

**GLENCOE SCHOOL DISTRICT**  
**NO. 60-I101**  
**Payne County, Oklahoma**

FINANCIAL STATEMENTS AND  
ACCOMPANYING  
INDEPENDENT AUDITOR'S REPORTS  
June 30, 2022

**DAVID CLANIN CPA PLLC**  
35988 HIGHWAY 82, VINITA, OK 74301  
(918) 519-8336 PHONE  
(918) 512-4646 FAX  
DAVID@CLANINCPA.COM

**GLENCOE SCHOOL DISTRICT NO. 60-I101**  
**Payne County, Oklahoma**

**School Districts Officials**  
**June 30, 2022**

**Board of Education**

President  
Vice-President

Judy Goeringer  
Dalton Ross

Member  
Member  
Member

Misty Hesser  
Jason Harting  
Dawn Frank

**Clerk of Board of Education**  
Dawn Frank

**School District Treasurer**  
Rhonda Fanning

**Superintendent of Schools**  
John Lazenby

**GLENCOE SCHOOL DISTRICT 60-1101**  
**Payne County, Oklahoma**

**June 30, 2022**

**TABLE OF CONTENTS**

	<u><b>PAGE</b></u>
<u><b>Independent Auditor's Report</b></u>	1
<u><b>Combined Financial Statements</b></u>	
Combined Statement of Assets, Liabilities and Fund Balances--All Fund Types and Account Groups-Regulatory Basis	4
Combined Statement of Revenues Collected, Expenditures, and Changes in Fund Balances--All Governmental Fund Types-Regulatory Basis	5
Combined Statement of Revenues Collected, Expenditures, and Changes in Fund Balances--Budget and Actual--Budgeted Governmental Fund Types-Regulatory Basis	6
<u><b>Notes to the Combined Financial Statements-Regulatory Basis</b></u>	7
<u><b>Other Supplementary Information</b></u>	
<u><b>Combining Financial Statements</b></u>	
Combining Statement of Assets, Liabilities and Fund Balances--All Special Revenue Funds-Regulatory Basis	21
Combining Statement of Revenues Collected, Expenditures, and Changes in Fund Balances--All Special Revenue Funds-Regulatory Basis	22
Combining Statement of Revenues Collected, Expenditures, and Changes in Fund Balances--Budget and Actual--All Special Revenue Funds-Regulatory Basis	23
Statement of Assets, Liabilities and Fund Balances--Fiduciary Funds-Regulatory Basis	24
Statement of Changes in Assets and Liabilities--Fiduciary Funds-Regulatory Basis	25

**GLENCOE SCHOOL DISTRICT 60-1101**  
**Payne County, Oklahoma**

**June 30, 2022**

**TABLE OF CONTENTS**

	<u><b>PAGE</b></u>
<u><b>Supporting Schedules and Reports Required by Government Auditing Standards</b></u>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Combined Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	26
<u><b>Supporting Schedules and Reports Required by The Uniform Guidance</b></u>	
Independent Auditor's Report on Compliance with Each Major Program and on Internal Control over Compliance Required by The Uniform Guidance	28
Schedule of Expenditures of Federal Awards	30
Schedule of Findings and Questioned Costs	31
<u><b>Supporting Schedules Required by the Oklahoma State Department of Education</b></u>	
Schedule of Expenditures of Federal Awards	32
Schedule of Current Year and Prior Year Audit Findings	33
Schedule of Accountant's Professional Liability Insurance Affidavit	34
Schedule of Statutory, Fidelity, and Honesty Bonds	35

Office:  
35988 Oklahoma 82  
Vinita, OK 74301  
(918) 782-3773



Mailing:  
P.O. Box 745  
Langley, OK 74350  
(918) 519-8336

## INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education  
Glencoe Independent School District No. 60-I101  
Payne County, Oklahoma

### **Adverse and Qualified Opinions**

We have audited the accompanying combined fund type and account group financial statements-regulatory basis of Glencoe School District No. 60-I101, Payne County, Oklahoma as of and for the year ended June 30, 2022, as listed in the table of contents.

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse and Qualified Opinions" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the aforementioned school district, as of June 30, 2022, the changes in its net position and, where applicable, cash flows for the year then ended.

In our opinion, except for the matter discussed in the "Basis for Adverse and Qualified Opinions" paragraph the combined financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities and fund balances arising from regulatory basis transactions of each fund type and account group of aforementioned school district as of June 30, 2022, and the revenues collected and expenditures paid and encumbered, of each fund type, for the year then ended, in accordance with regulatory basis of accounting described in Note 1.

### **Basis for Adverse and Qualified 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 aforementioned school district, 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.

#### *Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles*

As discussed in Note I to the financial statements, to meet the financial reporting requirements of the Oklahoma State Department of Education, the financial statements are prepared on the basis of financial reporting regulations prescribed or permitted by the Oklahoma State Department of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I and accounting principles generally accepted in the United States of America, although not reasonably determined, are presumed to be material.

### *Matter Giving Rise to Qualified Opinion on Regulatory Basis of Accounting*

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting regulations prescribed or permitted by the Oklahoma State Department of Education as described in Note 1, to meet the financial reporting requirements of the State of Oklahoma; this includes determining the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 District and the Foundation'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.

## Other Matters

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the fund type and account group financial statements-regulatory basis within the combined financial statements. The other supplemental information, including the schedule of expenditures of federal awards, are presented for purposes of additional analysis and are not a required part of the combined financial statements of the District. Also, the accompanying schedule of expenditures of federal awards is presented for additional analysis as required by *Title 2 U.S. Code of Federal Regulation (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (The Uniform Guidance) and is also not a required part of the financial statements.

The combining statements-regulatory basis and the other supplementary information, including the schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting records used to prepare the combined financial statements. Such information has been subjected to the auditing procedures applied in the audit of the fund type and account group financial statements within the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information, and the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the combined financial statements taken as a whole in accordance with the regulatory basis of accounting described in Note I.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2022, on our consideration of the aforementioned school district's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

The image shows a handwritten signature in black ink. The signature appears to read "David Chan" followed by "CPA PLLC" in a slightly larger, more formal script. The signature is fluid and cursive.

October 3, 2022

**COMBINED FINANCIAL STATEMENTS-REGULATORY BASIS**



**GLENCOE SCHOOL DISTRICT NO. 60-1101**  
**Payne County, Oklahoma**

**COMBINED STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES**  
**ALL FUND TYPES AND ACCOUNT GROUPS - REGULATORY BASIS**  
**June 30, 2022**

	Governmental Fund Types				Fiduciary Fund Types	Account Group	Total (Memorandum Only) 2022
	General Fund	Special Revenue	Debt Service	Capital Projects	Trust and Agency	General Long-Term Debt	
<b>ASSETS</b>							
Cash and cash equivalents (Note 2)	\$ 486,928.54	\$ 245,654.44	\$ 459,202.05	\$ 46,092.50	\$ 159,809.69	\$ -	\$ 1,397,687.22
Investments	-	-	-	-	-	-	-
Amount to be provided for compensated absences						-	-
Amount to be provided for capitalized lease agreements	-	-	-	-	-	1,814,189.16	1,814,189.16
Amounts available in debt service fund	-	-	-	-	-	459,202.05	459,202.05
Amounts to be provided for retirement of general long-term debt	-	-	-	-	-	440,797.95	440,797.95
Total assets	<u>\$ 486,928.54</u>	<u>\$ 245,654.44</u>	<u>\$ 459,202.05</u>	<u>\$ 46,092.50</u>	<u>\$ 159,809.69</u>	<u>\$ 2,714,189.16</u>	<u>\$ 4,111,876.38</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Liabilities:							
Outstanding warrants	\$ 288,160.23	\$ 41,029.25	\$ -	\$ 286.50	\$ -	\$ -	\$ 329,475.98
Encumbrances	-	-	-	-	-	-	-
Long-term debt (note 5:)							
Compensated absence	-	-	-	-	-	-	-
Capital leases obligations payable	-	-	-	-	-	1,814,189.16	1,814,189.16
Bonds payable	-	-	-	-	-	900,000.00	900,000.00
Due to activity groups	-	-	-	-	159,809.69	-	159,809.69
Total liabilities	<u>288,160.23</u>	<u>41,029.25</u>	<u>-</u>	<u>286.50</u>	<u>159,809.69</u>	<u>2,714,189.16</u>	<u>3,203,474.83</u>
Fund balance:							
Restricted for capital projects	-	-	-	45,806.00	-	-	45,806.00
Restricted for debt service	-	-	459,202.05	-	-	-	459,202.05
Restricted for building projects		56,296.42					56,296.42
Restricted for child nutrition programs	-	148,328.77					148,328.77
Unassigned	198,768.31		-	-	-	-	198,768.31
Total fund balance	<u>198,768.31</u>	<u>204,625.19</u>	<u>459,202.05</u>	<u>45,806.00</u>	<u>-</u>	<u>-</u>	<u>908,401.55</u>
Total liabilities and fund balance	<u>\$ 486,928.54</u>	<u>\$ 245,654.44</u>	<u>\$ 459,202.05</u>	<u>\$ 46,092.50</u>	<u>\$ 159,809.69</u>	<u>\$ 2,714,189.16</u>	<u>\$ 4,111,876.38</u>

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

**GLENCOE SCHOOL DISTRICT NO. 60-1101**  
**Payne County, Oklahoma**

**COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES - REGULATORY BASIS  
For the Year Ended June 30, 2022**

	Governmental Fund Types				Fiduciary Fund Types	Total (Memorandum only)
	General Fund	Special Revenue	Debt Service	Capital Projects	Trust and Agency	
Revenues collected:						
Local sources	\$ 956,642.77	\$ 131,959.26	\$ 452,446.44	\$ 99.81	\$ 211,212.96	\$ 1,752,361.24
Intermediate sources	148,933.59	-	-	-	-	148,933.59
State sources	1,421,629.36	22,375.21	-	-	-	1,444,004.57
Federal sources	510,138.39	297,623.45	-	-	-	807,761.84
Total revenues collected	<u>3,037,344.11</u>	<u>451,957.92</u>	<u>452,446.44</u>	<u>99.81</u>	<u>211,212.96</u>	<u>4,153,061.24</u>
Expenditures paid:						
Instruction	1,788,506.04	-	-	-	186,497.30	1,975,003.34
Support Services	1,483,839.34	151,120.94	-	-	-	1,634,960.28
Non-Instructional services	-	202,532.73	-	-	-	202,532.73
Capital outlay	10,276.72	3,000.00	-	465,590.10	-	478,866.82
Other outlays	14,109.32	-	-	-	-	14,109.32
Debt services:						-
Principal retirement	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-
Total expenditures paid	<u>3,296,731.42</u>	<u>356,653.67</u>	<u>-</u>	<u>465,590.10</u>	<u>186,497.30</u>	<u>4,305,472.49</u>
Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances	<u>(259,387.31)</u>	<u>95,304.25</u>	<u>452,446.44</u>	<u>(465,490.29)</u>	<u>24,715.66</u>	<u>(152,411.25)</u>
Adjustments to prior year encumbrances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):						
Estopped warrants	1,125.30	18.00	-	-	-	1,143.30
Bond sale proceeds	-	-	-	19,100.00	-	19,100.00
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>1,125.30</u>	<u>18.00</u>	<u>-</u>	<u>19,100.00</u>	<u>-</u>	<u>20,243.30</u>
Excess (deficiency) of revenues and other resources over expenditures and other financing sources (uses)	<u>(258,262.01)</u>	<u>95,322.25</u>	<u>452,446.44</u>	<u>(446,390.29)</u>	<u>24,715.66</u>	<u>(132,167.95)</u>
Fund balances, beginning of year	<u>457,030.32</u>	<u>109,302.94</u>	<u>6,755.61</u>	<u>492,196.29</u>	<u>135,094.03</u>	<u>1,200,379.19</u>
Fund balances, end of year	<u>\$ 198,768.31</u>	<u>\$ 204,625.19</u>	<u>\$ 459,202.05</u>	<u>\$ 45,806.00</u>	<u>\$ 159,809.69</u>	<u>\$ 1,068,211.24</u>

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

**GLENCOE SCHOOL DISTRICT NO. 60-1101**  
**Payne County, Oklahoma**

**COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
BUDGETED GOVERNMENTAL FUND TYPES - REGULATORY BASIS  
For the Year Ended June 30, 2022**

	General Fund			Special Revenue Funds (Building and Child Nutrition only)			Debt Service Fund (Sinking Fund)		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
Revenues collected:									
Local sources	\$ 874,948.85	\$ 874,948.85	\$ 956,642.77	\$ 127,104.86	\$ 127,104.86	\$ 131,959.26	\$ 456,262.50	\$ 456,262.50	\$ 452,446.44
Intermediate sources	126,321.94	126,321.94	148,933.59	-	-	-	-	-	-
State sources	1,294,876.16	1,294,876.16	1,421,629.36	6,178.29	6,178.29	22,375.21	-	-	-
Federal sources	548,176.69	548,176.69	510,138.39	174,927.62	174,927.62	297,623.45	-	-	-
Total revenues collected	<u>2,844,323.64</u>	<u>2,844,323.64</u>	<u>3,037,344.11</u>	<u>308,210.77</u>	<u>308,210.77</u>	<u>451,957.92</u>	<u>456,262.50</u>	<u>456,262.50</u>	<u>452,446.44</u>
Expenditures paid:									
Instruction	3,301,353.96	3,301,353.96	1,788,506.04	-	-	-	-	-	-
Support services	-	-	1,483,839.34	181,767.18	181,767.18	151,120.94	-	-	-
Non-instructional services	-	-	-	235,746.53	235,746.53	202,532.73	-	-	-
Capital outlays	-	-	10,276.72	-	-	3,000.00	-	-	-
Other outlays	-	-	14,109.32	-	-	-	-	-	-
Total expenditures paid	<u>3,301,353.96</u>	<u>3,301,353.96</u>	<u>3,296,731.42</u>	<u>417,513.71</u>	<u>417,513.71</u>	<u>356,653.67</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances	<u>(457,030.32)</u>	<u>(457,030.32)</u>	<u>(259,387.31)</u>	<u>(109,302.94)</u>	<u>(109,302.94)</u>	<u>95,304.25</u>	<u>456,262.50</u>	<u>456,262.50</u>	<u>452,446.44</u>
Adjustments to prior year encumbrances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):									
Estopped warrants	-	-	1,125.30	-	-	18.00	-	-	-
Operating transfers in	-	-	-	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,125.30</u>	<u>-</u>	<u>-</u>	<u>18.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other resources over expenditures and other financing sources (uses)	<u>(457,030.32)</u>	<u>(457,030.32)</u>	<u>(258,262.01)</u>	<u>(109,302.94)</u>	<u>(109,302.94)</u>	<u>95,322.25</u>	<u>456,262.50</u>	<u>456,262.50</u>	<u>452,446.44</u>
Fund balances, beginning of year	<u>457,030.32</u>	<u>457,030.32</u>	<u>457,030.32</u>	<u>109,302.94</u>	<u>109,302.94</u>	<u>109,302.94</u>	<u>6,755.61</u>	<u>6,755.61</u>	<u>6,755.61</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 198,768.31</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 204,625.19</u>	<u>\$ 463,018.11</u>	<u>\$ 463,018.11</u>	<u>\$ 459,202.05</u>

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

**NOTES TO THE COMBINED FINANCIAL STATEMENTS-REGULATORY BASIS**

**GLENCOE SCHOOL DISTRICT 60-I101**  
**Payne County, Oklahoma**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**1. Summary of Significant Accounting Policies**

The financial statements of the Glencoe School District Number 60-I101 (the "District") have been prepared in conformity with an other comprehensive basis of accounting as prescribed or permitted by the Oklahoma State Department of Education and conform to the system of accounting authorized by the State of Oklahoma. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America. The District's accounting policies are described in the following notes that are an integral part of the District's financial statements.

**A. 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 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 (Board), composed of five elected members. The appointed superintendent is the executive officer of the District. The Board, constituting an on-going entity, is the level of government which has governance responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the Local Independent School District. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. The District is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards, since Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

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 included, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operation, 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.

**GLENCOE SCHOOL DISTRICT 60-I101**  
**Payne County, Oklahoma**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**Summary of Significant Accounting Policies (continued)**

**B. Measurement Focus**

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

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

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

**Governmental Fund Types**

Governmental funds are used to account for all or most of 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 Funds - The Special Revenue Funds consist of the Building Fund and the Child Nutrition Fund.

Building 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.

Child Nutrition Fund - The Child Nutrition Fund is used to account for monies derived from federal and state reimbursement and local food service collections and is expended on food, supplies, and salaries to operate the breakfast and lunch programs.

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 Fund and is used to account for the proceeds of bond sales to be used exclusively for acquiring school sites, constructing and equipping new school facilities, renovating existing facilities, and acquiring transportation equipment.

**GLENCOE SCHOOL DISTRICT 60-I101**  
**Payne County, Oklahoma**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**Summary of Significant Accounting Policies (continued)**

Measurement Focus - (continued)

Proprietary Fund Types

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

Fiduciary Fund Types

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District. When these assets are held under the terms of a formal trust agreement, either a nonexpendable trust fund or an expendable trust fund is used. The terms "nonexpendable" and "expendable" refer to whether or not the District is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the District holds on behalf of others as their agent and do not involve measurement of results of operations.

Agency Fund - The Agency fund is the School Activities Fund, which is used to account for monies collected principally through fund-raising efforts of the students and District-sponsored groups. The administration is responsible, under the authority of the Board, for 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. It is also used to account for liabilities for compensated absences and early retirement incentives, which are to be paid from funds provided in future years.

General Fixed Asset Account Group - This account group is used to account for property, plant and equipment of the School District. The District does not maintain a record of its general fixed assets, and accordingly, a statement of general fixed assets, required by the regulatory basis of accounting prescribed or permitted by the State Department of Education, is not included in the financial statements. Land, buildings, nonstructural improvements, and all other physical assets in all funds are considered expenditures in the year of acquisition and are not recorded as assets for financial statement purposes.

**GLENCOE SCHOOL DISTRICT 60-I101**  
**Payne County, Oklahoma**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**Summary of Significant Accounting Policies (continued)**

**Measurement Focus (continued)**

**Memorandum Only - Total Column**

The total column on the financial statements is captioned "memorandum only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position or results of operations 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.
- Inventories of school supplies are recorded as expenditures and not as inventory assets.
- Warrants payable are recorded as liabilities when issued.
- Long-term debt is recorded in the General Long-term Debt Account Group and not in the basic financial statements.
- Accrued compensated absences are recorded as an expenditure when the obligation is paid.
- A General Fixed Asset Account Group is required or expected by the Department of Education and is presented in such an account group but fixed assets are not depreciated.
- A Management's Discussions and Analysis (MD&A) is not required to be presented when the financial statements are prepared on the regulatory basis of accounting.

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

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurements made, regardless of the measurement focus applied. All governmental type funds are accounted for using the Regulatory (Statutory) basis of accounting. Revenues are recognized when they are received rather than earned. Under the Statutory basis of accounting, expenditures are generally recognized when encumbered/reserved rather than at the time the related fund liability is incurred. Fiduciary type funds are accounted for using the cash basis of accounting. These practices differ from generally accepted accounting principles.



**GLENCOE SCHOOL DISTRICT 60-I101**  
**Payne County, Oklahoma**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**Summary of Significant Accounting Policies (continued)**

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

Cash and Cash Equivalents - District considers all cash on hand, demand deposits and highly liquid investments, with an original maturity of three months or less when purchased, to be cash and cash equivalents.

Investments - Investments consist of bank certificates of deposit with maturities greater than three months when purchased. All investments are recorded at cost, which approximates market value.

Inventories – Purchases for inventory items are considered expenditures at the time the items were encumbered.

Fixed Assets and Property, Plant and Equipment – The District has not maintained a record of general fixed assets and accordingly, a General Fixed Asset Account Group, required by the regulatory basis of accounting, prescribed by the Oklahoma State Board of Education, is not presented. The amount that should be recorded in the General Fixed Asset Account Group is not known. General fixed assets purchased are recorded as expenditures in the various funds at the time of purchase.

Compensated Absences - Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources has not been reported as an expenditure of the governmental fund that will pay it since the combined financial statements have been prepared on the regulatory basis of accounting. Vested accumulated rights to receive sick pay benefits have not been reported in the general long-term debt account group since the combined financial statements have been prepared on the regulatory basis of accounting. These practices differ from generally accepted accounting principles.

In accordance with the provisions of professional standards on accounting for compensated absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. Vested accumulated rights to receive sick pay benefits have been reported in the general long-term debt account group since none of the vested sick leave is expected to be liquidated with expendable available financial resources.

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 at face value. Certain other lease obligations not expected to be financed with current available financial resources are also reported in the general long-term debt account group.

**GLENCOE SCHOOL DISTRICT 60-I101**  
**Payne County, Oklahoma**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**Summary of Significant Accounting Policies (continued)**

**Assets, Liabilities and Fund Equity (continued)**

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

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

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

- **Restricted** fund balance represents amounts that are constrained either externally by creditors (such as debt covenants), grantors, contributors or laws or regulations of other governments; or by law, through constitutional provisions or enabling legislation.
- **Committed** fund balance represents amounts that are useable only for specific purposes by formal action of the government's highest level of decision-making authority. Such amounts are not subject to legal enforceability (like restricted amounts), but cannot be used for any other purpose unless the government removes or changes the limitation by taking action similar to that which imposed the commitment. The School Board is the highest level of decision-making authority of the School District.
- **Assigned** fund balance represents amounts that are *intended* to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by the governing body itself, or a subordinated high-level body or official who the governing body has delegated the authority to assign amounts to be used for specific purposes. Assigned fund balances includes all remaining spendable amounts (except negative balances) that are reported in governmental funds *other than the general fund* that are neither restricted nor committed, and amounts in the general fund that are intended to be used for specific purpose in accordance with the provisions of the standard.
- **Unassigned** fund balance is the residual classification for the general fund. It represents the amounts that have not been assigned to other funds, and that have not been restricted, committed, or assigned to specific purposes within the general fund.

**GLENCOE SCHOOL DISTRICT 60-I101**  
**Payne County, Oklahoma**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**Summary of Significant Accounting Policies (continued)**

**E. Revenue, Expenses and Expenditures**

Property Tax Revenues and Other Local 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 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. The second half is due prior to April 1. If the first payment is not made timely, the entire tax becomes due and payable on January 2. Second half taxes become delinquent on April 1 of the year following the year of assessment. If not paid by the following October 1, the property is offered for sale for the amount of taxes due. The owner has two years to redeem the property by paying the taxes and penalty owed. If at the end of two years the owner has not done so, the purchaser is issued a deed to the property. No provision has been made for uncollected taxes, as all taxes deemed collectable. Other local sources of revenues include tuition, fees, rental, disposals, commissions, and reimbursements.

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

State Revenues - Revenues from state sources for current operations are primarily governed by the state aid formula under the provisions of Article XVIII, Title 70, Oklahoma Statutes. The State Board of Education administers the allocation of state aid funds to school districts based on information accumulated from the districts. After review and verification of reports and supporting documentation, the State Department of Education may adjust subsequent fiscal period allocations of money for prior year errors disclosed by review. Normally, such adjustments are treated as reductions or additions of revenue of the year when the adjustment is made.

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

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

**GLENCOE SCHOOL DISTRICT 60-I101**  
**Payne County, Oklahoma**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**Summary of Significant Accounting Policies (continued)**

**Revenue, Expenses and Expenditures (continued)**

Non-Monetary Transactions – The District receives commodities from the U.S. Department of Agriculture. The value of these commodities has been included in the Schedule of Expenditures of Federal wards; however, they have not been reflected in the combined financial statements as either revenue or expense since they are not reported under the regulatory basis of accounting.

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 and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers. There were no operating transfers or residual equity transfers during fiscal year 2022.

**F. Budgets and Budgetary Accounting – Estimate of Needs**

The District is required by state law to prepare an annual budget. A preliminary budget must be submitted to the Board of Education by December 31 for the fiscal year beginning the following July 1. If the preliminary budget requires an additional levy, the District must hold an election on the first Tuesday in February to approve the levy. If the preliminary budget does not require an additional levy, it becomes the legal budget. If an election is held and the taxes are approved, then the preliminary budget becomes the legal budget. If voters reject the additional taxes, the District must adopt a budget within the approved tax rate. A budget is legally adopted by the Board of Education for the General Fund, Special Revenue Funds (Building Fund and Child Nutrition Fund) and the Debt Service Fund, that includes revenues and expenditures.

The 2021-2022 Estimate of Needs was approved by the Board and subsequently filed with the County Clerk. The Estimate of Needs was approved by the excise board and the requested levies were made. No supplemental appropriations were made during the year.

**G. Encumbrances**

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting--under which purchase orders and other commitments of resources are recorded as expenditures of the applicable fund--is utilized in all governmental funds of the District. Appropriations not used or encumbered will lapse at the end of the year.

**H. Use of Estimates** - The preparation of financial statements in conformity with the regulatory basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**GLENCOE SCHOOL DISTRICT 60-I101**  
**Payne County, Oklahoma**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**2. Cash and Investments**

The District's investment policies are governed by state statute. Permissible investments include direct obligations of the United States Government and Agencies; certificates of deposit of savings and loan associations, bank and trust companies; and savings accounts or savings certificates of savings and loan associations, and trust companies. Collateral is required for demand deposits and certificates of deposit for all amounts not covered by federal deposit insurance. In accordance with state statutes and the District's investment policy, the District invests in bank certificates of deposit.

Deposits and Investments – Custodian Credit Risk – The District's cash deposits and investments at June 30, 2022 are classified in the following categories:

	Average Maturity Months	Credit Rating	Credit Risk	Total Deposits	Insured by FDIC	Uninsured by FDIC	
						Collateralized by Securities	Uncollateralized
Cash & Cash Equivalents	N/A	AAA	100%	\$ 1,397,687.22	\$ 252,939.55	\$ 1,144,747.67	\$ 0.00
Investments	N/A	N/A	0%	0.00	0.00	0.00	0.00
Total				<u>\$ 1,397,687.22</u>	<u>\$ 252,939.55</u>	<u>\$ 1,144,747.67</u>	<u>\$ 0.00</u>

*Investment Interest Rate Risk:* The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Custodial Credit Risk:*

Exposure to custodial credit related to deposits exists when the District holds deposits that are uninsured and uncollateralized; collateralized with securities held by pledging financial institution, or by its trust department or agent but not in the District's name; or collateralized without written or approved collateral agreement. Exposure to custodial credit risk related to investments exists when the District holds investments that are uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the District's name.

The District's policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than market value, at least at a level of 100 percent of the uninsured deposits and accrued interest thereon. The investment policy and state law also limits acceptable collateral to U.S. Treasury and agency securities and direct debt obligations of the state, municipalities, counties, and school districts in the state of Oklahoma, surety bonds and letters of credit. As required by Federal 12 U.S.C.A., Section 1823C, all financial institutions pledging collateral to the District must have a written collateral agreement approved by the board of directors or loan committee.

At June 30, 2022, the District was not exposed to custodial credit as defined above.

**GLENCOE SCHOOL DISTRICT 60-I101**  
**Payne County, Oklahoma**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**Cash and Investments (continued)**

*Investment Credit Risk:* The District has no policy that limits its investment choices other than the limitation of state law as follows:

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

*Concentration of Investment Credit Risk:* The District places no limit on the amount it may invest in any one issuer. The District has the following credit risk: 100% in checking accounts.

**3. Interfund Receivables and Payables**

There were no interfund receivables or payables at June 30, 2022.

**4. 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, obligations for compensated absences, early retirement incentive, and capital leases. Debt service requirements for bonds are payable solely from fund balance and future revenues of the debt service fund.

**GLENCOE SCHOOL DISTRICT 60-I101**  
**Payne County, Oklahoma**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**General Long-term Debt (continued)**

The following is a summary of the changes in the long-term debt transactions of the District for the year ended June 30, 2022:

	Balance June 30, 2021	Proceeds	Re-payments	Balance June 30, 2022	Due Within One Year
Bonds Payable	\$ 900,000.00	\$ 0.00	\$ 0.00	\$ 900,000.00	\$ 435,000.00
Lease Obligations	2,211,980.88	0.00	397,791.72	1,814,189.16	460,050.00
Total	<u>\$ 3,111,980.88</u>	<u>\$ 0.00</u>	<u>\$ 397,791.72</u>	<u>\$ 2,714,189.16</u>	<u>\$ 895,050.00</u>

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

	Amount <u>Outstanding</u>
Independent School District I-101 Building Bonds Series June 1, 2020, original issue \$900,000.00, interest rate of 1.00% to 1.375%, due in two payments of \$435,000.00 and \$465,000.00 with final payment due June 1, 2023.	<u>\$ 900,000.00</u>
Total	<u>\$ 900,000.00</u>

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

<u>Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022-2023	435,000.00	10,631.25	445,631.25
2023-2024	465,000.00	4,650.00	469,650.00
Total	<u>\$ 900,000.00</u>	<u>\$ 15,281.25</u>	<u>\$ 915,281.25</u>

Interest expense on general long-term debt incurred during the current year totaled \$0.00.

The District has entered into a lease purchase agreement with the Payne County Economic Development Authority. The \$4,450,800.00 lease purchase was for a new multipurpose building, update technology infrastructure, replace outdated heating and air conditioning units, repair roofs, carpets, lockers, furniture, and transportation equipment.

**GLENCOE SCHOOL DISTRICT 60-I101**  
**Payne County, Oklahoma**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**General Long-term Debt (continued)**

As disclosed in Note 1 of the financial statements, the District does not record fixed assets in the financial statements. Consistent with this, the District has not recorded the leased equipment as assets in the General Fixed Assets Account Group. The District has recorded the liability for future lease payments in the General Long-term Debt Account Group.

Lessor: Payne County Economic Development Authority  
 Equipment: Building and equipment  
  
 Date of lease: December 1, 2014  
 Terms of lease: 10 years  
 Purchase option: Unpaid balance  
 Annual renewal: Yes

The annual commitment of these finance lease obligations are as follows:

	Semi-Annual	Annual	Total Annual
<u>Date</u>	<u>Rent Payments</u>	<u>Lease Payments</u>	<u>Lease Payments</u>
2022-2023	\$ 3,000.00	\$ 460,050.00	\$ 463,050.00
2023-2024	3,000.00	474,900.00	477,900.00
2024-2025	3,000.00	484,800.00	487,800.00
2025-2026	<u>1,500.00</u>	<u>499,650.00</u>	<u>501,150.00</u>
Total minimum			
rent/lease payments	<u>10,500.00</u>	<u>1,919,400.00</u>	<u>1,929,900.00</u>
Less interest amount	<u>0.00</u>	<u>( 115,710.84)</u>	<u>( 115,710.84)</u>
Net rent/lease obligations	<u>\$ 10,500.00</u>	<u>\$ 1,803,689.16</u>	<u>\$ 1,814,189.16</u>

**5. Other Post Employment Benefits**

The District does not offer any early retirement incentive plans.

**6. Employee Retirement System**

The District participates in the state-administered Oklahoma Teachers' Retirement System (the "System"), which is a cost-sharing, multiple-employer public employee retirement system (PERS). Under the system, contributions are made by the District, the State of Oklahoma, and the participating employees.

Participation is required for all teachers and other certified employees and is optional for all other regular employees of public educational institutions who work at least 20 hours per week. A participant's date of membership is the date the first contribution is made to the System. The System is administered by a Board of Trustees which acts as a fiduciary for investing the funds and governing the administration of the System. The District has no responsibility or authority for the operation and administration of the System nor has it any liability, except for the current contribution requirements.



**GLENCOE SCHOOL DISTRICT 60-I101**  
**Payne County, Oklahoma**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**Employee Retirement System (continued)**

The contribution rates for the District, which are not actuarially determined, and its employees are established by statute and applied to the employee's earnings, plus employer-paid fringe benefits. The District is required by statute to contribute 9.5% of applicable compensation for the year ended June 30, 2022. The District is allowed by the Oklahoma Teacher's Retirement System to make the required contributions on behalf of the participating members. The required contribution for participating members is 7%.

The District's contributions to the System for the years ending:

June 30, 2022	\$ 303,543.77
June 30, 2021	\$ 281,849.18
June 30, 2020	\$ 243,037.86

The pension benefit obligation is a standardized disclosure measure of the present value of pension benefits. This pension valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of employee services performed to date and is adjusted for the effect of projected salary increases. There are no actuarial valuations performed on individual school districts. The Oklahoma Teacher Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the System. The system issues an independent financial report, financial statements, and required supplementary information that may be obtained by writing to the Oklahoma Teachers' Retirement System, P.O. Box 53624, Oklahoma City, OK 73152 or by calling 405-521-2387.

**7. Contingencies and Other Commitments**

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.

**8. Risk Management**

The District purchases commercial insurance policies covering property casualty loss, public liability, school board member and administrator liability, and workers compensation. The District also purchases surety bonds for employees in all positions required by state law to be bonded. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District.

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; or acts of God. The District purchases commercial insurance to cover these risks, including general and auto liability, property damage, and public officials liability. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

**GLENCOE SCHOOL DISTRICT 60-II01**  
**Payne County, Oklahoma**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**Risk Management (continued)**

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

The District is also a member of the Oklahoma Public Schools Unemployment Compensation Program. In this program, the District is required to contribute 1.6% of their taxable payroll for unemployment. The funds for each District are kept separate. The money contributed by each District does not earn interest and is fully insured. If the District has claims in excess of the amount of their account, they would be liable for the excess.

**9. Accumulated Unpaid Vacation, Sick Leave Benefits, and Health Care Coverage**

The District provides health care coverage and sick leave benefits to the certified staff in accordance with Title 70, Article 6-104, of the Oklahoma Statutes, which provides for an annual accrual of sick leave of ten days and personal business days accrual of three days. Ten days are allowed to accumulate up to a total of sixty days per employee. None of the benefits are payable upon retirement or death. Vacation pay for support staff on a 12 month contract must be taken by June 30. If this cannot be accomplished, the employees are paid for their unused vacation hours in June.

**10. Non-Monetary Transactions**

The fair market value as determined by the Oklahoma Department of Human Services of the commodities received during the period under audit was \$17,251.25.

**11. Subsequent Events**

Subsequent events have been evaluated through the date of the audit report, which is the date the financial statements were available to be issued.

**COMBINING FINANCIAL STATEMENTS – REGULATORY BASIS**

**GLENCOE SCHOOL DISTRICT NO. 60-I101**  
**Payne County, Oklahoma**

**COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES**  
**ALL SPECIAL REVENUE FUNDS - REGULATORY BASIS**  
**June 30, 2022**

	Building Fund	Child Nutrition Fund	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
Cash	\$ 64,777.70	\$ 180,876.74	\$ 245,654.44
Investments	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u><u>\$ 64,777.70</u></u>	<u><u>\$ 180,876.74</u></u>	<u><u>\$ 245,654.44</u></u>
 <b>LIABILITIES AND FUND BALANCE</b>			
Liabilities:			
Outstanding warrants	\$ 8,481.28	\$ 32,547.97	\$ 41,029.25
Encumbrances	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	8,481.28	32,547.97	41,029.25
Fund balances: restricted	<u>56,296.42</u>	<u>148,328.77</u>	<u>204,625.19</u>
Total liabilities and fund balances	<u><u>\$ 64,777.70</u></u>	<u><u>\$ 180,876.74</u></u>	<u><u>\$ 245,654.44</u></u>

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

**GLENCOE SCHOOL DISTRICT NO. 60-1101**  
**Payne County, Oklahoma**

**COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
ALL SPECIAL REVENUE FUNDS - REGULATORY BASIS  
June 30, 2022**

	Building Fund	Child Nutrition Fund	Total
Revenues Collected:			
District sources	\$ 131,892.42	\$ 66.84	\$ 131,959.26
Intermediate sources	-	-	-
State sources	-	22,375.21	22,375.21
Federal sources	-	297,623.45	297,623.45
Total revenues collected	<u>131,892.42</u>	<u>320,065.50</u>	<u>451,957.92</u>
Expenditures paid:			
Instruction	-	-	-
Support services	129,340.94	21,780.00	151,120.94
Non-instruction services	-	202,532.73	202,532.73
Capital outlay	3,000.00	-	3,000.00
Other outlays	-	-	-
Total expenditures paid	<u>132,340.94</u>	<u>224,312.73</u>	<u>356,653.67</u>
Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances	<u>(448.52)</u>	<u>95,752.77</u>	<u>95,304.25</u>
Adjustments to prior year encumbrances	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)			
Estopped warrants	6.00	12.00	18.00
Operating transfers in	-	-	-
Operating transfer out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>6.00</u>	<u>12.00</u>	<u>18.00</u>
Excess (deficiency) of revenues and other resources over expenditures and other uses	<u>(442.52)</u>	<u>95,764.77</u>	<u>95,322.25</u>
Fund balances: restricted, beginning of year	<u>56,738.94</u>	<u>52,564.00</u>	<u>109,302.94</u>
Fund balances: restricted, end of year	<u>\$ 56,296.42</u>	<u>\$ 148,328.77</u>	<u>\$ 204,625.19</u>

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

**GLENCOE SCHOOL DISTRICT NO. 60-1101**  
**Payne County ,Oklahoma**

**COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
ALL SPECIAL REVENUE FUNDS - REGULATORY BASIS  
For the Year Ended June 30, 2022**

	Special Revenue Funds					
	Building Fund			Child Nutrition Fund		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
Revenues collected:						
Local sources	\$ 125,028.24	\$ 125,028.24	\$ 131,892.42	\$ 2,076.62	\$ 2,076.62	\$ 66.84
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	6,178.29	6,178.29	22,375.21
Federal sources	-	-	-	174,927.62	174,927.62	297,623.45
Total revenues collected	<u>125,028.24</u>	<u>125,028.24</u>	<u>131,892.42</u>	<u>183,182.53</u>	<u>183,182.53</u>	<u>320,065.50</u>
Expenditures paid:						
Instruction	-	-	-	-	-	-
Support services	181,767.18	181,767.18	129,340.94	-	-	21,780.00
Non-instruction services	-	-	-	235,746.53	235,746.53	202,532.73
Capital outlay	-	-	3,000.00	-	-	-
Other outlays	-	-	-	-	-	-
Total expenditures paid	<u>181,767.18</u>	<u>181,767.18</u>	<u>132,340.94</u>	<u>235,746.53</u>	<u>235,746.53</u>	<u>224,312.73</u>
Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances	<u>(56,738.94)</u>	<u>(56,738.94)</u>	<u>(448.52)</u>	<u>(52,564.00)</u>	<u>(52,564.00)</u>	<u>95,752.77</u>
Adjustments to prior year encumbrances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)						
Estopped warrants	-	-	6.00	-	-	12.00
Operating transfers in	-	-	-	-	-	-
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>6.00</u>	<u>-</u>	<u>-</u>	<u>12.00</u>
Excess (deficiency) of revenues and other resources over expenditures and other financing sources (uses)	<u>(56,738.94)</u>	<u>(56,738.94)</u>	<u>(442.52)</u>	<u>(52,564.00)</u>	<u>(52,564.00)</u>	<u>95,764.77</u>
Fund balance: restricted, beginning of year	<u>56,738.94</u>	<u>56,738.94</u>	<u>56,738.94</u>	<u>52,564.00</u>	<u>52,564.00</u>	<u>52,564.00</u>
Fund balances: restricted, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,296.42</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 148,328.77</u>

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

**GLENCOE SCHOOL DISTRICT NO. 60-I101**  
**Payne County, Oklahoma**

**STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES**  
**FIDUCIARY FUNDS - REGULATORY BASIS**  
**June 30, 2022**

	Agency Fund <hr/> Activity Funds
<b>ASSETS</b>	
Cash	\$ 159,809.69
Investments	<hr/> -
Total assets	<hr/> <b>\$ 159,809.69</b> <hr/>
<b>LIABILITIES AND FUND BALANCES</b>	
Liabilities:	
Due to student, parent and booster activities	\$ 106,714.77
Due to administrative activities	<hr/> 53,094.92
Total liabilities	<hr/> 159,809.69 <hr/>
Fund balance:	
Restricted	-
Unassigned	<hr/> -
Total fund balances	<hr/> - <hr/>
Total liabilities and fund balances	<hr/> <b>\$ 159,809.69</b> <hr/>

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

**GLENCOE SCHOOL DISTRICT NO. 60-I101**  
**Payne County, Oklahoma**

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS - REGULATORY BASIS**  
**For the Year Ended June 30, 2022**

	Agency Funds		
	Balance July 1, 2021	Receipts	Balance June 30, 2022
<b>ACTIVITIES</b>			
Student activities	\$ 51,203.02	\$ 162,470.97	\$ 148,236.68
Parents and booster activities	32,824.21	29,717.36	21,264.11
Total activities	<u>84,027.23</u>	<u>192,188.33</u>	<u>169,500.79</u>
<b>ADMINISTRATIVE</b>			
Administration	3,004.61	3,158.09	2,428.47
Flower fund	2,364.82	315.00	85.00
Drivers education fund	3,000.00	3,600.00	3,600.00
Library fund	3,489.19	4,737.54	4,883.04
Athletic sign account	516.43	950.00	1,000.00
Alumni scholarship fund	14,245.81	900.00	2,000.00
Shaw Ross scholarship fund	4,795.00	700.00	1,000.00
Kevin Cook scholarship fund	12,238.00	3,028.00	-
Jennifer Lazenby scholarship fund	7,412.94	1,636.00	2,000.00
Total administrative	<u>51,066.80</u>	<u>19,024.63</u>	<u>16,996.51</u>
<b>TOTAL - ALL AGENCY FUNDS</b>	<u>\$ 135,094.03</u>	<u>\$ 211,212.96</u>	<u>\$ 186,497.30</u>
<b>ASSETS</b>			
Cash - all funds	\$ 135,094.03	\$ 211,212.96	\$ 186,497.30
Investments	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 135,094.03</u>	<u>\$ 211,212.96</u>	<u>\$ 186,497.30</u>
<b>LIABILITIES</b>			
Due to activities and administrative	<u>\$ 135,094.03</u>	<u>\$ 211,212.96</u>	<u>\$ 186,497.30</u>
Total liabilities	<u>\$ 135,094.03</u>	<u>\$ 211,212.96</u>	<u>\$ 186,497.30</u>

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



Office:  
35988 Oklahoma 82  
Vinita, OK 74301  
(918) 782-3773



Mailing:  
P.O. Box 745  
Langley, OK 74350  
(918) 519-8336

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

The Honorable Board of Education  
Glencoe Independent School District No. 60-I101  
Payne County, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the fund type and account group financial statements of the aforementioned school district, as listed in the table of contents, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated October 3, 2022 which was adverse with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in the United States because the presentation followed the regulatory basis of accounting for Oklahoma school districts and did not conform to the presentation requirements of the Governmental Accounting Standards Board. However, our report was qualified for the omission of general fixed asset account groups with respect to the presentation of financial statements on the regulatory basis of accounting authorized by the Oklahoma State Board of Education.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the school district's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the school district's internal control. Accordingly, we do not express an opinion on the effectiveness of the school district's internal control.

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

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

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

As part of obtaining reasonable assurance about whether the school district'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

A handwritten signature in black ink that reads "David Chan CPA PLLC". The signature is written in a cursive, flowing style.

October 3, 2022

Office:  
35988 Oklahoma 82  
Vinita, OK 74301  
(918) 782-3773



Mailing:  
P.O. Box 745  
Langley, OK 74350  
(918) 519-8336

**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  
Glencoe Independent School District No. 60-I101  
Payne County, Oklahoma

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

We have audited the aforementioned School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2022. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the School District's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School District's compliance.

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

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

## Report on Internal Control over Compliance

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

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

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.

A handwritten signature in black ink that reads "David Clanin CPA PLLC". The signature is written in a cursive, flowing style.

David Clanin CPA PLLC  
October 3, 2022

**GLENCOE SCHOOL DISTRICT 60-I101**  
**Payne County, Oklahoma**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2022**

Federal Grantor/Pass Through Grantor/Program Title	Year	Federal CFDA Number	Amount of Expenditures
<b>U.S. Department of Education</b>			
Direct Programs:			
Title VI-Small School	6-30-22	84.358A	22,631.00
Title VII Indian Education	6-30-22	84.060A	11,896.62
Passed-through State Department of Education:			
Elementary & Secondary Education:			
Title I	6-30-22	84.010	87,449.20
Title II – part A	6-30-22	84.367A	14,746.87
Title IV- LEAs Formula	6-30-22	84.424	8,905.91
Subtotal			111,101.98
Special Education Cluster:			
IDEA B Flow through	6-30-22	84.027	73,120.53
IDEA B Preschool	6-30-22	84.173	2,851.27
Total for Program (Cluster)			75,971.80
ESSER II & III	6-30-22	84.425	333,153.96
P EBT Local Admin.	6-30-22	10.649	614.00
<b>U.S. Department of Agriculture</b>			
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program-Cash Assistance	6-30-22	10.553	82,851.95
National School Lunch Program:			
Cash Assistance	6-30-22	10.555	116,510.62
Passed-through State Department of Human Services:			
Non-cash Assistance: Commodities	6-30-22	10.555	17,251.25
National School Lunch Program Subtotal			133,761.87
Total for Program (Cluster)			216,613.82
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 771,983.18</b>

- Note A: Basis of Presentation - The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Glencoe School District and is presented on another comprehensive basis of accounting conforming with the accounting practices prescribed or permitted by the Oklahoma State Department of Education which is a comprehensive basis of accounting other than generally accepted accounting principles. Under this method, expenditures are recognized when an approved purchase order is issued.
- Note B: Commodities representing non-cash expenditures have been included in the Schedule of Expenditures of Federal Awards which is an exception to the prescribed basis of accounting.
- Note C: There were no amounts passed to subrecipients and this District does not use the 10% de minimis cost rate.
- Note D: Grantor provides adequate insurance coverage against loss on assets purchased with Federal Awards.

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

**GLENCOE SCHOOL DISTRICT NO. 60-I101**  
**Payne 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 auditor's report issued:	
With respect to conformity with	Adverse
Generally Accepted Accounting Principles	
With respect to the use of Regulatory basis of accounting and	Qualified - due to omission
the omission of the general fixed asset group	of the general fixed asset group
Internal control over financial reporting:	
Material weakness(es) identified?	No
Reportable condition(s) identified	
not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

**FEDERAL AWARDS**

Internal Control over major programs:	
Material weakness(es) identified?	No
Reportable condition(s) identified not considered	
to be material weaknesses?	None reported
Type of auditor's report issued on compliance	
for major programs:	Unqualified
Any audit findings disclosed that are required to be	
Reported in accordance with the Uniform Guidance	None Reported

Identification of major programs:		
<u>Name of Federal Program</u>	<u>CFDA Number(s)</u>	<u>Expenditures</u>
ESSER II & III	84.425	\$ 333,153.96
Title I	84.010	\$ 87,449.20

Dollar threshold used to distinguish between	
Type A and Type B programs:	\$ 750,000.00
Auditee qualified as low-risk auditee?	No

**SECTION II – FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.

**GLENCOE SCHOOL DISTRICT NO. 60-1101**  
Payne County, Oklahoma

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**OKLAHOMA STATE DEPARTMENT OF EDUCATION**  
June 30, 2022

Federal Grantor/Pass-Through Grantor/ Program Title	Pass- Through Grantor's Project Code	Grantor's Revenue Code	Federal CFDA #	Grant Award	Deferred Revenue/ Grant Receivable 6/30/2021	Federal Grant Receipts	Federal Grant Expenditures	Deferred Revenue/ Grant Receivable 6/30/2022
<b>US Department of Education</b>								
Direct programs:								
Title VII - Indian Education	561	4140	84.060	19,288.00	-	11,896.62	11,896.62	-
Title VI Small Rural School Achievement Program	588	4180	84.358A	22,631.00	-	22,631.00	22,631.00	-
Passed through Oklahoma State Department of Education:								
Title II Part A	586	4271	84.367	16,601.31	-	13,406.24	14,746.87	1,340.63
Title I Basic	511	4210	84.010	90,853.05	-	87,449.20	87,449.20	-
Title IV LEA Formula	552	4442	84.424	11,572.22	-	8,245.99	8,905.91	659.92
P EBT Local Admin	760	4706	10.649	614.00	-	614.00	614.00	-
ESSER 2	793	4689	84.425	290,131.90	-	187,633.14	208,694.67	21,061.53
ARP/ ESSER 3	795	4689	84.425	640,817.65	-	112,908.40	124,459.29	11,550.89
Sub-total ESSER 2 and ARP/ESSER 3				930,949.55	-	300,541.54	333,153.96	32,612.42
Special Education Cluster:								
IDEA -Flow Through	613/621	4310	84.027	73,120.53	-	73,120.53	73,120.53	-
IDEA Preschool	641	4340	84.173	2,851.27	-	2,851.27	2,851.27	-
Total for Program (Cluster)				75,971.80	-	75,971.80	75,971.80	-
<b>US Department of Agriculture</b>								
Pass through State Department of Education:								
Child Nutrition Cluster:								
School Breakfast Program	764	4720	10.553	92,918.09	(8,089.43)	92,918.09	82,851.95	(18,155.57)
National School Lunch Program:	763	4710	10.555	186,183.11	(25,836.71)	186,183.11	103,604.37	(108,415.45)
USDA Supply Chain Assistance	759	4705	10,550.000	11,463.69	-	11,463.69	11,463.69	-
NSLP CARES Emergency Funding	762	4705	10.555	1,442.56	-	1,442.56	1,442.56	-
Total for Program (Cluster)				292,007.45	(33,926.14)	292,007.45	199,362.57	(126,571.02)
Pass through State Department of Human Resources:								
Non-cash assistance: food commodities			10.555	17,251.25	-	17,251.25	17,251.25	-
Total				<u>\$ 1,477,739.63</u>	<u>\$ (33,926.14)</u>	<u>\$ 830,015.09</u>	<u>\$ 771,983.18</u>	<u>\$ (91,958.05)</u>

Note A: Food Distribution: Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed

Note B: This schedule was prepared on a regulatory basis of accounting consistent with the preparation of the combined financial statements, except for the nonmonetary assistance noted in Note A

Note C: The Federal expenditures noted above include indirect costs charged by the District that were not included in the OCAS summary of expenditures.

The projects noted include Project Code #552 indirect costs of \$207.79

The projects noted include Project Code #793 indirect costs of \$3,721.58

The projects noted include Project Code #795 indirect costs of \$3,050.00

Note D: None of the Federal grant/contracts include any loan programs, loan guarantee programs, has no sub-recipients, and does not use the 10% de minimis cost rate.

**GLENCOE SCHOOL DISTRICT NO. 60-I101  
PAYNE COUNTY, OKLAHOMA**

**SCHEDULE OF CURRENT YEAR AND PRIOR YEAR  
AUDIT FINDINGS AND QUESTIONED COSTS  
OKLAHOMA STATE DEPARTMENT OF EDUCATION  
For the Year Ended June 30, 2022**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**FINANCIAL STATEMENTS**

Type of auditor's report issued:

With respect to conformity with Generally Accepted Accounting Principles	Adverse
With respect to the use of Regulatory basis of accounting and	Qualified - due to omission of the general fixed asset group

Internal control over financial reporting:

Material weakness(es) identified?	No
Reportable condition(s) identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

**SECTION II - FINANCIAL STATEMENT FINDINGS**

No matters were reported in the current year.  
No prior year matters were reported to be followed up on.

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported in the current year.  
No prior year matters were reported to be followed up on.



GLENCOE SCHOOL DISTRICT NO. 60-I101  
Payne County, Oklahoma

OKLAHOMA STATE DEPARTMENT OF EDUCATION  
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE AFFIDAVIT  
July 1, 2021 to June 30, 2022

State of Oklahoma

County of Payne

The undersigned auditing firm of lawful age, being first duly sworn on oath, says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with Glencoe Public Schools for the audit year 2021-2022.

David Clanin, CPA, PLLC  
Auditing Firm

by \_\_\_\_\_  
Authorized Agent

Subscribed and sworn to before me this 29 day of September, 2022.



Sarah Soverns  
Notary Public

My Commission Expires: 12-04-2024

**GLENCOE SCHOOL DISTRICT NO. 60-I101**  
**Payne County, Oklahoma**

**SCHEDULE OF STATUTORY, FIDELITY, AND HONESTY BONDS**  
**OKLAHOMA STATE DEPARTMENT OF EDUCATION**  
**For the Year Ending June 30, 2022**

<u>Position</u>	<u>Bonded By</u>	<u>Policy Number</u>	<u>Term</u>	<u>Amount</u>
Superintendent	RLI Surety	RSB8007059	8-01-21/8-01-22	\$ 100,000.00
Treasurer	RLI Surety	RSB8007059	8-01-21/8-01-22	100,000.00
Encumbrance/ Minutes Clerk	RLI Surety	RSB8007059	8-01-21/8-01-22	100,000.00
Activity Fund Custodian	RLI Surety	RSB8007058	8-01-21/8-01-22	2,000.00