<u>(94,112)</u>	<u>(94,112)</u>	<u>8,560</u>	<u>102,672</u>
Ending cash balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,720,602</u>	<u>\$ 1,720,602</u>

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

Plainview School District I-27
Carter County, Oklahoma
Notes to Combined Financial Statements
June 30, 2022

1. Summary of Significant Accounting Policies

The basic financial statements of the Plainview School District, I-27, Carter County, Oklahoma (the "District") have been prepared in conformity with an other comprehensive basis of accounting as prescribed by the Oklahoma State Department of Education. The more significant of the District's accounting policies are described below.

A. The Reporting Entity

The District is a corporate body for public purposes created under Title 70 of the Oklahoma Statutes and accordingly is a separate entity for operating and financial reporting purposes. The District is part of the public school system of Oklahoma under the general direction and control of the State Board of Education and is financially dependent on state of Oklahoma for support. The general operating authority for the public school system is the Oklahoma School Code contained in Title 70, Oklahoma Statutes.

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

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

Plainview School District I-27
Carter County, Oklahoma
Notes to Combined Financial Statements
June 30, 2022

1. Summary of Significant Accounting Policies – (continued)

B. Fund Accounting

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

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

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

Governmental Fund Types

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

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

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

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

The County Sales Tax Fund consists of monies derived from a special county sales tax collected on behalf of the school district for the purposes of technology equipment and instructional and classroom materials.

Plainview School District I-27
Carter County, Oklahoma
Notes to Combined Financial Statements
June 30, 2022

1. Summary of Significant Accounting Policies – (continued)

B. Fund Accounting – (continued)

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

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

Fiduciary Fund Types

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

Account Groups

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

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

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

Plainview School District I-27
Carter County, Oklahoma
Notes to Combined Financial Statements
June 30, 2022

1. *Summary of Significant Accounting Policies – (continued)*

Memorandum Only - Total Column

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

C. *Basis of Accounting and Presentation*

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

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

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

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

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

Plainview School District I-27
Carter County, Oklahoma
Notes to Combined Financial Statements
June 30, 2022

1. Summary of Significant Accounting Policies – (continued)

Noncash Transactions - The District received federal food commodities in the amount of \$55,047.

D. Budgets and Budgetary Accounting

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

Under current Oklahoma Statutes a formal budget is required for all funds except for trust and agency funds. Budgets are presented for all funds that include the originally approved budgeted appropriations for expenditures and final budgeted appropriations as adjusted for supplemental appropriations and approved transfers between budget categories. Budgets generally assume the expenditure of all available resources. Therefore, when the legal budget is prepared, it is assumed these funds will not have a carryover balance to subsequent year.

E. Assets Liabilities and Fund Equity

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

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

Plainview School District I-27
Carter County, Oklahoma
Notes to Combined Financial Statements
June 30, 2022

1. *Summary of Significant Accounting Policies – (continued)*

Inventories - The value of consumable inventories at June 30, 2022 is not material to the financial statements.

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

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

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

E. Revenue, Expenses and Expenditures

State Revenues - Revenues from state sources for current operations are primarily governed by the state aid formula under the provisions of Article XVIII, Title 70, Oklahoma Statutes. The State Board of Education administers the allocation of state aid funds to school districts based on information accumulated from the districts. Approximately 58% of the District's general fund revenue comes from state sources.

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

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

Plainview School District I-27
Carter County, Oklahoma
Notes to Combined Financial Statements
June 30, 2022

1. Summary of Significant Accounting Policies – (continued)

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

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

2. Cash

Custodial Credit Risk - Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned or the District will not be able to recover collateral securities in the possession of an outside party. The District's policy requires collateral for demand deposits and certificates of deposit for all amounts not covered by federal deposit insurance. As of June 30, 2022, cash deposits were fully insured or collateralized by a pledging bank's agent in the District's name. All funds were held as demand deposits at a local bank.

3. General Long Term Debt

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

General long-term debt of the District consists of bonds payable and financed lease purchases. Debt service requirements for bonds are payable solely from fund balance and future revenues of the debt service fund. The following is a summary of the long-term debt transactions of the District for the year ended June 30, 2022:

	<i>Bonds Payable</i>	<i>Financed Lease Purchases (Direct</i>
	<i>(Direct Placement)</i>	<i>Borrowing)</i>
Balance July 1, 2021	\$ 4,080,000	\$ 12,351,134
Additions	2,965,000	11,015,000
Retirements	(1,530,000)	(2,012,451)
Balance June 30, 2022	<u>\$ 5,515,000</u>	<u>\$ 21,353,683</u>

Plainview School District I-27
Carter County, Oklahoma
Notes to Combined Financial Statements
June 30, 2022

3. General Long Term Debt – (continued)

General Obligation Bonds

A brief description of the outstanding general obligations bond issues at June 30, 2022, is set forth below:

	<i>Amount Outstanding</i>
Plainview Independent School District, I-27 School General Obligation Combined Purpose Bonds of 2021, original issue \$2,295,000 interest rates from 0.550% due in annual installments of \$725,000 starting July 1, 2023 with final payment of \$1,570,000 due July 1, 2024.	\$ 2,295,000
Plainview Independent School District, I-27 School General Obligation Building Bonds of 2022, original issue \$670,000 interest rates from 3.125% due in annual installments of \$160,000 starting June 1, 2024 with two annual payments of \$170,000 due June 1, 2025 & 2026 and final payment of \$170,000 due on June 1, 2027.	\$ 670,000
Plainview Independent School District, I-27 Building Bonds of 2021, original issue of \$1,385,000, interest rates of .500-.625%, \$440,000 due January 1, 2023 with final payment of \$945,000 on January 1, 2024.	1,385,000
Plainview Independent School District, I-27 Building Bonds of 2020, original issue of \$1,385,000, interest rates from 2.00%, \$220,000 due March 1, 2022 and then \$1,165,000 the final installment on March 1, 2023.	1,165,000
	<u>\$ 5,515,000</u>

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

<u><i>Year Ended June 30,</i></u>	<u><i>Principal</i></u>	<u><i>Interest</i></u>	<u><i>Total</i></u>
2023	\$ 1,605,000	\$ 35,459	\$ 1,640,459
2024	1,830,000	24,981	1,854,981
2025	1,740,000	41,843	1,781,843
2026	170,000	21,250	191,250
2027	170,000	26,563	196,563
Total	<u>\$ 5,515,000</u>	<u>\$ 150,096</u>	<u>\$ 5,665,096</u>

Plainview School District I-27
Carter County, Oklahoma
Notes to Combined Financial Statements
June 30, 2022

3. General Long Term Debt – (continued)

Pledged Revenues

Property Tax Revenues collected by the District are pledged to repay the District's General Obligation Bonds. As of June 30, 2022, \$5,515,000 general obligations were outstanding. Principal and interest paid for current year and revenues collected were \$2,965,000 and \$98,630 respectively.

Financed Lease Purchases

The District enters into lease agreements as lessee for financing the acquisition of equipment. For accounting purposes since the title transfers at the end of the lease term, it has been recorded at the present value of the future minimum lease payments. The leases contain a clause which provides the ability to terminate the agreement at the end of each fiscal year. The District has recorded the liability for future lease payments in the general long-term debt group.

The District entered into a lease/purchase agreement to for elementary storm shelter/PE room, elementary fire alarm system and HVAC controls/building automation system, in the amount of \$1,100,000 at interest rates of 2.948216% payable in seven annual installments. This lease purchase was paid off as of June 30, 2022.

The District has entered into a lease/purchase agreement for computers for a technology one to one initiative at the intermediate and high schools in the amount of \$536,375 at interest rates of 4.21% payable in four annual installments.

The District has entered into a lease/purchase agreement for equipment for new early elementary center in the amount of \$3,000,000 at an interest rate of 3.54% payable in 10 annual installments.

The District has also entered financing arrangements with the Carter County Public Facilities Authority 2016 (see Note 8). These financing arrangements are accounted for as financed lease purchases, since for accounting purposes the title transfers at the end of lease term. The leases contain a clause which gives the District the ability to terminate the lease agreements at the end of each fiscal year. The District has a rental payment of \$1,500 due semi-annually on June 1 and December 1 which started June 1, 2016. District will have varying annual payments with imputed interest rate of 3.942%, with first payment due December 1, 2017.

Plainview School District I-27
Carter County, Oklahoma
Notes to Combined Financial Statements
June 30, 2022

3. General Long Term Debt – (continued)

The District has also entered financing arrangements with the Carter County Public Facilities Authority 2021 (see Note 8). These financing arrangements are accounted for as financed lease purchases, since for accounting purposes the title transfers at the end of lease term. The leases contain a clause which gives the District the ability to terminate the lease agreements at the end of each fiscal year. The District has a rental payment of \$1,500 due semi-annually on June 1 and December 1 which started June 1, 2022. District will have varying annual payments with imputed interest rate of 2.419%, with first payment due December 1, 2023.

Scheduled payments under the lease/purchase agreements for each fiscal year ended June 30, are as follows:

<u><i>Year Ended June 30,</i></u>	<u><i>Amount Due</i></u>
2023	\$ 1,781,421
2024	1,865,986
2025	1,905,586
2026	1,935,286
2027	2,103,586
2028-2032	9,606,723
2033-2036	<u>7,107,000</u>
	26,305,588
Less: Interest	<u>(4,951,905)</u>
Total	<u><u>\$ 21,353,683</u></u>

Interest expense on general long-term debt incurred during the current year totaled \$525,785.

4. Employee Retirement System

Teachers' Retirement System of Oklahoma

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

Plainview School District I-27
Carter County, Oklahoma
Notes to Combined Financial Statements
June 30, 2022

4. *Employee Retirement System (continued)*

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

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

Contributions – In accordance with *Oklahoma Statutes*, System members are required to contribute 7.00% of applicable compensation. For the year ended June 30, 2022, qualifying employee contributions were reduced by a retirement credit of \$59,721 provided by Enrolled House Bill 1873 and paid by the State of Oklahoma as on-behalf payments. For the year ended June 30, 2022, the District had a statutory contribution rate of 9.5% plus 7.90% as a match for salaries funded by federal programs. The contribution requirements of System members and the District are established and may be amended by the state legislature. For the year ended June 30, 2022, the District contributions to the System for were \$824,127.

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

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

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

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

Plainview School District I-27
Carter County, Oklahoma
Notes to Combined Financial Statements
June 30, 2022

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

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

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

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

6. *Contingencies*

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

During 2022, the worldwide coronavirus pandemic continued to impact local, national and global economies. The District is closely monitoring their operations and available fund balances and actively working to minimize current and future impacts of the unprecedented situation. As of date of issuance of these financial statements, the current and future full impact to the District is not known.

Plainview School District I-27
Carter County, Oklahoma
Notes to Combined Financial Statements
June 30, 2022

7. *Risk Management*

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

8. *Ground Lease and Sublease Agreements*

February 2016, the District executed a Ground Lease Agreement and Sublease agreement with Carter County Public Facilities Authority, a public trust, (the Authority). The District will lease the land upon which the improvements are to be constructed for so long as there are obligations outstanding. The Authority will issue the Bonds and apply the proceeds thereof to acquire, construct, furnish, and equipment the improvements as approved by voters

in October 2015. The premises, including the Improvements, will then be leased by the Authority to the District pursuant to the Sublease Agreement for an initial term expiring on June 30, 2016, provided that the District has the option to renew for successive one-year periods, or until such time as the Sublease agreement is terminated in accordance with its terms.

The Authority issued Bonds in the amount of \$11,465,000 to finance a portion of the Improvements costs. This amount, together with separate issuance by the District of the first series of its general obligation bonds, is expected to fund the costs of the Improvements. If Improvements costs exceed the proceeds of the Bonds and the District's general obligation bonds, those costs will be paid out of other legally available monies of the District.

The District intends to issue the balance of the October 2015 voter-approved general obligation bonds over the next twelve-years. The monies derived from the issuance and sale of such bonds will be used to make Lease Purchase Acquisition Payments under the Sublease and thereby periodically acquire from the Authority title to portions of the Improvements. The proceeds of the general obligation bonds authorized at the special election can be used only to finance the costs of the Improvements, including the Lease Purchase Acquisition Payments. If Improvements costs exceed the proceeds of the Bonds and the District's general obligation bonds, those costs will be paid out of other legally available monies of the District.

Plainview School District I-27
Carter County, Oklahoma
Notes to Combined Financial Statements
June 30, 2022

Ground Lease and Sublease Agreements (continued)

As of report date, there is \$8,310,000 authorized but unissued general obligation bonds from the bond election held in October 2015 of which all of bond proceeds are pledged for the Ground and Sublease agreement with Carter County Public Facilities Authority 2016 as discussed in prior paragraphs.

September 2021, the District executed a Ground Lease Agreement and Sublease agreement with Carter County Public Facilities Authority, a public trust, (the Authority). The District will lease the land upon which the improvements are to be constructed for so long as there are obligations outstanding. The Authority will issue the Bonds and apply the proceeds thereof to acquire, construct, furnish, and equipment the improvements as approved by voters in May 2021. The premises, including the Improvements, will then be leased by the Authority to the District pursuant to the Sublease Agreement for an initial term expiring on June 30, 2022, provided that the District has the option to renew for successive one-year periods, or until such time as the Sublease agreement is terminated in accordance with its terms.

The Authority will issue Bonds in the amount of \$10,415,000 Tax -exempt series 2021A and \$600,000 federally taxable series 2021B Bonds for a total of \$11,015,000 to finance a portion of the Improvements costs. This amount, together with separate issuance by the District of the first series of its general obligation bonds, is expected to fund the costs of the Improvements. If improvements costs exceed the proceeds of the Bonds and the District's general obligation bonds, those costs will be paid out of other legally available monies of the District.

The District intends to issue the balance of the May 2021 voter-approved general obligation bonds over the next fourteen-years. The monies derived from the issuance and sale of such bonds will be used to make Lease Purchase Acquisition Payments under the Sublease and thereby periodically acquire from the Authority title to portions of the Improvements. The proceeds of the general obligation bonds authorized at the special election can be used only to finance the costs of the Improvements, including the Lease Purchase Acquisition Payments.

As of report date, there is \$12,815,000 authorized but unissued general obligation bonds from the bond election held in May 2021 of which all of bond proceeds are pledged for the Ground and Sublease agreement with Carter County Public Facilities Authority 2016 as discussed in prior paragraphs.

Plainview School District I-27
Carter County, Oklahoma
Notes to Combined Financial Statements
June 30, 2022

9. *Tax Abatement*

The State of Oklahoma has authorized by Oklahoma State Statutes Title 31 to offer Homestead and Veterans exemptions to Ad Valorem property taxes. These exemptions reduce the ad valorem taxes remitted to the District. For the year ended June 30, 2022, the District had the \$119,900 in abated ad valorem tax revenues.

10. *Subsequent Events*

January 1, 2023, the District authorized the issuance of \$1,525,000 of General Obligation Combined Purpose Bonds of 2023. Bonds are due \$430,000 on the 1st day of January 2025 and due \$1,095,000 on the 1st day of January 2026, bearing interest of 5.25%, from their date until paid. Property taxes revenues are pledged to repay this obligation.

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

Plainview School District I-27
Carter County, Oklahoma
Supplementary Schedule
Combining Statement of Assets, Liabilities and Fund Equity – Regulatory Basis
All Special Revenue Funds
June 30, 2022

	<u>Building Fund</u>	<u>Child Nutrition Fund</u>	<u>County Sales Tax Fund</u>	<u>Special Revenue Total</u>
ASSETS				
Cash	\$ 2,118,828	\$ 468,290	\$ 379,607	\$ 2,966,725
Total Assets	<u>\$ 2,118,828</u>	<u>\$ 468,290</u>	<u>\$ 379,607</u>	<u>\$ 2,966,725</u>
 LIABILITIES AND FUND EQUITY				
Liabilities:				
Warrants payable	\$ 20,658	\$ 74,497	\$ 110	\$ 95,265
Total Liabilities	<u>20,658</u>	<u>74,497</u>	<u>110</u>	<u>95,265</u>
 Fund Balances:				
Restricted:				
Building Services	\$ 2,098,170	\$ -	\$ -	\$ 2,098,170
Child Nutrition Programs	-	393,793	-	393,793
Instructional Materials & Technology	<u>-</u>	<u>-</u>	<u>379,497</u>	<u>379,497</u>
Total Cash Fund Balances	<u>2,098,170</u>	<u>393,793</u>	<u>379,497</u>	<u>2,871,460</u>
 Total Liabilities and Fund Balances	<u>\$ 2,118,828</u>	<u>\$ 468,290</u>	<u>\$ 379,607</u>	<u>\$ 2,966,725</u>

Plainview School District I-27
Carter County, Oklahoma
Supplementary Schedule
Combining Statement of Revenues Collected, Expenditures Paid and
Changes in Cash Fund Balances – Regulatory Basis
All Special Revenue Funds
For the Year Ended June 30, 2022

	Building Fund	Child Nutrition Fund	County Sales Tax Fund	Special Revenue Total
Revenues collected:				
Local sources	\$ 1,716,551	\$ 20,461	\$ -	\$ 1,737,012
Intermediate sources	-	-	454,508	454,508
State Sources	924	71,003	-	71,927
Federal Sources	25,671	968,813	-	994,484
Total Revenues Collected	1,743,146	1,060,277	454,508	3,257,931
Expenditures paid:				
Instructional Services	-	-	317,825	317,825
Support Services	41,327	-	1,839	43,166
Non-Instructional Services	-	927,500	-	927,500
Capital outlay	510,636	13,523	-	524,159
Other Outlays	-	1,767	-	1,767
Total expenditures paid	551,963	942,790	319,664	1,814,417
Excess of revenues collected over (under) expenditures paid	1,191,183	117,487	134,844	1,443,514
Cash fund balances, beginning of year	906,987	276,306	244,653	1,427,946
Cash fund balances, end of year	\$ 2,098,170	\$ 393,793	\$ 379,497	\$ 2,871,460

Plainview School District I-27
Carter County, Oklahoma
Supplementary Schedule
Combining Statement of Revenues Collected, Expenditures Paid and
Changes in Cash Fund Balances – Budget and Actual – Regulatory Basis
Building and Child Nutrition Funds
For the Year Ended June 30, 2022

	Building Fund			Child Nutrition Fund			Total		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
Beginning cash fund balances - Budgetary basis	\$ 906,987	\$ 906,987	\$ 906,987	\$ 276,306	\$ 276,306	\$ 276,306	\$ 1,183,293	\$ 1,183,293	\$ 1,183,293
Revenues collected:									
Local sources	479,314	479,314	1,716,551	29,900	29,900	20,461	509,214	509,214	1,737,012
State sources	1,000	1,000	924	61,000	61,000	71,003	62,000	62,000	71,927
Federal sources	-	-	25,671	596,000	596,000	968,813	596,000	596,000	994,484
Total Revenues Collected	<u>480,314</u>	<u>480,314</u>	<u>1,743,146</u>	<u>686,900</u>	<u>686,900</u>	<u>1,060,277</u>	<u>1,167,214</u>	<u>1,167,214</u>	<u>2,803,423</u>
Expenditures paid:									
Instructional Services	50,000	50,000	-	-	-	-	50,000	50,000	-
Support Services	41,326	41,326	41,327	-	-	-	41,326	41,326	41,327
Non-Instructional Services	-	-	-	941,023	941,023	927,500	941,023	941,023	927,500
Capital outlay	510,636	510,636	510,636	-	-	13,523	510,636	510,636	524,159
Other outlays	<u>785,338</u>	<u>785,338</u>	<u>-</u>	<u>22,183</u>	<u>22,183</u>	<u>1,767</u>	<u>807,521</u>	<u>807,521</u>	<u>1,767</u>
Total expenditures paid	<u>1,387,300</u>	<u>1,387,300</u>	<u>551,963</u>	<u>963,206</u>	<u>963,206</u>	<u>942,790</u>	<u>2,350,506</u>	<u>2,350,506</u>	<u>1,494,753</u>
Excess of revenues collected over (under) expenditures paid	<u>(906,986)</u>	<u>(906,986)</u>	<u>1,191,183</u>	<u>(276,306)</u>	<u>(276,306)</u>	<u>117,487</u>	<u>(1,183,292)</u>	<u>(1,183,292)</u>	<u>1,308,670</u>
Ending cash balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,098,170</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 393,793</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,491,963</u>

Plainview School District I-27
Carter County, Oklahoma
Supplementary Schedule
Combining Statement of Assets, Liabilities and Fund Balances – Regulatory Basis
All Capital Project Funds
For the Year Ended June 30, 2022

	<u>Bond Fund 38</u>	<u>Bond Fund 32</u>	<u>Bond Fund 33</u>	<u>Bond Fund 34</u>	<u>Bond Fund 35</u>	<u>Total Capital Project Funds</u>
<u>ASSETS</u>						
Cash	\$ -	\$ 70,000	\$ 22,594	\$ 619,432	\$ 1,365,900	\$ 2,077,926
Total Assets	<u>\$ -</u>	<u>\$ 70,000</u>	<u>\$ 22,594</u>	<u>\$ 619,432</u>	<u>\$ 1,365,900</u>	<u>\$ 2,007,926</u>
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities:						
Warrants payable	\$ -	\$ -	\$ -	\$ 11,950	\$ -	\$ 11,950
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,950</u>	<u>-</u>	<u>\$ 11,950</u>
Fund Balances:						
Restricted:						
Restricted for capital projects	-	70,000	22,594	607,482	1,365,900	\$ 2,065,976
Total Cash Fund Balances	<u>-</u>	<u>70,000</u>	<u>22,594</u>	<u>607,482</u>	<u>1,365,900</u>	<u>\$ 2,065,976</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 70,000</u>	<u>\$ 22,594</u>	<u>\$ 619,432</u>	<u>\$ 1,365,900</u>	<u>\$ 2,077,926</u>

Plainview School District I-27
Carter County, Oklahoma
Supplementary Schedule
Combining Statement of Revenues Collected, Expenditures Paid and
Changes in Cash Fund Balances – Regulatory Basis
All Capital Project Funds
For the Year Ended June 30, 2022

	<u>Bond Fund 38</u>	<u>Bond Fund 32</u>	<u>Bond Fund 33</u>	<u>Bond Fund 34</u>	<u>Bond Fund 35</u>	<u>Total Capital Project Funds</u>
Revenues collected:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues Collected	-	-	-	-	-	-
Expenditures paid:						
Support services	-	-	-	-	19,100	19,100
Capital outlay	<u>1,365,900</u>	<u>-</u>	<u>891,156</u>	<u>11,950</u>	<u>-</u>	<u>2,269,006</u>
Total expenditures paid	<u>1,365,900</u>	<u>-</u>	<u>891,156</u>	<u>11,950</u>	<u>19,100</u>	<u>2,288,106</u>
Excess of expenditures paid over revenues collected	(1,365,900)	-	(891,156)	(11,950)	(19,100)	(2,288,106)
Other financing sources:						
Bond sales proceeds	<u>-</u>	<u>70,000</u>	<u>910,000</u>	<u>600,000</u>	<u>1,385,000</u>	<u>2,965,000</u>
Excess of revenues collected and other sources over (under) expenditures paid and other uses	(1,365,900)	70,000	18,844	588,050	1,365,900	676,894
Cash fund balances, beginning of year	<u>1,365,900</u>	<u>-</u>	<u>3,750</u>	<u>19,432</u>	<u>-</u>	<u>1,389,082</u>
Cash fund balances, end of year	<u>\$ -</u>	<u>\$ 70,000</u>	<u>\$ 22,594</u>	<u>\$ 607,482</u>	<u>\$ 1,365,900</u>	<u>\$ 2,065,976</u>

Plainview School District I-27
Carter County, Oklahoma
Supplementary Schedule
Combining Statement of Changes in Cash Balances – Regulatory Basis
Activity Funds
For the Year Ended June 30, 2022

	BEGINNING <u>BALANCE</u>	<u>RECEIPTS</u>	<u>CHECKS</u>	ENDING <u>BALANCE</u>
High School Yearbook	\$ 21,800	\$ 15,475	\$ 15,498	\$ 21,777
Athletics	66,639	174,434	175,411	65,662
Class of 2022 (Jrs)	4,393	890	5,061	222
Band	1,646	5,763	5,713	1,696
HS National Honor Society	1,491	1,700	1,179	2,012
National Junior High Honor Society	2,838	-	75	2,763
High School Cheerleaders	3,247	18,420	17,030	4,637
Middle School Cheerleaders	-	12,233	11,284	949
Elementary Art	140	-	-	140
FCCLA	6,645	24,032	24,474	6,203
Elementary P.T.O	10,144	80,637	69,232	21,549
Elementary PE	25,176	20,350	17,384	28,142
Intermediate Elementary	9,579	19,830	19,700	9,709
Elementary Library	8,800	30,742	21,400	18,142
Primary Elementary	16,713	10,615	11,896	15,432
High School Parking Lot	4,764	1,935	-	6,699
High School	3,335	4,756	3,752	4,339
First Grade	41	5,263	5,263	41
Second Grade	-	4,553	4,553	-
Plainview Band Boosters	23,790	16,761	31,995	8,556
Middle School	5,117	5,939	4,378	6,678
High School Student Council	4,436	3,242	2,835	4,843
Scholarship	12,463	500	2,500	10,463
High School Art Department	191	2,340	1,198	1,333
Middle School Art Department	26	2,675	2,680	21
Middle School Yearbook	8,425	2,855	1,991	9,289
Middle School Student Council	2,997	830	781	3,046
Middle School Library	132	-	-	132
High School Library	159	-	-	159
Elementary Music	290	720	660	350
High School Vocal Music	3,193	9,858	10,603	2,448
Primary Technology	18,164	11,950	11,015	19,099
Lake Country Academic Conf.	761	-	-	761
Basketball Program	10,789	22,008	22,344	10,453
Discovery Club	377	-	23	354

Plainview School District I-27
Carter County, Oklahoma
Supplementary Schedule
Combining Statement of Changes in Cash Balances – Regulatory Basis
Activity Funds
For the Year Ended June 30, 2022

	BEGINNING BALANCE	RECEIPTS	CHECKS	ENDING BALANCE
Robotics Club	196	3,260	2,916	540
Envirothon Club	115	-	-	115
Interest	1,353	4,417	598	5,172
Plainview Grants	565	20,345	10,345	10,565
Transportation / Maintenance	525	46	418	153
Donations	4,351	-	-	4,351
Four Year Old Program	11	3,028	3,028	11
Daycare	195,917	71,199	70,780	196,336
Football / Weight Room	2,372	6,845	4,472	4,745
FCA	2,935	-	-	2,935
High School Examination Account	1,535	306	-	1,841
Plainview Academic Team	948	1,914	1,900	962
Class of 2021 (Juniors)	3,093	-	3,093	-
Golf Program	723	1,925	1,321	1,327
Kindergarten Program	-	3,897	3,897	-
Middle School Science	2,380	-	26	2,354
Spanish Club	661	-	-	661
Class of 2023 (Jrs)	-	30,213	26,413	3,800
Staff & Faculty	13	1,761	959	815
Clearing Account	-	5,895	5,895	-
Baseball Program	8,043	21,856	20,628	9,271
Swim Program	1,238	-	119	1,119
Special Olympics	778	-	-	778
Softball Program	1,537	7,800	4,682	4,655
Wrestling Program	2,929	4,302	6,401	830
Environmental Science	1,251	-	-	1,251
Advanced Placement Program	1,217	4,829	4,416	1,630
Plainview Pom	8,969	9,595	12,051	6,513
Coaches' Resource Account	1,144	82	-	1,226
Middle School PIA	3,820	4,743	6,117	2,446
Track Cross Country	100	100	72	128
	<u>\$ 527,420</u>	<u>\$ 719,664</u>	<u>\$ 692,455</u>	<u>\$ 554,629</u>

Plainview School District I-27
Carter County, Oklahoma
Supplementary Schedule
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Federal Grant / Pass-Through Grantor / Program Title	Federal Assistance/ CFDA Number	Pass - Through Grantor's Project Number	Balance 6/30/2021	Federal Grant Receipts	Federal Grant Expenditures	Balance 6/30/2022
U.S. Department of Interior						
<i>Passed Through Chickasaw Nation:</i>						
Johnson O'Malley	15.130	563	\$ (1,142)	\$ 7,218	\$ 13,393	\$ (7,317)
U.S. Department of Education						
<i>Direct Program:</i>						
Title VII - Indian Education	84.060A	561	814	56,645	56,645	814
<i>Passed Through State Department of Education:</i>						
Title I, Grants to Local Education Agencies	84.010	511	(13,782)	142,490	160,928	(32,220)
Special Education - Flow-Through	84.027	621	(18,640)	311,999	293,359	-
Special Education Professional Development District	84.027	615	-	4,178	4,704	(526)
COVID-19 ARP- IDEA B Preschool	84.027X	643	-	3,993	3,993	-
Special Education - Preschool	84.173	641	-	6,915	6,915	-
Special Education Cluster			(18,640)	327,085	308,971	(526)
Title IV A Student Support & Academic Enrichment Form Grant	84.424A	552	-	6,059	6,059	-
Title II - Part D (a) - Education Technology	84.318	546	-	-	-	-
Title VI - Part B Rural Education	84.358	587	(1,272)	18,928	17,656	-
Title II - Part A - Improving Teacher Quality	84.367	541	(1,805)	47,038	45,233	-
COVID-19 Education Stabilization Fund-Governor's Emergency Education Relief (GEER) Fund	84.425C	721	-	17,188	18,814	(1,626)
COVID-19 Education Stabilization Fund--American Rescue Plan Elementary and Secondary School Emergency Relief (ARP-ESSERIII)	84.425U	795	-	699,200	753,278	(54,078)
COVID-19 Education Stabilization Fund- Elementary and Secondary School Emergency Relief Fund (ESSER II) Set Asides	84.425D	794	-	116,905	117,207	(302)
COVID-19 Education Stabilization Fund- Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425D	793	(20,011)	163,895	150,139	(6,255)
Total Education Stabilization Fund (ESF)			(20,011)	997,188	1,039,438	(62,261)

Plainview School District I-27
Carter County, Oklahoma
Supplementary Schedule
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Federal Grant / Pass-Through Grantor / Program Title	Federal Assistance/ CFDA Number	Pass - Through Grantor's Project Number	Balance 6/30/2021	Federal Grant Receipts	Federal Grant Expenditures	Balance 6/30/2022
U.S. Dept. of Education - continued						
<i>Passed Through Vocational Education:</i>						
Career and Technical Education - Basic Grant to States (Perkins IV)	84.048	421	2,220	-	-	2,220
<i>Passed Through OK State Department of Rehabilitation</i>						
Job Training Vocation	84.126	456	(952)	-	1,102	(2,054)
Total U.S. Department of Education			\$ (53,428)	\$ 1,595,433	\$ 1,636,032	\$ (94,027)
U.S. Department of Agriculture:						
<i>Passed Through State Department of Education:</i>						
Cash Assistance:						
Commodity Credit Corporation (CCC) Supply Chain Assistance	10.555	759	-	35,791	35,791	-
Emergency Operational Costs Reimbursement SBP & NSLP	10.555	762	-	14,295	14,295	-
Fresh Fruit/Vegetable Program	10.582	768	-	37,840	37,840	-
National School Lunch Program	10.555	763	85,680	694,658	556,694	223,644
School Breakfast Program	10.553	764	37,016	185,615	166,428	56,203
Cash Assistance Subtotal:			122,696	968,199	811,048	279,847
<i>Passed Through State Department of Human Services:</i>						
Non-Cash Assistance (Commodities)						
National School Lunch Program	10.555		-	55,047	55,047	-
Non-Cash Assistance Subtotal:			-	55,047	55,047	-
Child Nutrition Cluster			122,696	1,023,246	866,095	279,847
<i>Passed Through State Department of Education:</i>						
P-EBT Program	10.649	764	-	614	-	614
Total U.S. Department of Agriculture			\$ 122,696	\$ 1,023,860	\$ 866,095	\$ 280,461
Total Expenditures of Federal Awards			\$ 68,126	\$ 2,626,511	\$ 2,515,520	\$ 179,117

Plainview School District I-27
Carter County, Oklahoma
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Note A: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Plainview School District I-27 Carter County, Oklahoma under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Plainview School District I-27 Carter County, Oklahoma, it is not intended to and does not present the basic financial statements as listed in the table of contents, of Plainview School District I-27 Carter County, Oklahoma.

Note B: Summary of Significant Accounting Policies

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

Note C: Indirect Cost Rate

Plainview School District I-27 Carter County, Oklahoma has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note D: Subrecipients

Plainview School District I-27 Carter County, Oklahoma did not have any awards that have been passed through to subrecipients.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Board of Education
Plainview School District I-27
Ardmore, Oklahoma 73401

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying fund type and account group financial statements of Plainview School District I-27, Carter County Oklahoma, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Plainview School District I-27, Love County Oklahoma's basic regulatory financial statements and have issued our report thereon dated February 7, 2023. Our report included an adverse opinion on U.S. Generally Accepted Accounting Principles and a qualified opinion due to the omission of the general fixed asset account group.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Plainview School District I-27, Carter County, Oklahoma's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on effectiveness Plainview School District I-27, Carter County, Oklahoma's internal control. Accordingly, we do not express an opinion on the effectiveness of Plainview School District I-27, Carter County, Oklahoma's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2022-002 and 2022-03 that we consider to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Plainview School District I-27, Carter County Oklahoma's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2022-002 and 2022-003.

Plainview School District I-27's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Plainview School District I-27's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Plainview School District I-27's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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



Norman, Oklahoma
February 7, 2023

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

The Honorable Board of Education
Plainview School District I-27
Ardmore, Oklahoma 73401

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Plainview School District I-27, Carter County, Oklahoma's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Plainview School District I-27, Carter County, Oklahoma's major federal programs for the year ended June 30, 2022. Plainview School District I-27, Carter County, Oklahoma's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Plainview School District I-27, Carter County, Oklahoma, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Plainview School District I-27, Carter County, Oklahoma and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Plainview School District I-27'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 Plainview School District I-27'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 Plainview School District I-27'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 Plainview School District I-27'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 Plainview School District I-27'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 Plainview School District I-27'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 Plainview School District I-27'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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2022-004. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Plainview School District I-27's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Plainview School District I-27's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-003 to be a material weakness.

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 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.

Government Auditing Standards requires the auditor to perform limited procedures on Plainview School District I-27's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Plainview School District I-27's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Mary C Johnson & Associates PLLC

Norman, Oklahoma

February 7, 2023

Plainview School District I-27
Carter County, Oklahoma
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section I – Summary of Auditor’s Results

Financial Statements:

Type of audit report:	Qualified Opinion Regulatory Basis
Internal control over financial reporting:	
Material weakness(es) identified?	_____ <u>X</u> _____ Yes _____ No
Significant Deficiency(ies) identified that are not considered to be material weaknesses?	_____ <u>X</u> _____ Yes _____ None Reported
Noncompliance material to financial statement	_____ <u>X</u> _____ Yes _____ No

Federal Awards:

Internal control over major program:	
Material weakness(es) identified?	_____ Yes _____ <u>X</u> _____ No
Significant Deficiency(ies) identified that are not considered to be material weaknesses?	_____ Yes _____ <u>X</u> _____ None Reported

Type of auditors' report issued on compliance for major programs:	Unmodified Opinion
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Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	_____ <u>X</u> _____ Yes _____ No
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Identification of Major Programs:

<u>Assistance/CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.553; 10.555; 10.582	Child Nutrition Program Cluster
84.425C; 84.425D; 84.425U	COVID-19 Education Stabilization Funds-Governor's Emergency Education Relief (GEER) Fund; Elementary and Secondary School Emergency Relief (ESSER II) Fund; American Rescue Plan Elementary and Secondary School Emergency Relief (ARP-ESSER III)

Dollar threshold used to distinguish between Type A and Type B	\$ 750,000
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Auditee qualified as a low-risk auditee?	_____ Yes _____ <u>X</u> _____ No
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Plainview School District I-27
Carter County, Oklahoma
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section II – Financial Statement Findings

2022-001 Financial Reporting

Condition: The District does not have a financial reporting system in place to ensure that all financial information is disclosed in the appropriate accounting period and in accordance with the regulatory basis of accounting and State Department of Education guidelines. In addition, the District does not report a general fixed asset account group as required by the State Department of Education guidelines.

Criteria: The responsibility for the financial statements remains with management even when the preparation of the financial statements is transferred to a service provider. An individual with sufficient awareness of disclosure requirements should be designated to oversee the preparation of the financial statements.

Cause: The internal control structure of the District focuses primarily on daily operations. The District does have a system of financial reporting that determines the trial balances used in financial statement preparation are final. The District does not currently have a system in place to determine appropriate financial statement disclosures. The District also does not have a system for accounting for general fixed assets.

Effect: Potential that financial statement disclosures will be incomplete. Scope limitation on the audit for the general fixed asset account group.

Recommendation: We recommend that the District evaluate the costs of providing for the additional assistance needed for the year-end financial reporting process to determine it is in accordance with accounting and regulatory requirements.

*Views of Responsible Officials
and Planned Corrective*

Action: The District's current budget constraints do not allow for the addition of an outside consultant to assist in the year-end financial reporting process. Management reviews disclosures as presented to determine that they are accurate.

Plainview School District I-27
Carter County, Oklahoma
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

2022-002 Coding of Revenues

Condition: Revenues were not properly coded in accordance with the Oklahoma Cost Accounting System (OCAS).

Criteria: Oklahoma Administrative Code (OAC) 210:25-5-4a The financial structure of an Oklahoma public school district consists of various classifications as referenced in Oklahoma Administrative Code (OAC) 210:25-7-1, (Oklahoma Cost Accounting System [OCAS]). School District accounting systems shall be organized and operated on a basis that assures legal compliance by the recording and summarizing of financial transactions within funds, each of which is completely independent of any other. Each fund shall account for and continually maintain the identity of its revenues and expenditures.

Cause: Funds received which were to be recorded in the special revenue Building fund, were recorded in General Fund.

Effect: Incorrect reporting of revenues submitted to the State Department of Education.

Recommendation: We recommend that revenues be properly coded in OCAS. We also recommend that procedures be implemented to monitor revenues have been recorded in proper fund.

*Views of Responsible Officials
and Planned Corrective*

Action: The District will have multiple reviewers of deposits.

2022-003 Coding of Expenditures

Condition: Expenditures were not properly coded in accordance with the Oklahoma Cost Accounting System (OCAS).

Criteria: Oklahoma Administrative Code (OAC) 210:25-5-4a The financial structure of an Oklahoma public school district consists of various classifications as referenced in Oklahoma Administrative Code (OAC) 210:25-7-1, (Oklahoma Cost Accounting System [OCAS]). School District accounting systems shall be organized and operated on a basis that assures legal compliance by the recording and summarizing of financial transactions within funds, each of which is completely independent of any other. Each fund shall account for and continually maintain the identity of its revenues and expenditures.

**Plainview School District I-27
Carter County, Oklahoma
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022**

Cause: Classification of expenditures were not proper related to federal projects coding identification in general fund and function coding of capital bond funds.

Effect: Misclassification of financial statement expenditures and data submitted to the State Department of Education.

Recommendation: We recommend that expenditures be properly coded in OCAS. We also recommend that procedures be implemented to monitor federal expenditures. We recommend that expenditures be evaluated by functions of funds to ensure data is reasonable.

*Views of Responsible Officials
and Planned Corrective*

Action: The District will ensure expenditures are only coded to federal programs that have been claimed and paid.

Section III – Federal Award Findings and Questioned Costs

2022-004 Preparation of Schedule of Expenditures of Federal Awards (SEFA)

Condition: Excess expenditures were coded as federal in Oklahoma Cost Accounting System (OCAS) in which federal revenues were never received.

Criteria: CFR 200.510b Schedule of expenditures of federal awards. The auditee must prepare a schedule of expenditures of Federal Awards for the period covered by the auditee's financial statements which must include the Total Federal Awards expended as determined in accordance with §200.502 basis for determining Federal Awards expended.

Cause: Due to timing of claims and COVID-19 programs there were amounts coded as federal that ended up not being claimed as federal and should have been recoded to local before finalizing data.

Effect: Overstatement of federal expenditures on Schedule of Expenditures of Federal Awards.

Recommendation: We recommend that expenditures be properly coded as federal in OCAS . We also recommend that procedures be implemented to verify if federal expenditures have been claimed and federal funding will be received before finalizing OCAS data.

**Plainview School District I-27
Carter County, Oklahoma
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022**

*Views of Responsible Officials
and Planned Corrective*

Action:

The District will ensure expenditures are only coded to federal programs that have been claimed and paid with federal dollars.

Plainview School District I-27
Carter County, Oklahoma
Summary of Prior Year Findings
For the Year Ended June 30, 2022

Financial Statement Findings

2021-001 *Condition:* The District does not have a financial reporting system in place to ensure that all financial information is disclosed in the appropriate accounting period and in accordance with the regulatory basis of accounting and State Department of Education guidelines. In addition, the District does not report a general fixed asset account group as required by the State Department of Education guidelines.

Recommendation: The auditor recommended the District evaluate the costs of providing for the additional assistance needed for the year-end financial reporting process to determine it is in accordance with accounting and regulatory requirements.

Status: Condition still exists. See 2022-001

2021-002 *Condition:* Federal revenues and expenditures were not properly coded as federal in the Oklahoma Cost Accounting System (OCAS).

Recommendation: The auditor recommended that all federal funds be properly coded in OCAS. The auditor also recommended that procedures be implemented for all new revenue received to determine source of funds and properly coded when received and used.

Status: Condition has been resolved.

Federal Award Findings and Questioned Costs

2021-003 *Condition:* Federal award was not properly coded as federal in the Oklahoma Cost Accounting System (OCAS).

Recommendation: The auditor recommended that all federal funds be properly coded in OCAS. The auditor also recommended that procedures be implemented for all new revenue received to determine source of funds are properly coded when received and used.

Status: Condition has been resolved.

Plainview School District I-27
Carter County, Oklahoma
Statement of Statutory Fidelity, and Honesty Bonds (unaudited)
For the Year Ended June 30, 2022

The District has a Public Official Position Schedule Bond with Western Surety Company. The bond number is 70750218. It covers all employees for the penal sum of \$100,000 and is for the term July 1, 2021 to June 30, 2022.

The treasurer is bonded by Western Surety Company, bond number 106574128, for the penal sum of \$100,000 for the term June 30, 2021 to June 30, 2022.

Plainview School District I-27
Carter County, Oklahoma
Schedule of Accountant's Professional Liability Insurance Affidavit (unaudited)
For the Year Ended June 30, 2022

State of Oklahoma)

County of Carter)

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 Plainview School District I-27 for the audit year 2021-2022.

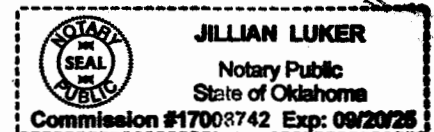
MARY E. JOHNSON & ASSOCIATES, PLLC

Mary E. Johnson

BY: _____
Authorized Agent

Subscribed and sworn to before me on this 10th day of, February, 2023

Jillian Luker
Notary Public



Commission Number: 17008742

My commission expires on: 20th day of, Sept, 2025.