

REPORT OF AUDIT
PERRY SCHOOL DISTRICT #I-1
NOBLE COUNTY – OKLAHOMA
JULY 1, 2021 TO JUNE 30, 2022

PERRY SCHOOL DISTRICT #1-1
NOBLE COUNTY – OKLAHOMA
JULY 1, 2021 TO JUNE 30, 2022

OFFICIALS

JASON PROCTOR

AARON FRABLE

MARSHA HARTWIG

MARVIN DEMENT

AMY CHENOWITH

BERVA WEAVER

DR. TERRY MCCARTY

PRESIDENT

VICE-PRESIDENT

CLERK

MEMBER

MEMBER

TREASURER

SUPERINTENDENT

AUDIT BY

PATRICK W. CARROLL
CERTIFIED PUBLIC ACCOUNTANT

CERTIFICATE #4081

PERRY SCHOOL DISTRICT #1-1
NOBLE COUNTY – OKLAHOMA
JULY 1, 2021 TO JUNE 30, 2022

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PERRY SCHOOL DISTRICT #1-1
NOBLE COUNTY – OKLAHOMA
JULY 1, 2021 TO JUNE 30, 2022

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Chas. W. Carroll, P.A.

Independence Tower – Suite 103
302 N. Independence
Enid, Oklahoma 73701

Phone 580-234-5468
Fax 580-234-5425

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education
Perry District #1-1
Noble County, Oklahoma

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying combined fund type and account group financial statements-regulatory basis of the Perry School District #1-1, Noble County, Oklahoma, (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on Regulatory Basis of Accounting" paragraph, the combined financial statements referred to above 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 the District, as of June 30, 2022, and the revenues collected and expenditures paid and encumbered for the year then ended, on the regulatory basis of accounting described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraphs, 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 District as of June 30, 2022, or the revenues, expenses, and changes in net position and, where applicable, 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 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 adverse and qualified audit opinions.

Basis for Qualified Opinion on Regulatory Basis of Accounting

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

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

As described in Note 1 to the financial statements, to meet the financial reporting requirements of the Oklahoma State Department of Education, the financial statements are prepared by the District on the basis of the 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 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 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 that 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.

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 District'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 judgement 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 judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements 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'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District'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.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the fund type and account group financial statements-regulatory basis that collectively comprise the District's basic financial statements. The accompanying combining financial statements-regulatory basis and the 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*, as listed in the accompanying table of contents, are presented for purposes 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 combined financial statements-regulatory basis. The information has been subjected to the auditing procedure applied in the audit of the fund type and account group financial statements within the combined financial statements-regulatory basis 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, except for the financial statements being prepared in compliance with regulatory basis as prescribed by the Oklahoma State Department of Education as discussed in Note 1, the combining financial statements-regulatory basis and the other information and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the combined financial statements-regulatory basis as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2023, on our consideration of the District's, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is 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 Perry School District #1-1, Noble County, Oklahoma's, internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.


Chas. W. Carroll, P.A.
March 20, 2023

Perry School District No. 1-1, Noble County, Oklahoma
Combined Statement of Assets, Liabilities and Fund Balances
Regulatory Basis - All Fund Types and Account Groups
June 30, 2022

EXHIBIT A

	Governmental Fund Types				Fiduciary Fund Types	Account Group	Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency	General Long- Term Debt	June 30, 2022
ASSETS							
Cash and Cash Equivalents	\$ 636,800	\$ 112,527	\$ 453,234	\$ 311,273	\$ 208,259	\$ 0	\$ 1,722,092
Investments	0	0	0	0	0	0	0
Amounts Available in Debt Service Fund	0	0	0	0	0	453,234	453,234
Amounts to be Provided for Retirement of General Long-Term Debt	0	0	0	0	0	446,766	446,766
Total Assets	\$ 636,800	\$ 112,527	\$ 453,234	\$ 311,273	\$ 208,259	\$ 900,000	\$ 2,622,092
LIABILITIES AND FUND BALANCES							
Liabilities:							
Warrants Payable	\$ 414,903	\$ 3,672	\$ 0	\$ 0	\$ 13,356	\$ 0	\$ 431,931
Reserve for Encumbrances	0	0	0	0	0	0	0
Due to Activity Groups	0	0	0	0	187,614	0	187,614
General Obligation Bonds Payable	0	0	0	0	0	900,000	900,000
Total Liabilities	\$ 414,903	\$ 3,672	\$ 0	\$ 0	\$ 200,970	\$ 900,000	\$ 1,519,545
Fund Balances:							
Restricted For:							
Debt Service	\$ 0	\$ 0	\$ 453,234	\$ 0	\$ 0	\$ 0	\$ 453,234
Capital Projects	0	0	0	311,273	0	0	311,273
Building Programs	0	108,855	0	0	0	0	108,855
Child Nutrition Programs	0	0	0	0	0	0	0
Gift	0	0	0	0	7,289	0	7,289
Unassigned	221,897	0	0	0	0	0	221,897
Total Fund Balances	\$ 221,897	\$ 108,855	\$ 453,234	\$ 311,273	\$ 7,289	\$ 0	\$ 1,102,547
Total Liabilities and Fund Balances	\$ 636,800	\$ 112,527	\$ 453,234	\$ 311,273	\$ 208,259	\$ 900,000	\$ 2,622,092

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

Perry School District No. I-1, Noble County, Oklahoma
Combined Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances
Regulatory Basis - All Governmental Fund Types
For the Year Ended June 30, 2022

EXHIBIT B

	Governmental Fund Types				Fiduciary Fund Types	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency	June 30, 2022
Revenue Collected:						
Local Sources	\$ 3,574,719	\$ 361,044	\$ 2,335,851	\$ 293	\$ 0	\$ 6,271,907
Intermediate Sources	598,270	0	0	0	0	598,270
State Sources	4,125,892	10	65	0	0	4,125,967
Federal Sources	2,066,691	0	0	0	0	2,066,691
Non-Revenue Receipts	0	0	0	0	0	0
<i>Total Revenue Collected</i>	<u>\$ 10,365,572</u>	<u>\$ 361,054</u>	<u>\$ 2,335,916</u>	<u>\$ 293</u>	<u>\$ 0</u>	<u>\$ 13,062,835</u>
Expenditures Paid:						
Instruction	\$ 6,049,585	\$ 0	\$ 0	\$ 9,087	\$ 0	\$ 6,058,672
Support Services	4,262,743	285,461	0	47,938	0	4,596,142
Operation of Non-Instructional Services	384,881	0	0	0	0	384,881
Facilities Acquisition and Construction	40,810	21,569	0	733,809	0	796,188
Other Outlays	0	0	0	0	0	0
Other Uses	0	0	0	0	0	0
Repayments	0	0	0	0	0	0
Interest Paid on Warrants and Bank Charges	0	0	0	0	0	0
Debt Service:						
Principal Retirement	0	0	2,657,812	0	0	2,657,812
Interest and Fiscal Agent Fees	0	0	129,798	0	0	129,798
<i>Total Expenditures Paid</i>	<u>\$ 10,738,019</u>	<u>\$ 307,030</u>	<u>\$ 2,787,611</u>	<u>\$ 790,833</u>	<u>\$ 0</u>	<u>\$ 14,623,494</u>
<i>Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances</i>	<u>\$ (372,447)</u>	<u>\$ 54,024</u>	<u>\$ (451,694)</u>	<u>\$ (790,541)</u>	<u>\$ 0</u>	<u>\$ (1,560,659)</u>
Adjustments to Prior Year Encumbrances	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Other Financing Sources (Uses):						
Estopped Warrants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Bond Proceeds	0	0	0	920,616	0	920,616
Transfers In	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 920,616</u>	<u>\$ 0</u>	<u>\$ 920,616</u>
<i>Excess (Deficiency) of Revenue Collected Over Expenditures Paid and Other Financing Sources (Uses)</i>	<u>\$ (372,447)</u>	<u>\$ 54,024</u>	<u>\$ (451,694)</u>	<u>\$ 130,075</u>	<u>\$ 0</u>	<u>\$ (640,043)</u>
<i>Fund Balance - Beginning of Year</i>	<u>594,344</u>	<u>54,831</u>	<u>904,928</u>	<u>181,198</u>	<u>7,289</u>	<u>1,742,589</u>
<i>Fund Balance - End of Year</i>	<u>\$ 221,897</u>	<u>\$ 108,855</u>	<u>\$ 453,234</u>	<u>\$ 311,273</u>	<u>\$ 7,289</u>	<u>\$ 1,102,547</u>

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

Perry School District No. 1-1, Noble County, Oklahoma
Combined Statement of Revenues Collected, Expenditures Paid, and Changes in Fund Balances
Budget and Actual - Regulatory Basis - Budgeted Governmental Fund Types
For the Year Ended June 30, 2022

EXHIBIT C

	General Fund			Special Revenue Funds			Debt Service Fund		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
Revenue Collected:									
Local Sources	\$ 2,239,028	\$ 3,452,879	\$ 3,574,719	\$ 319,271	\$ 319,271	\$ 361,044	\$ 2,077,252	\$ 2,077,252	\$ 2,335,851
Intermediate Sources	517,075	517,075	598,270	0	0	0	0	0	0
State Sources	3,692,342	3,692,342	4,125,892	0	0	10	0	0	65
Federal Sources	2,695,559	2,695,559	2,066,691	0	0	0	0	0	0
Non-Revenue Receipts	0	0	0	0	0	0	0	0	0
<i>Total Revenue Collected</i>	<u>\$ 9,144,004</u>	<u>\$ 10,357,855</u>	<u>\$ 10,365,572</u>	<u>\$ 319,271</u>	<u>\$ 319,271</u>	<u>\$ 361,054</u>	<u>\$ 2,077,252</u>	<u>\$ 2,077,252</u>	<u>\$ 2,335,916</u>
Expenditures Paid:									
Instruction	\$ 4,724,432	\$ 5,938,283	\$ 6,049,585	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Support Services	4,366,295	4,366,295	4,262,743	354,058	354,058	285,461	0	0	0
Operation of Non-Instructional Services	437,000	437,000	384,881	0	0	0	0	0	0
Facilities Acquisition and Construction	192,971	192,971	40,810	20,044	20,044	21,569	0	0	0
Other Outlays	17,650	17,650	0	0	0	0	2,982,180	2,982,180	2,787,611
Other Uses	0	0	0	0	0	0	0	0	0
Repayments	0	0	0	0	0	0	0	0	0
Interest Paid on Warrants and Bank Charges	0	0	0	0	0	0	0	0	0
<i>Total Expenditures Paid</i>	<u>\$ 9,738,348</u>	<u>\$ 10,952,199</u>	<u>\$ 10,738,019</u>	<u>\$ 374,102</u>	<u>\$ 374,102</u>	<u>\$ 307,030</u>	<u>\$ 2,982,180</u>	<u>\$ 2,982,180</u>	<u>\$ 2,787,611</u>
<i>Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances</i>	<u>\$ (594,344)</u>	<u>\$ (594,344)</u>	<u>\$ (372,447)</u>	<u>\$ (54,831)</u>	<u>\$ (54,831)</u>	<u>\$ 54,024</u>	<u>\$ (904,928)</u>	<u>\$ (904,928)</u>	<u>\$ (451,694)</u>
Adjustments to Prior Year Encumbrances	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Other Financing Sources (Uses):									
Estopped Warrants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Transfers In	0	0	0	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<i>Excess (Deficiency) of Revenue Collected Over Expenditures Paid and Other Financing Sources (Uses)</i>	<u>\$ (594,344)</u>	<u>\$ (594,344)</u>	<u>\$ (372,447)</u>	<u>\$ (54,831)</u>	<u>\$ (54,831)</u>	<u>\$ 54,024</u>	<u>\$ (904,928)</u>	<u>\$ (904,928)</u>	<u>\$ (451,694)</u>
<i>Fund Balance - Beginning of Year</i>	<u>594,344</u>	<u>594,344</u>	<u>594,344</u>	<u>54,831</u>	<u>54,831</u>	<u>54,831</u>	<u>904,928</u>	<u>904,928</u>	<u>904,928</u>
<i>Fund Balance - End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 221,897</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 108,855</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 453,234</u>

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

PERRY SCHOOL DISTRICT #I-1
NOBLE COUNTY – OKLAHOMA
JULY 1, 2021 TO JUNE 30, 2022

NOTES TO COMBINED FINANCIAL STATEMENTS

1. Significant Accounting Policies

The financial statements of the Perry School District #I-1 have been prepared in conformity with another comprehensive basis of accounting required by Oklahoma Statutes. The more significant of the District's accounting policies are described below.

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 composed of elected members. The appointed superintendent is the executive officer of the District.

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The basic – but not the only – criterion for including a potential component unit within the reporting entity is the governing body's oversight responsibility, especially financial interdependency. A second criterion used in evaluating potential component units is the scope of public service. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, there are no potential component units included in the District's reporting entity.

B. Fund Accounting

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".

Fund Description

The following funds are utilized by the Perry School District #I-1.

Governmental Fund Types -	Fiduciary Fund Types –
General Fund	Trust and Agency Fund
Special Revenue Fund	
Debt Service Fund	
Capital Project Funds	

Fund Description (continued)

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 which includes the Child Nutrition Program. The Child Nutrition Program derives monies from the sale of foods and federal and state program reimbursements. Expenditures include costs associated with the daily operations of the district's nutrition program. Financial maintenance of the Child Nutrition Program was transferred to the District General Fund by resolution of the District's Board of Education.

Special Revenue Fund – The Special Revenue Fund is the District's 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.

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 Project Funds

The Capital Project Funds are the District's Bond Funds and are 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.

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.

Trust Fund – The Trust Fund is the Gifts & Endowments Fund that consists of money derived from gifts and is to be used for various projects throughout the District.

Agency Fund – The Agency Fund is the school Activity Funds which are 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. The school Activity Funds can include money which is received from the sale of foods through a school Lunch Fund.

Memorandum Only – Total Column

The total column on the general purpose 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 (OSDE). 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 as follows:

- * Encumbrances represented by purchase orders, contracts, and other commitments for the expenditure of monies and are recorded as expenditures when approved.
- * Investments and inventories are recorded as assets when purchased.
- * Capital assets in proprietary funds are recorded when acquired and depreciated over their useful lives.
- * 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 requires revenues to be recognized when they become available and measurable, or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred for governmental fund types; and, when revenues are earned and liabilities are incurred for proprietary fund types and trust funds.

D. Budgets and Budgetary Accounting

The District is required by state law to prepare an annual budget. A preliminary budget must be submitted to the Board of Education by December 31 for the fiscal year beginning the following July 1. If the preliminary budget requires an additional levy, the District must hold an election on the 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 bud-get. If voters reject the additional taxes, the District must adopt a budget within the approved tax rate.

D. Budgets and Budgetary Accounting (continued)

A budget is legally adopted by the Board of Education for the General Fund, Special Revenue Funds, and Capital Project Funds that includes revenues and expenditures.

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.

The unencumbered balance of current fiscal year appropriations and the unexpended reserve appropriations of the previous fiscal year are lapsed and become a part of the beginning fund balance for the succeeding fiscal year.

E. 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 disclosures 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.

F. Assets, Liabilities and Fund Equity

Cash, Cash Equivalents and Investments

All monies which are not invested in Certificate of Deposits or United States Treasury Funds are maintained in NOW Checking Accounts or Savings Accounts.

Inventories

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

Fixed Assets and Property, Plant and Equipment

Property and equipment purchases are recorded as capital outlays in the accompanying statements of revenues, expenditures and changes in fund balances. The District does not maintain complete financial records of capital assets purchased which would include depreciation schedules; therefore, a General Fixed Asset Group of Accounts is not presented.

Compensated Absences

The District has elected not to present a liability for compensated absences.

Operating Leases

The District has elected not to present a liability for operating leases. All operating leases contain a mutual ratification clause for both parties; therefore, the District does not consider the obligation to be for a period extending beyond the current fiscal year.

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. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

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. Debt service requirements for bonds are payable solely from fund balance and future revenues of the debt service fund.

- a.) A principal and interest repayment schedule of the outstanding general obligation bond issues at June 30, 2022 is set forth on the following page:

\$900,000.00 GOCP Bonds of 2021				
Payment Date	Principal	Rate	Interest	Total
1 July 23	<u>\$900,000.00</u>	0.450%	<u>\$8,100.00</u>	<u>\$908,100.00</u>
	<u>\$900,000.00</u>		<u>\$8,100.00</u>	<u>\$908,100.00</u>
\$850,000.00 Building Bonds of 2020				
Payment Date	Principal	Rate	Interest	Total
1 Aug 22	<u>\$850,000.00</u>	0.800%	<u>\$13,600.00</u>	<u>\$863,600.00</u> (pre-paid)
	<u>\$850,000.00</u>		<u>\$13,600.00</u>	<u>\$863,000.00</u>

- b.) The District (Lessee) entered into a Lease Purchase Agreement on September 17, 2013 with Standard Capital Finance, Jenks, Oklahoma (Lessor) for the purpose of completion of the New Lower Elementary School Building, to include but not limited to School Furniture, Fixtures and Equipment.

This Lease shall become effective upon its execution by Lessee and Lessor and shall continue in effect until June 30, 2013. The term of this Agreement will extend for the Lessee's 2013-2014, 2014-2015, 2015-2016, 2016-2017, 2017-2018, 2018-2019, 2019-2020, 2020-2021, 2021-2022 and 2022-2023 fiscal years only if the extension of the Agreement for each of those fiscal years is mutually ratified by the Lessee and Lessor. In accordance with 62 O.S. § 430.1 and 70 O.S. § 5-117, continuation of this Agreement past Lessee's current fiscal year ending June 30, 2014, and the end of each succeeding fiscal year is dependent upon mutual ratification by Lessee and Lessor. The Lessor hereby ratifies the continuation of the Agreement through June 30, 2014. Lessee agrees to consider the ratification of the Agreement through June 2023. Lessee agrees to consider the ratification of the Agreement at the first Board Meeting held in each subsequent fiscal year and agrees to provide Lessor with written notice of either ratification or termination within thirty (30) days after the expiration of the current Lease Term. The Lessor and Lessee agree that under no circumstances will the Agreement be extended beyond June 30, 2023. The terms and conditions during any extended term shall be the same as the initial term.

Lessor warrants and represents to Lessee that the total amount of the Lease Payments, including Interest, to be paid if the Agreement is mutually renewed for each fiscal year through and including the fiscal year 2013-2014, 2014-2015, 2015-2016, 2016-2017, 2017-2018, 2018-2019, 2019-2020, 2020-2021, 2021-2022 and 2022-2023, does not exceed the purchase price to Lessor of the Equipment of \$636,900.00 plus interest at the rate of 3.24% per annum. Lessee shall have the right and option to prepay the Lease Payments due hereunder in such manner as to terminate the Agreement prior to the 2022-2023 fiscal year.

A repayment schedule of the outstanding capital lease obligations at June 30, 2022 is set forth below:

Schedule of Annual Payments

3/15/2023 74,388.89

Cash Fund Balance

Cash fund balance represents the funds not encumbered by purchase order, legal contracts, and outstanding warrants.

Safeguard of Deposits and Investments

The District's investments policies are governed by state statute. Permissible investments include direct obligations of the United States Government and Agencies; certificates of deposit of savings and loan associations, and bank and trust companies. Collateral is required for demand deposits and certificates of deposit for all amounts not covered by federal deposit insurance. The District Treasurer and Activity Fund Custodians are responsible for maintaining adequate coverage of all funds on deposit through security pledges approved by the Treasurer of the State of Oklahoma.

Deposit and Investments – Custodian Credit Risk – The District's cash deposits and investments at June 30, 2022, were completely insured or collateralized by federal deposit insurance, direct obligations of the U.S. Government, or securities held by the District or by its agent in the District's name. The District's cash deposits and investments at June 30, 2022, are classified in the following categories:

- (A) Insured by Federal Deposit Insurance.
- (B) Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name.
- (C) Uncollateralized.

	<u>Category</u>			<u>Bank Balance</u>
	<u>(A)</u>	<u>(B)</u>	<u>(C)</u>	
Cash and cash equivalents	\$500,000.00	\$1,222,010.72	\$ 0.00	\$1,722,010.72
Investments	<u>00.00</u>	<u>00.00</u>	<u>0.00</u>	<u>00.00</u>
Total	<u>\$500,000.00</u>	<u>\$1,222,010.72</u>	<u>\$ 0.00</u>	<u>\$1,722,010.72</u>

G. 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. 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 ear-marked 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 program. The State Department of Education requires that categorical educational program revenues be accounted for in the general fund.

Property Tax Revenue

The District is authorized by state law to levy property taxes which consists of ad valorem taxes on real and personal property within the District. The County Assessor, upon receipt of the certification of tax levies from the county excise board, extends the tax levies on the tax roll for submission to the county treasurer prior to October 1. The county treasurer must commence tax collection within fifteen days of receipt of the tax rolls. The first half of the taxes are due prior to January 1. The second half is due prior to April 1.

If the first payment is not made timely, the entire tax becomes due and payable on January 2. Second half taxes become delinquent on April 1 of the year following the year of assessment. If not paid by the following October 1, the property is offered for sale for the amount of taxes due. The owner has two years to redeem the property by paying the taxes and penalty owed. If at the end of two years the owner has not done so, the purchaser is issued a deed to the property.

Inter-fund Transactions

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursement to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the fund that is reimbursed. Any legally authorized transfers are treated as operating transfers and are included in the results of the Governmental Funds. Transfers between the Agency Funds (Activity Funds) and the Governmental Fund Types (General Fund) are shown as operating transfers into the Governmental Fund Types (General Fund) only. No transfer is shown out from the Agency Funds as they are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

2. Risk Management

Liabilities Protection Plan

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.

The School also participates in a risk pool for Workers' Compensation coverage in which there is transfer or pooling risks among the participants of that pool. In accordance with professional standards, the School reports the required contribution to the pool, net of refunds, as insurance expense. The risk pool is the Oklahoma School Assurance group (OSAG), an organization formed for the purpose of providing workers' compensation coverage to participating schools in the State of Oklahoma. In that capacity, OSAG is responsible for providing loss control services and certain fiscal activities, including obtaining contract arrangements for the underwriting, excess insurance agreements, claims processing, and legal defense for any and all claims submitted to them during the plan year. As a member of OSAG, the 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 schools 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 School Unemployment Compensation Program. In this program, the District is required to make a deposit based on past experience for potential unemployment claims. 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.

Surety Bonds

Berva Weaver, District Treasurer, is bonded with CNA Surety Corp. Company in the amount of \$100,000.00. The bond number is 64589755, dated July 1, 2021 to July 1, 2022.

Stephanie Rames, Assistant Treasurer Perry Public Schools bond is maintained through CNA Surety Corp. in the amount of \$50,000.00. The bond number is 64607496, dated April 8, 2020 to April 8, 2021 and April 8, 2022 to April 8, 2023.

The District maintains a Public Official Position Schedule Bond with the CNA Surety (CNA Surety Corp.). The bond number is 18153107, April 15, 2021 to April 15, 2022 and April 15, 2022 to April 15, 2023. The positions covered are as follows:

1. Superintendent / Activity Fund Co-signer	\$100,000.00
2. Activity Fund Custodian	10,000.00
3. Principals (4)	5,000.00 each
4. Coordinator of School Lunch Program	5,000.00
5. Assistant Treasurer	1,000.00
6. Child Nutrition Custodians (3)	1,000.00 each
7. Encumbrance Clerk	1,000.00
8. Minutes Clerk	1,000.00
9. All others	1,000.00

Surety Bonds (continued)

The District maintains a Public Official Position Schedule Bond with the CNA Surety Corp. Agency, Inc. The bond number is 63199763, May 12, 2021 to May 12, 2023. The positions covered are as follows:

1. Encumbrance Clerk	\$5,000.00
2. Payroll / HR	5,000.00

3. 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.

A Participant with 5 years of creditable service may retire with a normal retirement allowance at the age of sixty-two or with reduced benefits as early as age fifty-five. The normal retirement allowance paid monthly for life and then to beneficiaries, if certain options are exercised, equals two percent of the average of the highest three earning years of contributory service multiplied by the number of years of credited service.

Employee Retirement System

A participant leaving employment before attaining retirement age, but completing ten years of service, may elect to vest his accumulated contributions and defer receipt of a retirement annuity until a later date. When a participant dies in active service and has completed ten years of credited service, the beneficiary is entitled to a death benefit of \$18,000.00, and the surviving spouse may, in lieu of the death benefit, elect to receive, subject to the surviving spousal options, the participant's retirement benefits accrued at the time of death.

The contribution rates for the District and its employees, which are not actuarially determined, 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. An additional 7.90% of compensation is required for federal grants. 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 member is 7% up to a maximum compensation level.

The total contributions for employees of Perry School District #I-1, Noble County, Oklahoma, covered by the System for the year 2022, 2021 and 2020 were \$847,785.46, \$769,365.83 and \$755,653.48, respectively.

Employee Retirement System (continued)

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 the 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 Teacher's Retirement System, P.O. Box 53624, Oklahoma City, OK 73152 or by calling 405-521-2387.

4. 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.

5. Subsequent Events

In November of 2022, the District, closed the issuance of \$1,875,000.00 Building Bonds of 2022. The repayment of the bonds will be paid by sinking fund levy starting with 2024-25 fiscal year.

6. Budget Amendments

The General Fund budget was amended one time during the year by filing a supplemental estimate form with the County Clerk's office in the amount \$1,213,850.87. This increased the original General Fund budget from \$9,738,348.28 to \$10,952,199.15.

Perry School District No. 1-1, Noble County, Oklahoma
Combining Statement of Assets, Liabilities and Fund Balances
Regulatory Basis - All Capital Project Funds
June 30, 2022

SCHEDULE A-1

<u>ASSETS</u>	<u>Building Bond Fund #32</u>	<u>Transportation Bond Fund #34</u>	<u>Total June 30, 2022</u>
Cash and Cash Equivalents	\$ 236,273	\$ 75,000	\$ 311,273
Investments	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u>\$ 236,273</u>	<u>\$ 75,000</u>	<u>\$ 311,273</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Warrants Payable	\$ 0	\$ 0	\$ 0
Reserve for Encumbrances	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Liabilities</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund Balances:			
Restricted	\$ 236,273	\$ 75,000	\$ 311,273
<i>Total Fund Balances</i>	<u>\$ 236,273</u>	<u>\$ 75,000</u>	<u>\$ 311,273</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 236,273</u>	<u>\$ 75,000</u>	<u>\$ 311,273</u>

Perry School District No. 1-1, Noble County, Oklahoma
Combining Statement of Assets, Liabilities and Fund Balances
Regulatory Basis - All Trust and Agency Funds
June 30, 2022

SCHEDULE A-2

<u>ASSETS</u>	<u>Activity Fund</u>	<u>Gift Fund</u>	<u>Total June 30, 2022</u>
Cash and Cash Equivalents	\$ 200,970	\$ 7,289	\$ 208,259
Investments	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u>\$ 200,970</u>	<u>\$ 7,289</u>	<u>\$ 208,259</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Warrants Payable	\$ 13,356	\$ 0	\$ 13,356
Due to Activity Groups	<u>187,614</u>	<u>0</u>	<u>187,614</u>
<i>Total Liabilities</i>	<u>\$ 200,970</u>	<u>\$ 0</u>	<u>\$ 200,970</u>
Fund Balances:			
Restricted	<u>\$ 0</u>	<u>\$ 7,289</u>	<u>\$ 7,289</u>
<i>Total Fund Balances</i>	<u>\$ 0</u>	<u>\$ 7,289</u>	<u>\$ 7,289</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 200,970</u>	<u>\$ 7,289</u>	<u>\$ 208,259</u>

Perry School District No. 1-1, Noble County, Oklahoma
Combining Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances
Regulatory Basis - Capital Project Funds
For the Year Ended June 30, 2022

SCHEDULE B-1

	Building Bond Fund #32	Transportation Bond Fund #34	Total June 30, 2022
Revenue Collected:			
Local Sources	\$ 293	\$ 0	\$ 293
Intermediate Sources	0	0	0
State Sources	0	0	0
Federal Sources	0	0	0
Non-Revenue Receipts	0	0	0
<i>Total Revenue Collected</i>	\$ 293	\$ 0	\$ 293
Expenditures Paid:			
Instruction	\$ 9,087	\$ 0	\$ 9,087
Support Services	47,938	0	47,938
Operation of Non-Instructional Services	0	0	0
Facilities Acquisition and Construction	733,809	0	733,809
Other Outlays	0	0	0
Other Uses	0	0	0
Repayments	0	0	0
Interest Paid and Bank Charges	0	0	0
<i>Total Expenditures Paid</i>	\$ 790,833	\$ 0	\$ 790,833
<i>Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances</i>	\$ (790,541)	\$ 0	\$ (790,541)
Adjustments to Prior Year Encumbrances	\$ 0	\$ 0	\$ 0
Other Financing Sources (Uses):			
Estopped Warrants	\$ 0	\$ 0	\$ 0
Bond Proceeds	845,616	75,000	0
Transfers In	0	0	0
Transfers Out	0	0	0
<i>Total Other Financing Sources (Uses)</i>	\$ 845,616	\$ 75,000	\$ 0
<i>Excess (Deficiency) of Revenue Collected Over Expenditures Paid and Other Financing Sources (Uses)</i>	\$ 55,075	\$ 75,000	\$ 130,075
<i>Fund Balance - Beginning of Year</i>	181,198	0	181,198
<i>Fund Balance - End of Year</i>	\$ 236,273	\$ 75,000	\$ 311,273

PERRY SCHOOL DISTRICT #-1
 NOBLE COUNTY-OKLAHOMA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
 REGULATORY BASIS - FIDUCIARY FUND
 07/01/21 TO 06/30/22

SCHEDULE D-1

<u>ACCOUNT</u>	<u>07/01/21</u>	<u>REVENUES</u>	<u>ADJUSTMENTS</u>	<u>TRANSFERS</u>	<u>EXPENDITURES</u>	<u>06/30/22</u>
General Athletics	\$11,862.37	\$96,447.16	\$50.00	\$0.00	\$88,858.71	\$19,500.82
High School Athletics	9,441.82	71,763.83	600.00		67,392.41	14,413.24
Yearbook	15,271.43	7,245.32			9,925.09	12,591.66
Alumni Fund	133.18	0.00			0.00	133.18
Band	23,053.05	7,792.50			13,516.14	17,329.41
Science Club	5,977.69	0.00			0.00	5,977.69
Jr. High Science	100.33	0.00			0.00	100.33
Cheerleaders	1,001.94	16,756.17	33.24		8,745.50	9,045.85
Pom Pon	1,010.59	3,447.25			3,612.69	845.15
Principal Vending	1,642.75	1,506.80			659.37	2,490.18
Site Beautifications	79.80	0.00			47.89	31.91
Academic Team	607.01	0.00			175.00	432.01
Environmental Science	20.50	0.00			0.00	20.50
BPA	2,571.26	701.00			0.00	3,272.26
FCCLA	417.32	1,135.00			1,183.13	369.19
FFA	18,350.61	61,190.46			65,162.73	14,378.34
Adult Recognition Fund	4,550.24	4,321.58			5,334.62	3,537.20
Government Club	58.18	0.00			0.00	58.18
Spanish Club	0.00	305.00			304.35	0.65
Class of 2023	0.00	10,006.00			8,827.60	1,178.40
Class of 2024	0.00	720.00			0.00	720.00
Class of 2022	1,713.79	1,422.78			2,358.96	777.61
Class of 2025	1,532.78	(1,532.78)			0.00	0.00
High School Library	974.50	1,375.06			1,311.89	1,037.67
Matmaids	803.39	2,805.73			2,884.06	725.06
National Honor Society	469.33	698.00			0.00	1,167.33
High School Office	3,988.70	554.00			2,884.74	1,657.96
High School Petty Cash	0.00	0.00			0.00	0.00
Softball Construction Account	0.00	0.00			0.00	0.00
TSA	5,883.37	4,883.50			654.69	10,112.18

Continued on Page 2

PERRY SCHOOL DISTRICT #I-1
 NOBLE COUNTY-OKLAHOMA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
 REGULATORY BASIS - FIDUCIARY FUND
 07/01/21 TO 06/30/22

<u>ACCOUNT</u>	<u>07/01/21</u>	<u>REVENUES</u>	<u>ADJUSTMENTS</u>	<u>TRANSFERS</u>	<u>EXPENDITURES</u>	<u>06/30/22</u>
Student Council	\$5,881.38	\$10,201.72	\$0.00	\$0.00	\$9,679.90	\$6,403.20
Speech and Drama	853.58	0.00			0.00	853.58
Counselors Special Account	4,282.37	(370.00)			479.47	3,432.90
Vocal Music	1,975.24	839.00			1,270.12	1,544.12
Art	155.45	2,893.19			2,691.20	357.44
Gifted and Talented	617.14	1,183.00			396.58	1,403.56
Alternative ED	153.85	0.00			121.98	31.87
Science Grant Acct.	0.00	0.00			0.00	0.00
Elementary Office Fund	17,930.92	44,873.47			34,516.02	28,288.37
Refund Account	0.00	620.06			620.06	0.00
Yockey Scholarship Prepetual	0.00	5,022.55			5,022.55	0.00
Yockey Scholarship Fund	0.00	0.00			0.00	0.00
Jr. High Student Council	93.87	0.00			0.00	93.87
Jr. High Nat'l Honor Society	0.00	0.00			0.00	0.00
Elementary Petty Cash	0.00	0.00			0.00	0.00
Upper Elementary School	8,356.54	9,385.35			14,604.96	3,136.93
Upper Elementary Lounge	110.83	0.00			0.00	110.83
Elementary Teachers Lounge	133.28	0.00			0.00	133.28
Jr. High Office	9,054.03	12,801.13			14,005.80	7,849.36
Jr. High Petty Cash	0.00	0.00			0.00	0.00
Jr. High Teachers Lounge Acct.	606.09	313.95			241.31	678.73
Maroon TV	0.00	0.00			0.00	0.00
Scholarship Account	750.00	750.00			1,000.00	500.00
HS Journalism Account	0.00	0.00			0.00	0.00
Child Nutrition Booster Club	91.93	0.00			0.00	91.93
Superintendent	999.92	0.00			0.00	999.92
PPS Technology	13,155.00	0.00			0.00	13,155.00
Jim Davis Memorial Account	725.00	0.00			0.00	725.00
Nicholas Dale Scholarship Account	1,020.00	(300.00)			0.00	720.00
Foundation Learning Program	0.00	200.00			0.00	200.00
TOTALS	\$178,462.35	\$381,957.78	\$683.24	\$0.00	\$368,489.52	\$192,613.85

PERRY SCHOOL DISTRICT #1-91
 NOBLE COUNTY-OKLAHOMA
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND
 FUND EQUITY - REGULATORY BASIS - FIDUCIARY FUND
 07/01/21 TO 06/30/22

SCHEDULE D-2

<u>DEPOSITORY</u>	<u>DETAIL</u>	<u>TOTALS</u>
CASH	\$200,969.97	
INVESTMENTS	<u>0.00</u>	
TOTAL DEPOSITORY		<u><u>\$200,969.97</u></u>
<u>FUND</u>		
LEDGER BALANCE	\$192,613.85	
ADD: 2021-22 OUTSTANDING	\$13,356.12	
CD INT ADJ NOT MADE IN 21-22	\$22.55	
ERROR IN BEG BAL	<u>(5,022.55)</u>	
TOTAL DEPOSITORY		<u><u>\$200,969.97</u></u>

PERRY SCHOOL DISTRICT #1
NOBLE COUNTY - OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
ALLOCATIONS & EXPENDITURES
07/01/21 to 06/30/22

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS- THROUGH GRANTOR'S NUMBER	PROGRAM OR AWARD AMOUNT	CASH/(ACCRUED) OR DEFERRED REVENUE AT JULY 1, 2021	RECEIPTS OR REVENUE RECOGNIZED	DISBURSEMENTS/ EXPENDITURES	CASH/(ACCRUED) OR DEFERRED REVENUE AT JUNE 30, 2022	INDIRECT COST
<u>State Department of Education</u>								
Title I, Part A/Title II, Part A	84.010	511/541	260,332.70	0.00	260,332.70	260,332.70	0.00	0.00
Title II, Part A	84.367	541	6,827.38	0.00	6,694.20	6,694.20	0.00	0.00
Title V, Part B RLJS/Title IV, Part A	84.358	587/552	43,368.62	0.00	39,429.41	39,429.41	0.00	0.00
IDEA-B Flow Through	84.027	621	233,476.77	0.00	166,769.52	213,489.14	(46,719.62)	0.00
Covid-19, IDEA-B ARP Flow Through	84.027X	628	52,321.24	0.00	0.00	0.00	0.00	0.00
IDEA-B Part B Preschool	84.173	641	3,993.59	0.00	3,993.56	3,993.56	0.00	0.00
Covid-19, IDEA-B Part B Preschool ARP	84.027X	643	2,968.27	0.00	0.00	0.00	0.00	0.00
Special Education Cluster				0.00	170,763.08	217,482.70	(46,719.62)	0.00
Covid-19, Cares - GEER	84.425C	721	13,369.86	0.00	13,369.86	13,369.86	0.00	0.00
Covid-19, Cares - FY 20	84.425D	788	9,714.85	0.00	9,714.85	9,714.85	0.00	0.00
Covid-19, Cares Act - ESSER II	84.425D	793	554,476.47	0.00	554,476.47	554,476.47	0.00	0.00
Covid-19, Cares Act - ESSER III - ARP	84.425U	795	1,246,162.90	0.00	510,349.19	659,655.74	(149,306.55)	0.00
Covid-19, Total Funds				0.00	1,087,910.37	1,237,216.92	(149,306.55)	0.00
<u>State Department of Career and Technology</u>								
Covid-19, Cares Act - Educational Stabilization - HEERF	84.425E	415	0.00	75,000.00	0.00	0.00	75,000.00	0.00
<u>U.S. Department of Agriculture -</u>								
<u>Child Nutrition</u>								
Covid-19, Supply Chain Assistance	10.555	759	25,370.42	0.00	25,370.42	25,370.42	0.00	0.00
National School Lunch Program	10.555	763	344,795.23	111,760.93	344,795.23	191,496.94	265,059.22	0.00
School Breakfast Program	10.553	764	130,781.19	11,425.50	130,781.19	139,140.71	3,065.98	0.00
Child Nutrition Cluster				123,186.43	500,946.84	356,008.07	268,125.20	0.00
Covid-19, P-EBT	10.649	760	614.00	0.00	614.00	614.00	0.00	0.00
Commodity Distribution (Non-Cash)	10.565	N/A	39,885.65	0.00	39,885.65	39,885.65	0.00	0.00
Total Child Nutrition Program				123,186.43	541,446.49	396,507.72	268,125.20	0.00
Total Federal Financial Assistance				198,186.43	2,106,576.25	2,157,663.65	147,099.03	0.00

NOTE 1: The Schedule of Expenditures of Federal Awards was prepared using the same accounting policies used in preparing the District's financial statements.
The District's policy is to recognize expenditures when encumbered (contracted for) rather than at the time the related fund liability is incurred.

NOTE 2: The District policy is to expend Child Nutrition federal, state and local revenues, in that order, during each fiscal year. If there are any unexpended federal or state funds remaining at the end of a fiscal year, those funds will be expended during the next fiscal year, prior to the utilization of current year funding.

NOTE 3: The amount shown as received and expended in the Child Nutrition for commodities represents a nonmonetary value of the food commodities received.
Therefore, the total revenues and expenditures do not agree with the financial statements by this amount.

NOTE 4: Indirect Costs are included in the total expenditures.

NOTE 5: The District has elected not to use the 10% de Minimis indirect cost rate allowed under Uniform Guidance.

NOTE 6: The District reports they received approximately \$1,000 of federally funded personal protective equipment (PPE).

Chas. W. Carroll, P.A.

Independence Tower – Suite 103
302 N. Independence
Enid, Oklahoma 73701

Phone 580-234-5468
Fax 580-234-5425

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
Perry School District #I-1
Noble County, Oklahoma

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying fund type and account group financial statements-regulatory basis of the Perry School District #I-1, Noble County, Oklahoma, (the 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 March 20, 2023, 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 for 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.

Internal Control Over Financial Reporting

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

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings I identified certain deficiencies in internal control that I considered 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 District's financial statements will not be prevented, or detected and corrected on a timely basis. I considered the deficiency described in the accompanying Schedule of Findings as item 22-05 to be a material weakness.

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. I consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items: 22-01, 22-02, 22-03 and 22-04, which we consider to be significant deficiencies.

Compliance and Other Matters

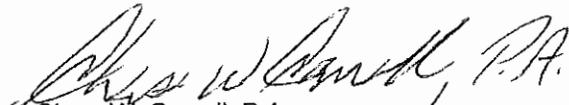
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Response to Findings

The District's response to the findings identified in our audit is described in the accompanying school's corrective action plan. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly we express no opinion on it.

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Chas. W. Carroll, P.A.
March 20, 2023

Chas. W. Carroll, P.A.

Independence Tower – Suite 103
302 N. Independence
Enid, Oklahoma 73701

Phone 580-234-5468
Fax 580-234-5425

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
Perry School District #I-1
Noble County, Oklahoma

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Perry School District #I-1, Noble County, Oklahoma, (the District) 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 the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the 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.

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 the District 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 the District'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 the District's federal programs.

Auditor's Responsibilities for 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 the District'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 non-compliance 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 judgement made by a reasonable user on the report of compliance about the District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgement 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 the District'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 the District'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 on the District'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 any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify and deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Chas. W. Carroll, P.A.
March 20, 2023

PERRY SCHOOL ISD NO. 1, NOBLE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022

SECTION 1

Summary of Auditor's Results

Financial Statements

- | | |
|---|---|
| 1. Type of auditor's report issued | Adverse |
| With respect to conformity with
Generally Accepted Accounting Principles | |
| With respect to the use of Regulatory
basis of accounting and the omission
of the general fixed asset group | Qualified – due to omission of
the general fixed asset group |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified not considered to be
material weakness? | Yes |
| c. Noncompliance material to the financial statements noted? | No |

Federal Awards

- | | |
|--|---------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified: | No |
| b. Significant deficiencies identified not considered to be
material weakness? | None reported |
| 2. Type of auditors report issued on compliance for major programs: | |
| | Unqualified |
| 3. Any audit findings disclosed that are required to be reported
in accordance with The Uniform Guidance? | |
| | None Reported |
| 4. Identification of major programs: | |
| <u>Name of Federal Program</u> | <u>CFDA #</u> |
| COVID-19, Cares - GEER | 84.425C |
| COVID-19, FY 20 | 84.425D |
| COVID-19, Cares Act- ESSER II | 84.425D |
| COVID-19, Cares Act- ESSER III - ARP | 84.425U |
| 5. Dollar threshold used to distinguish between Type A or
Type B programs: | |
| | \$750,000.00 |
| 6. Auditee qualified as a low-risk auditee under The Uniform Guidance? | |
| | No |

SECTION 2

Financial Statement Findings:

PERRY SCHOOL ISD NO. 1, NOBLE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022

Financial Statement Findings: (continued)

22-01 Finding

Statement of Conditions – In reviewing payroll it appears one (1) employee was over paid and one employee was under paid, in the respective amounts of \$621.59 and \$324.60. We also found payments to employees paid in addition to the original contract amount that were not identified as a part of the individual employee's contract.

Criteria – The District should pay salary amounts as listed on employment contracts, extra duty contracts or approved time sheets.

Cause/Effect of Condition – Not all payrolls were verified to employment or extra duty contracts for correct amounts, which resulted in incorrect payments. Also, compensation paid for employee services, in addition to original contracts, were not identified as part of the original contracts and no amendments or extra duty contracts were made.

Recommendation – All employment contracts are to be maintained by the District and as additional compensations for extra duty services, which are performed during an employee's regular contract period are approved, individual contracts should be amended or extra duty contracts should be created to support such payments.

22-02 Finding

Statement of Condition – Pre-numbered receipts were not always utilized by activity fund sponsors and in some instances unable to verify. Receipts were not turned in to the Activity Fund Custodian on a timely basis. While tickets were provided at District events, not all were maintained in a manner for proper verification.

Criteria – Pre-numbered activity fund receipts shall be issued for every sub-account for each fiscal year and every teacher in the school system should be informed that all monies are to be turned in to the School Activity Fund Custodian on a daily basis. Pre-numbered tickets should be used for admissions in order to establish internal control. All tickets not sold by gate keeper should be accounted for at the end of each event and a written reconciliation made of tickets sold to actual revenues collected. Reconciliation documents should be filed in date order as part of the documentation for the School Activity Fund, and tickets filed in a reconcilable manner.

Cause/Effect of Condition – The District and employees were not following Oklahoma State Department of Education Activity Fund procedures, which could led to loss of revenues, theft and incomplete record.

Recommendation – The District should be following all specific procedures established by the State Department of Education.

22-03 Finding

Statement of Condition – The District received funds for premium on bonds sold and accrued interest on sale of bonds, in the amounts of \$1,116.00 and \$292.50, respectively. These funds were receipted into Building Bond

Criteria – Upon sale of bonds, the principal amount should be receipted into the appropriate bond fund and the premium and accrued interest receipted to the sinking fund.

Cause/Effect of Condition – The District personnel was not aware of the receipting regulation. The sinking fund balance was understated and the bond fund was overstated.

Recommendation – The total of \$1,408.50 should be reimbursed by transfer from Building Bond #32 to sinking Fund.

PERRY SCHOOL ISD NO. 1, NOBLE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022

Financial Statement Findings: (continued)

22-04 Finding

Statement of Condition – The District's Activity Fund detail and custodian analysis do not reconcile with depository balance.

Criteria – The Activity Fund custodian should reconcile to the depository balance on a monthly basis.

Cause/Effect of Condition – An investment, which was included in the Activity Fund sub-account totals, was liquidated. It was then receipted and added to the funds revenue overstating the fund balance by \$5,000.00. The Activity Fund was not reconciled on a timely basis.

Recommendation – The Activity Fund custodian should reconcile the school's records to the bank monthly and have Sponsors verify sub-account balance.

22-05 Finding - Material

Statement of Condition – A District employee received advanced payments for services yet to be performed for the period of employment during the first 5 months of the 2021-22 fiscal year. Also, advanced payments have been made for the first four months of the 2022-23 fiscal year.

Criteria – Boards of Education are authorized to contract with and pay certified employees in their respective districts in twelve (12) monthly payments or fractional parts of the fiscal year, to be made on the basis of legal contract between said boards and employees. I do not have any knowledge of any statutory authority which allows employees to be paid in advance for services yet to be performed, therefore, employees cannot be, paid at the beginning of the month or the employment contract period.

Cause/Effect of Condition – Due to management override, advance payments of \$26,830.93, were made in the first five months of the 2021-22 fiscal year. While the employee's annual payroll did not exceed their contract amount, they did receive payments in advance of services performed. Also, advanced payments of \$87,202.37 have been made in the first four months of the 2022-23 fiscal year.

Recommendation – The District should only pay employees in twelve (12) monthly payments, or fractional parts of the fiscal year, but only when services have been rendered. The District should consult with legal counsel in regards to the above concerns

Section 3

Major Federal Award Programs Findings

None Reported.

DISPOSITION OF PRIOR YEAR FINDINGS

Financial Statement Findings:

21-01 Finding

Statement of Condition – Sixty-Two (62) Activity Fund purchases were tested. Three (3) did not have a signed invoice. Two (2) invoices were dated before the requisition and four (4) payments did not have invoices available for review.

Criteria – All expenditures are to have requisitions submitted prior to any order of goods or services are made, which includes a predetermined amount, all invoices or packing slips are to be signed by personnel receiving goods or services and invoices are required documentation before payment is made.

Cause/Effect of Condition – Employees are not following purchasing procedures, which could lead to unauthorized purchases being made.

Recommendation – we recommend all purchases be approved with a purchase order/requisition prior to items being ordered and be accompanied by an itemized, dated and signed invoice.

Current Condition - Finding was corrected in the current fiscal year.

21-02 Finding

Statement of Condition – The District reported expenditures for federal programs, through the Oklahoma Cost Accounting System (OCAS), that exceeded allocations during the 2020-21 fiscal year.

Criteria – Good internal control requires procedures to be in place for effective oversight and to properly record and track federal program expenditures and revenues.

The applicable expenditures utilized by the District for several program allocations were not the same as reported to the State Department of Education and the Oklahoma Cost Accounting System (OCAS) as follows:

<u>Federal Program</u>	<u>Applicable Program Expenditures</u>	<u>Program Expenditures Reported on OCAS</u>
Title II - Part A Recruit	\$ 22,651.11	\$ 25,435.93
Title V - Sub PT 2	\$ 33,558.91	\$ 33,477.80
IDEA-B Flow Through	\$218,331.47	\$218,130.51
RUS Distance Learning & Medicine Grant	\$ 63,331.00	\$ 0.00
ESSER F / CARES Relief	\$126,090.00	\$132,305.76
ESSER II Set Aside	\$ 41,071.19	\$ 45,002.07

Proper coding is required in order to track the District's actual federal expenditures associated with each program.

Cause/Effect of Condition – Lack of internal control allows for non-compliance with expenditure tracking and over statements in reporting to State and Federal Agencies.

Recommendation – All federal program funding is to be tracked utilizing the prescribed OCAS expenditure and revenue project code numbers. Those codes are to be utilized only for the amount the District is allocated for federally funded program.

Current Condition - Finding was corrected in the current fiscal year.

PERRY SCHOOL DISTRICT #I-1
NOBLE COUNTY – OKLAHOMA
JULY 1, 2021 TO JUNE 30, 2022

DISPOSITION OF PRIOR YEAR FINDINGS
JUNE 30, 2022

21-03 Finding

Statement of Condition – Pre-numbered receipts were not always utilized by activity fund sponsors and in some instances unable to verify. Receipts were not turned in to the Activity Fund Custodian on a timely basis. While tickets were provided at District events, not all were maintained in a manner for proper verification.

Criteria – Pre-numbered activity fund receipts shall be issued for every sub-account for each fiscal year and every teacher in the school system should be informed that all monies are to be turned in to the School Activity Fund Custodian on a daily basis. Pre-numbered tickets should be used for admissions in order to establish internal control. All tickets not sold by gate keeper should be accounted for at the end of each event and a written reconciliation made of tickets sold to actual revenues collected. Reconciliation documents should be filed in date order as part of the documentation for the School Activity Fund, and tickets filed in a reconcilable manner.

Cause/Effect of Condition – The District and employees were not following Oklahoma State Department of Education Activity Fund procedures, which could led to loss of revenues, theft and incomplete record.

Recommendation – The District should be following all specific procedures established by the State Department of Education.

Current Condition - Finding continued in the current fiscal year.

21-04 Finding

Statement of Condition – Free and reduced lunch applications were not available for review.

Criteria – The District is to provide and maintain free and reduced lunch applications for determination and documentation for federal lunch program reimbursement.

Cause/Effect of Condition – The lack of maintaining the yearly applications could result in loss of federal reimbursements.

Recommendation – I recommend the District maintain all documents in a safe and specific storage area.

Current Condition - Finding was corrected in the current fiscal year.

PERRY SCHOOL DISTRICT #1-1
NOBLE COUNTY – OKLAHOMA
JULY 1, 2021 TO JUNE 30, 2022

PRIOR YEAR AUDIT EXCEPTIONS AND RECOMENDATIONS

All prior year audit exceptions have since been resolved unless they are presented in the current year audit exceptions and recommendations followed by "A similar exception was presented in the previous year's audit report".

PERRY

PUBLIC SCHOOL DISTRICT

NOBLE

COUNTY

**AUDIT FINDING
CORRECTIVE ACTION PLAN**

Reference Number: 22-01

Name of Award – Project Number
(Federal Findings) _____

Condition/Finding: One employee was overpaid and one employee was underpaid.

Corrective steps that have already been implemented and/or the steps that will be implemented:

We will run all expenditure reports prior to being audited to make sure they match the contracts. It's a small window and payroll clerk missed it this year. Underpaid employee was paid in July 2022.

Completion Date: 7/20/2022

The plan for monitoring adherence to the corrective action plan:

If warranted, reasons why the district does not consider a Corrective Action necessary.

If a refund is made in relation to this finding please include the mailing date, amount and number of the check for the refund.

Mailing Date	Check Number	Amount of Refund
<u>Jem Ramer</u> Superintendent's Signature		<u>3-28-2023</u> Date

If the district disagrees with the Audit Finding this would be noted in the Steps Implemented Section.

PERRY

PUBLIC SCHOOL DISTRICT

NOBLE

COUNTY

**AUDIT FINDING
CORRECTIVE ACTION PLAN**

Reference Number: 22-02

Name of Award – Project Number
(Federal Findings) _____

Condition/Finding: Pre-numbered receipts were not always utilized by activity fund sponsors and in some instances unable to verify. Receipts were not turned in to the AFC in a timely manner.

Corrective steps that have already been implemented and/or the steps that will be implemented:

We always use pre-numbered activity fund receipts and information is given to teachers to turn in monies daily.
We will make sure auditor gets all paperwork necessary to complete the audit with finding.

Completion Date: 8/15/2022

The plan for monitoring adherence to the corrective action plan:

If warranted, reasons why the district does not consider a Corrective Action necessary.

If a refund is made in relation to this finding please include the mailing date, amount and number of the check for the refund.

Mailing Date	Check Number	Amount of Refund
 Superintendent's Signature		<u>3-28-2023</u> Date

If the district disagrees with the Audit Finding this would be noted in the Steps Implemented Section.

PERRY

PUBLIC SCHOOL DISTRICT

NOBLE

COUNTY

**AUDIT FINDING
CORRECTIVE ACTION PLAN**

Reference Number: 22-03

Name of Award – Project Number
(Federal Findings) _____

Condition/Finding: The district received funds for premium on bonds sold and accrued interest on sale of bonds, in the amounts of \$1,116.00 and \$292.50, respectively. These funds were receipted into Building Bond

Corrective steps that have already been implemented and/or the steps that will be implemented:

Treasurer will find a better source for coding information and get better directions from her source to ensure all funds are coded to the correct fund.

Completion Date: _____

The plan for monitoring adherence to the corrective action plan:

If warranted, reasons why the district does not consider a Corrective Action necessary.

If a refund is made in relation to this finding please include the mailing date, amount and number of the check for the refund.

Mailing Date	Check Number	Amount of Refund
<u><i>Jam Ramer</i></u> Superintendent's Signature	_____	<u>3282023</u> Date

If the district disagrees with the Audit Finding this would be noted in the Steps Implemented Section.

PERRY

PUBLIC SCHOOL DISTRICT

NOBLE

COUNTY

**AUDIT FINDING
CORRECTIVE ACTION PLAN**

Reference Number: 22-04

Name of Award – Project Number
(Federal Findings) _____

Condition/Finding: The district's Activity Fund detail and custodian analysis do not reconcile with depository balance.

Corrective steps that have already been implemented and/or the steps that will be implemented:

AFC will get accounts balanced sooner. It just wasn't balanced in time for the board meeting.
This has been corrected in the current year.

Completion Date: 7/1/2022

The plan for monitoring adherence to the corrective action plan:

If warranted, reasons why the district does not consider a Corrective Action necessary.

If a refund is made in relation to this finding please include the mailing date, amount and number of the check for the refund.

Mailing Date	Check Number	Amount of Refund
<u></u> Superintendent's Signature		<u>3-28-2023</u> Date

If the district disagrees with the Audit Finding this would be noted in the Steps Implemented Section.

PERRY

PUBLIC SCHOOL DISTRICT

NOBLE

COUNTY

**AUDIT FINDING
CORRECTIVE ACTION PLAN**

Reference Number: 22-05

Name of Award -- Project Number
(Federal Findings) _____

Condition/Finding: A district employee received advanced payments for services yet to be performed.

Corrective steps that have already been implemented and/or the steps that will be implemented:

Payroll Clerk will never, under any circumstance give an advance payment to any employee.

Completion Date: 2/20/2022

The plan for monitoring adherence to the corrective action plan:
It will never happen again.

If warranted, reasons why the district does not consider a Corrective Action necessary.

If a refund is made in relation to this finding please include the mailing date, amount and number of the check for the refund.

Mailing Date	Check Number	Amount of Refund
 Superintendent's Signature		<u>3-28-2023</u> Date

If the district disagrees with the Audit Finding this would be noted in the Steps Implemented Section.