

REPORT OF AUDIT
PIONEER-PLEASANT VALE SCHOOL DISTRICT #1-56
GARFIELD COUNTY - OKLAHOMA
JULY 1, 2017 TO JUNE 30, 2018

PIONEER-PLEASANT SCHOOL DISTRICT #I-56
GARFIELD COUNTY - OKLAHOMA
JULY 1, 2017 TO JUNE 30, 2018

OFFICERS

CLEE JAY HEDGES

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DAVID LOESCH

VICE-PRESIDENT

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CLERK

JOHN STONE

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MICHAEL KOEHL

MEMBER

SHERRIE WYSSMANN

TREASURER

BRENT KOONTZ

SUPERINTENDENT

AUDIT BY

PATRICK W. CARROLL
CERTIFIED PUBLIC ACCOUNTANT

CERTIFICATE #4081

PIONEER-PLEASANT VALE SCHOOL DISTRICT #1-56
GARFIELD COUNTY - OKLAHOMA
JULY 1, 2017 TO JUNE 30, 2018

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PIONEER-PLEASANT VALE SCHOOL DISTRICT #1-56
GARFIELD COUNTY - OKLAHOMA
JULY 1, 2017 TO JUNE 30, 2018

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INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education
Pioneer-Pleasant Vale School District #1-56
Garfield County, Oklahoma

I have audited the accompanying combined fund type and account group financial statements-regulatory basis of the Pioneer-Pleasant Vale School District #1-56, Garfield County, Oklahoma, as of and for the year ended June 30, 2018, as listed in the table of contents.

Management's Responsibility 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 of material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse and qualified audit opinions.

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

As described in Note 1 to the financial statement, to meet the financial reporting requirements of the Oklahoma State Department of Education, the financial statements are prepared by Pioneer-Pleasant Vale School District #1-56, Garfield County, Oklahoma 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.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In my opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2018, or the revenues, expenses, and changes in net position and, where applicable, cash flows thereof for the year then ended.

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 noted above. The amount that should be recorded in the general fixed asset account group is not known.

Qualified Opinion on Regulatory Basis of Accounting

In my 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 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 Pioneer-Pleasant Vale School District #I-56, Garfield County, Oklahoma, as of June 30, 2018, and the revenues collected and expenditures paid and encumbered for the year then ended, on the regulatory basis of accounting described in Note 1.

Other Matters

Other Information

My 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 combining statements-regulatory basis and other schedules as listed in the table of contents, under other supplementary information, are presented for purposes of additional analysis and are not a required part of the combined financial statements-regulatory basis of the District.

The combining statements-regulatory basis, and the other supplementary information, including the schedule of expenditures of federal awards, are the responsibility of management and were derived from and relate 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-regulatory basis and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining statements-regulatory basis, and the other supplementary information, including the schedule of expenditures of federal awards, are fairly stated in all material respects in relation to the combined financial statements taken as a whole on the regulatory basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated April 25, 2019 on my consideration of the District's internal control over financial reporting and on my 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 my testing of internal control 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.



Chas. W. Carroll, P.A.
April 25, 2019

Pioneer-Pleasant Vale School District No. 1-56, Garfield County, Oklahoma
Combined Statement of Assets, Liabilities and Fund Balances
Regulatory Basis - All Fund Types and Account Groups
June 30, 2018

EXHIBIT A

	Governmental Fund Types				Fiduciary Fund Types	Account Group	Total Memorandum Only
	General	Special Revenue	Debt Service	Capital Projects			
ASSETS							
Cash and Cash Equivalents	\$ 1,261,176	\$ 793,773	\$ 984,690	\$ 2,689,877	\$ 143,388	\$ 0	\$ 5,872,904
Investments	0	0	0	0	0	0	0
Amounts Available in Debt Service Fund	0	0	0	0	0	984,690	984,690
Amounts to be Provided for Retirement of General Long-Term Debt	0	0	0	0	0	3,055,310	3,055,310
Total Assets	\$ 1,261,176	\$ 793,773	\$ 984,690	\$ 2,689,877	\$ 143,388	\$ 4,040,000	\$ 9,912,904

LIABILITIES AND FUND BALANCES

Liabilities:							
Warrants Payable	\$ 116,119	\$ 21,516	\$ 0	\$ 41,322	\$ 6,442	\$ 0	\$ 185,398
Reserve for Encumbrances	0	0	0	0	0	0	0
Due to Activity Groups	0	0	0	0	136,946	0	136,946
General Obligation Bonds Payable	0	0	0	0	0	4,040,000	4,040,000
Total Liabilities	\$ 116,119	\$ 21,516	\$ 0	\$ 41,322	\$ 143,388	\$ 4,040,000	\$ 4,362,344
Fund Balances:							
Restricted For:							
Debt Service	\$ 0	\$ 0	\$ 984,690	\$ 0	\$ 0	\$ 0	\$ 984,690
Capital Projects	0	0	0	2,648,555	0	0	2,648,555
Building Programs	0	511,987	0	0	0	0	511,987
Child Nutrition Programs	0	256,456	0	0	0	0	256,456
Cooperative Programs	0	3,815	0	0	0	0	3,815
Unassigned	1,145,057	0	0	0	0	0	1,145,057
Total Fund Balances	\$ 1,145,057	\$ 772,258	\$ 984,690	\$ 2,648,555	\$ 0	\$ 0	\$ 5,550,561
Total Liabilities and Fund Balances	\$ 1,261,176	\$ 793,773	\$ 984,690	\$ 2,689,877	\$ 143,388	\$ 4,040,000	\$ 9,912,904

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

Pioneer-Pleasant Vale School District No. I-56, Garfield 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, 2018

EXHIBIT B

	Governmental Fund Types				Totals (Memorandum Only)
Revenue Collected:	General	Special Revenue	Debt Service	Capital Projects	June 30, 2018
Local Sources	\$ 3,167,046	\$ 508,867	\$ 973,569	\$ 0	\$ 4,649,481
Intermediate Sources	136,174	0	0	0	136,174
State Sources	981,654	38,285	12	0	1,019,951
Federal Sources	407,037	0	0	0	407,037
Non-Revenue Receipts	67,167	0	5,980	0	73,147
Total Revenue Collected	\$ 4,759,077	\$ 547,151	\$ 979,561	\$ 0	\$ 6,285,790
Expenditures Paid:					
Instruction	\$ 2,660,468	\$ 64,451	\$ 0	\$ 0	\$ 2,724,919
Support Services	1,429,081	592,091	0	241,533	2,262,705
Operation of Non-Instructional Services	237,056	0	0	0	237,056
Facilities Acquisition and Construction	0	0	0	0	0
Other Outlays	0	0	0	0	0
Other Uses	0	0	0	0	0
Repayments	0	0	0	0	0
Interest Paid on Warrants and Bank Charges	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	860,000	0	860,000
Interest and Fiscal Agent Fees	0	0	29,799	0	29,799
Total Expenditures Paid	\$ 4,326,605	\$ 656,542	\$ 889,799	\$ 241,533	\$ 6,114,479
<i>Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances</i>	<i>\$ 432,473</i>	<i>\$ (109,391)</i>	<i>\$ 89,762</i>	<i>\$ (241,533)</i>	<i>\$ 171,311</i>
Adjustments to Prior Year Encumbrances	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Financing Sources (Uses):					
Estopped Warrants	\$ 1,510	\$ 0	\$ 0	\$ 81	\$ 1,591
Bond Proceeds	0	0	0	2,300,000	2,300,000
Transfers In	0	0	0	0	0
Transfers Out	0	0	0	0	0
Total Other Financing Sources (Uses)	\$ 1,510	\$ 0	\$ 0	\$ 2,300,081	\$ 2,301,591
<i>Excess (Deficiency) of Revenue Collected Over Expenditures Paid and Other Financing Sources (Uses)</i>	<i>\$ 433,983</i>	<i>\$ (109,391)</i>	<i>\$ 89,762</i>	<i>\$ 2,058,547</i>	<i>\$ 2,472,901</i>
Fund Balance - Beginning of Year	711,075	881,648	894,928	590,008	3,077,659
Fund Balance - End of Year	\$ 1,145,057	\$ 772,258	\$ 984,690	\$ 2,648,555	\$ 5,550,561

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

Pioneer-Pleasant Vale School District No. 1-56, Garfield 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, 2018

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	\$ 2,470,913	\$ 2,470,913	\$ 3,167,046	\$ 388,339	\$ 388,339	\$ 508,867	\$ 919,233	\$ 919,233	\$ 973,569
Intermediate Sources	117,256	117,256	136,174	0	0	0	0	0	0
State Sources	1,072,528	1,072,528	981,654	42,055	42,055	38,285	0	0	12
Federal Sources	292,394	292,394	407,037	0	0	0	0	0	0
Non-Revenue Receipts	0	0	67,167	0	0	0	0	0	0
Total Revenue Collected	\$ 3,953,091	\$ 3,953,091	\$ 4,759,077	\$ 430,394	\$ 430,394	\$ 547,151	\$ 919,233	\$ 919,233	\$ 979,561
Expenditures Paid:									
Instruction	\$ 2,814,189	\$ 2,814,189	\$ 2,660,468	\$ 67,748	\$ 67,748	\$ 64,451	\$ 0	\$ 0	\$ 0
Support Services	1,434,940	1,434,940	1,429,081	1,244,294	1,244,294	592,091	0	0	0
Operation of Non-Instructional Services	415,037	415,037	237,056	0	0	0	0	0	0
Facilities Acquisition and Construction	0	0	0	0	0	0	0	0	0
Other Outlays	0	0	0	0	0	0	0	0	0
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
Total Expenditures Paid	\$ 4,664,165	\$ 4,664,165	\$ 4,326,605	\$ 1,312,042	\$ 1,312,042	\$ 656,542	\$ 1,814,161	\$ 1,814,161	\$ 889,799
Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances	\$ (711,075)	\$ (711,075)	\$ 432,473	\$ (881,648)	\$ (881,648)	\$ (109,391)	\$ (894,928)	\$ (894,928)	\$ 89,762
Adjustments to Prior Year Encumbrances	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Financing Sources (Uses):									
Estopped Warrants	\$ 0	\$ 0	\$ 1,510	\$ 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
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 1,510	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Excess (Deficiency) of Revenue Collected Over Expenditures Paid and Other Financing Sources (Uses)	\$ (711,075)	\$ (711,075)	\$ 433,983	\$ (881,648)	\$ (881,648)	\$ (109,391)	\$ (894,928)	\$ (894,928)	\$ 89,762
Fund Balance - Beginning of Year	711,075	711,075	711,075	881,648	881,648	881,648	894,928	894,928	894,928
Fund Balance - End of Year	\$ 0	\$ 0	\$ 1,145,057	\$ 0	\$ 0	\$ 772,257	\$ 0	\$ 0	\$ 984,690

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

PIONEER-PLEASANT VALE SCHOOL DISTRICT #I-56
GARFIELD COUNTY - OKLAHOMA
JULY 1, 2017 TO JUNE 30, 2018

NOTES TO COMBINED FINANCIAL STATEMENTS

1. Significant Accounting Policies

The financial statements of the Pioneer-Pleasant Vale School District #I-56 have been prepared in conformity with an other 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".

B. Fund Accounting (continued)

Fund Description

The following funds are utilized by the Pioneer-Pleasant Vale School District #1-56.

Governmental Fund Types -

Fiduciary Fund Types -

General Fund

Trust and Agency Fund

Special Revenue Funds

Debt Service Fund

Capital Project Funds

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 ear-marked 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 District's Board of Education voted to discontinue the operation of the Child Nutrition Fund as a Special Revenue, and account for the programs transactions within the General Fund, starting July 1, 2016.

Special Revenue Funds - The Special Revenue Funds are the District's Building Fund, Municipal Tax Levy Fund and Co-op Fund. The Building Fund consists of monies derived from property taxes levied for the purpose of erecting, remodeling, or repairing buildings and for purchasing furniture and equipment. The Municipal Tax Levy Fund consists of monies derived from special sales tax on behalf of the District. These funds are to be kept separate and expended only for those items addressed in the tax levy agreement. The Co-op Fund consists of monies generated by two or more school districts (may include other entities) that have entered into a cooperative agreement to maintain joint programs. The monies may consist of federal, state and local sources, including the individual contributions of participating school districts.

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

C. Basis of Accounting and Presentation (continued)

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 bud-get 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, and Debt Service Fund 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, 2018 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, 2018 is set forth below:

\$1,600,000.00 Building Bonds of 2013

Payment Date	Principal	Rate	Interest	Total
1 Nov 18	\$ <u>400,000.00</u>	1.000%	\$ <u>2,000.00</u>	\$ <u>402,000.00</u>

PIONEER-PLEASANT VALE SCHOOL DISTRICT #-56
GARFIELD COUNTY - OKLAHOMA
JULY 1, 2017 TO JUNE 30, 2018

NOTES TO COMBINED FINANCIAL STATEMENTS

\$1,150,000.00 Building Bonds of 2014

Payment Date	Principal	Rate	Interest	Total
1 Nov 18	\$ 285,000.00	1.250%	\$ 3,625.00	\$ 288,625.00
1 May 19	0.00		1,843.75	1,843.75
1 Nov 19	<u>295,000.00</u>	1.250%	<u>1,843.75</u>	<u>296,843.75</u>
	<u>\$ 580,000.00</u>		<u>\$ 7,312.50</u>	<u>\$ 587,312.50</u>

\$530,000.00 Building Bonds of 2015

Payment Date	Principal	Rate	Interest	Total
1 Nov 18	\$ 130,000.00	1.500%	3,675.00	\$ 133,675.00
1 May 19	0.00		2,700.00	2,700.00
1 Nov 19	130,000.00	2.000%	2,700.00	132,700.00
1 May 20	0.00		1,400.00	1,400.00
1 Nov 20	<u>140,000.00</u>	2.000%	<u>1,400.00</u>	<u>141,400.00</u>
	<u>\$ 400,000.00</u>		<u>\$ 11,875.00</u>	<u>\$ 411,875.00</u>

\$350,000.00 Building Bonds of 2017

Payment Date	Principal	Rate	Interest	Total
1 Nov 18	\$ 0.00		\$ 3,120.00	\$ 3,120.00
1 May 19	120,000.00	1.750%	3,120.00	123,120.00
1 Nov 19	0.00		2,070.00	2,070.00
1 May 20	120,000.00	1.750%	2,070.00	122,070.00
1 Nov 20	0.00		1,020.00	1,020.00
1 May 21	<u>120,000.00</u>	1.400%	<u>1,020.00</u>	<u>121,020.00</u>
	<u>\$ 360,000.00</u>		<u>\$ 12,420.00</u>	<u>\$ 372,420.00</u>

\$2,300,000.00 General Obligation Combined Purpose Bonds of 2018

Payment Date	Principal	Rate	Interest	Total
1 Jul 19	\$ 0.00		\$ 69,000.00	\$ 69,000.00
1 Jan 20	575,000.00	2.000%	23,000.00	598,000.00
1 Jul 20	0.00		17,250.00	17,250.00
1 Jan 21	575,000.00	2.000%	17,250.00	592,250.00
1 Jul 21	0.00		11,500.00	11,500.00
1 Jan 22	575,000.00	2.000%	11,500.00	586,250.00
1 Jul 22	0.00		5,750.00	5,750.00
1 May 21	<u>575,000.00</u>	2.000%	<u>5,750.00</u>	<u>580,750.00</u>
	<u>\$2,300,000.00</u>		<u>\$161,000.00</u>	<u>\$2,461,000.00</u>

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; 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. The District Treasurer is responsible for maintaining adequate coverage of all funds on deposit through security pledges approved by the Treasurer of the State of Oklahoma.

Deposits and Investments - Custodian Credit Risk - The District's cash deposits and investments at June 30, 2018, 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, 2018 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>(A)</u>	<u>(B)</u>	<u>(C)</u>	<u>BANK BALANCE</u>
Cash and cash equivalents	\$ 393,387.64	\$2,364,003.61	\$ 0.00	\$2,757,391.25
Investments	\$ 250,000.00	2,865,513.16	0.00	3,115,513.16
Total	<u>\$ 643,387.64</u>	<u>\$5,229,516.77</u>	<u>\$ 0.00</u>	<u>\$5,872,904.41</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 Government 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 year.

The School also participates in a risk pool for Workers' Compensation coverage in which there is a transfer or pooling risks amount 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 District'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.

Liabilities Protection Plan (continued)

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

Sherrie Wyssmann, Treasurer, is bonded with Western Surety Company, in the amount of \$50,000.00. The bond number is 70737903, dated July 1, 2017 to July 1, 2018.

Brent Koontz, Superintendent, is bonded with Ohio Casualty Insurance Company, in the amount of \$100,000.00. The bond number is LSF041353, dated July 1, 2017 to July 1, 2018.

The school district maintains an Employee Dishonesty Bond with St. Paul Travelers in the amount of \$5,000.00 per employee. The bond number is 105736405, dated February 22, 2018 to February 22, 2021.

Additional coverage is as follows:

Dawna Schwandt - Secretary/Encumbrance Clerk/Minutes Clerk/ Activity Fund Custodian	\$2,000.00
Elizabeth Franco - Principal Secretary (HS/JH)/Child Nutrition	2,000.00
Linda Klassen - Elementary Principal Secretary/Activity Fund Custodian/Child Nutrition	2,000.00
Jerry Ott - Cafeteria Aid/Principal Secretary/Child Nutrition	2,000.00
Sherrie Wyssmann - Treasurer	2,000.00
Brent Koontz - Superintendent	2,000.00
Angie Koontz - Cafeteria Aid/Principal Secretary/Child Nutrition	2,000.00

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. A participant leaving employment before attaining retirement age, but completing ten

3. Employee Retirement System (continued)

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 9.50% of applicable compensation for the year ended June 30, 2017. An additional 7.80% 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 Pioneer-Pleasant Vale School District #I-56 covered by the System for the year 2018, 2017 and 2016 were \$391,751.06, \$378,014.08 and \$366,598.39, respectively.

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 Teachers' 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

Management has evaluated subsequent events through April 25, 2019, which is the date the financial statements were available to be issued and has determined that no additional information needs to be added to the financial statement.

Pioneer-Pleasant Vale School District No. 1-56, Garfield County, Oklahoma
Combining Statement of Assets, Liabilities and Fund Balances
Regulatory Basis - All Special Revenue Funds
June 30, 2018

SCHEDULE A-1

<u>ASSETS</u>	<u>Building Fund</u>	<u>Municipal Tax Fund</u>	<u>Coop Fund</u>	<u>Total June 30, 2018</u>
Cash and Cash Equivalents	\$ 526,099	\$ 258,956	\$ 8,718	\$ 793,773
Investments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u>\$ 526,099</u>	<u>\$ 258,956</u>	<u>\$ 8,718</u>	<u>\$ 793,773</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Warrants Payable	\$ 14,113	\$ 2,500	\$ 4,903	\$ 21,516
Reserve for Encumbrances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Liabilities</i>	<u>\$ 14,113</u>	<u>\$ 2,500</u>	<u>\$ 4,903</u>	<u>\$ 21,516</u>
Fund Balances:				
Restricted	\$ 511,987	\$ 256,456	\$ 3,815	\$ 772,258
<i>Total Fund Balances</i>	<u>\$ 511,987</u>	<u>\$ 256,456</u>	<u>\$ 3,815</u>	<u>\$ 772,258</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 526,099</u>	<u>\$ 258,956</u>	<u>\$ 8,718</u>	<u>\$ 793,773</u>

Pioneer-Pleasant Vale School District No.1-056, Garfield county, Oklahoma
Combining Statement of Assets, Liabilities and Fund Balances
Regulatory Basis - Capital Projects Funds
June 30, 2018

SCHEDULE A-2

<u>ASSETS</u>	<u>Transport Bond #32 Fund</u>	<u>Building Bond #33 Fund</u>	<u>Building Bond #34 Fund</u>	<u>Building Bond #35 Fund</u>	<u>Total June 30, 2018</u>
Cash and Cash Equivalents	\$ 284,318	\$ 260,000	\$ 1,845,559	\$ 300,000	\$ 2,689,877
Investments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 284,318</u>	<u>\$ 260,000</u>	<u>\$ 1,845,559</u>	<u>\$ 300,000</u>	<u>\$ 2,689,877</u>
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Warrants Payable	\$ 3,043	\$ 0	\$ 38,279	\$ 0	\$ 41,322
Reserve for Encumbrances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>\$ 3,043</u>	<u>\$ 0</u>	<u>\$ 38,279</u>	<u>\$ 0</u>	<u>\$ 41,322</u>
Fund Balances:					
Restricted	\$ <u>281,275</u>	\$ <u>260,000</u>	\$ <u>1,807,280</u>	\$ <u>300,000</u>	\$ <u>2,648,555</u>
Total Fund Balances	<u>\$ 281,275</u>	<u>\$ 260,000</u>	<u>\$ 1,807,280</u>	<u>\$ 300,000</u>	<u>\$ 2,648,555</u>
Total Liabilities and Fund Balances	<u>\$ 284,318</u>	<u>\$ 260,000</u>	<u>\$ 1,845,559</u>	<u>\$ 300,000</u>	<u>\$ 2,689,877</u>

Pioneer-Pleasant Vale School District No. I-56, Garfield County, Oklahoma
Combining Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances
Regulatory Basis - Special Revenue Funds
For the Year Ended June 30, 2018

SCHEDULE B-1

	Building Fund	Municipal Tax Fund	Cooperative Fund	Total June 30, 2018
Revenue Collected:				
Local Sources	\$ 392,840	\$ 77,266	\$ 38,761	\$ 508,867
Intermediate Sources	0	0	0	0
State Sources	5	0	38,280	38,285
Federal Sources	0	0	0	0
Non-Revenue Receipts	0	0	0	0
	<u>392,845</u>	<u>77,266</u>	<u>77,041</u>	<u>547,151</u>
<i>Total Revenue Collected</i>	<u>\$ 392,845</u>	<u>\$ 77,266</u>	<u>\$ 77,041</u>	<u>\$ 547,151</u>
Expenditures Paid:				
Instruction	\$ 0	\$ 0	\$ 64,451	\$ 64,451
Support Services	551,676	23,967	16,448	592,091
Operation of Non-Instructional Services	0	0	0	0
Facilities Acquisition and Construction	0	0	0	0
Other Outlays	0	0	0	0
Other Uses	0	0	0	0
Repayments	0	0	0	0
Interest Paid and Bank Charges	0	0	0	0
	<u>551,676</u>	<u>23,967</u>	<u>80,899</u>	<u>656,542</u>
<i>Total Expenditures Paid</i>	<u>\$ 551,676</u>	<u>\$ 23,967</u>	<u>\$ 80,899</u>	<u>\$ 656,542</u>
<i>Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances</i>	<u>\$ (158,831)</u>	<u>\$ 53,299</u>	<u>\$ (3,859)</u>	<u>\$ (109,391)</u>
Adjustments to Prior Year Encumbrances	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Other Financing Sources (Uses):				
Estopped Warrants	\$ 0	\$ 0	\$ 0	\$ 0
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<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>\$ (158,831)</u>	<u>\$ 53,299</u>	<u>\$ (3,859)</u>	<u>\$ (109,391)</u>
<i>Fund Balance - Beginning of Year</i>	<u>670,818</u>	<u>203,156</u>	<u>7,674</u>	<u>881,648</u>
<i>Fund Balance - End of Year</i>	<u>\$ 511,987</u>	<u>\$ 256,456</u>	<u>\$ 3,815</u>	<u>\$ 772,258</u>

Pioneer-Pleasant Vale School District No.1-056, Garfield county, Oklahoma
 Combining Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances
 Regulatory Basis - Capital Projects Funds
 June 30, 2018

SCHEDULE B-2

	Building Bond #31 Fund	Transport Bond #32 Fund	Building Bond #33 Fund	Building Bond #34 Fund	Building Bond #35 Fund	Total June 30, 2018
Revenue Collected:						
Local Sources	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Intermediate Sources	0	0	0	0	0	0
State Sources	0	0	0	0	0	0
Federal Sources	0	0	0	0	0	0
Non-Revenue Receipts	0	0	0	0	0	0
Total Revenue Collected	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures Paid:						
Instruction	\$ 0	\$ 0	\$ 0	0	\$ 0	0
Support Services	23,533	25,280	0	192,720	0	241,533
Operation of Non-Instructional Services	0	0	0	0	0	0
Facilities Acquisition and Construction	0	0	0	0	0	0
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 and Bank Charges	0	0	0	0	0	0
Total Expenditures Paid	\$ 23,533	\$ 25,280	\$ 0	\$ 192,720	\$ 0	\$ 241,533
Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances						
	\$ (23,533)	\$ (25,280)	\$ 0	\$ (192,720)	\$ 0	\$ (241,533)
Adjustments to Prior Year Encumbrances						
	\$ 0	\$ 81	\$ 0	\$ 0	\$ 0	\$ 81
Other Financing Sources (Uses):						
Estopped Warrants	\$ 0	\$ 0	\$ 0	0	\$ 0	0
Sale of Bonds	0	0	0	2,000,000	300,000	2,300,000
Transfers In	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 2,000,000	\$ 300,000	\$ 2,300,000
Excess (Deficiency) of Revenue Collected Over Expenditures Paid and Other Financing Sources (Uses)						
	\$ (23,533)	\$ (25,199)	\$ 0	\$ 1,807,280	\$ 300,000	\$ 2,058,547
Fund Balance - Beginning of Year						
	23,533	306,475	260,000	0	0	590,008
Fund Balance - End of Year						
	\$ 0	\$ 281,275	\$ 260,000	\$ 1,807,280	\$ 300,000	\$ 2,648,555

**Combining Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances
Budget and Actual - Regulatory Basis - Special Revenue Funds
For the Year Ended June 30, 2018**

SCHEDULE C-1

	Building Fund			Cooperative Fund			Child Nutrition Fund			Total		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
Revenue Collected:												
Local Sources	\$ 352,339	\$ 352,339	\$ 392,840	\$ 36,000	\$ 36,000	\$ 38,761	\$ 0	\$ 0	\$ 77,266	\$ 388,339	\$ 388,339	\$ 508,867
Intermediate Sources	0	0	0	0	0	0	0	0	0	0	0	0
State Sources	0	0	5	42,055	42,055	38,280	0	0	0	42,055	42,055	38,285
Federal Sources	0	0	0	0	0	0	0	0	0	0	0	0
Non-Revenue Receipts	0	0	0	0	0	0	0	0	0	0	0	0
Total Revenue Collected	\$ 352,339	\$ 352,339	\$ 392,845	\$ 78,055	\$ 78,055	\$ 77,041	\$ 0	\$ 0	\$ 77,266	\$ 430,394	\$ 430,394	\$ 547,151
Expenditures Paid:												
Instruction	\$ 0	\$ 0	\$ 0	\$ 67,748	\$ 67,748	\$ 64,451	\$ 0	\$ 0	\$ 0	\$ 67,748	\$ 67,748	\$ 64,451
Support Services	1,023,157	1,023,157	551,676	17,981	17,981	16,448	203,156	203,156	23,967	1,244,294	1,244,294	592,091
Operation of Non-Instructional Services	0	0	0	0	0	0	0	0	0	0	0	0
Facilities Acquisition and Construction	0	0	0	0	0	0	0	0	0	0	0	0
Other Outlays	0	0	0	0	0	0	0	0	0	0	0	0
Other Uses	0	0	0	0	0	0	0	0	0	0	0	0
Repayments	0	0	0	0	0	0	0	0	0	0	0	0
Interest Paid	0	0	0	0	0	0	0	0	0	0	0	0
Total Expenditures Paid	\$ 1,023,157	\$ 1,023,157	\$ 551,676	\$ 85,729	\$ 85,729	\$ 80,899	\$ 203,156	\$ 203,156	\$ 23,967	\$ 1,312,042	\$ 1,312,042	\$ 656,542
Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances	\$ (670,818)	\$ (670,818)	\$ (158,831)	\$ (7,674)	\$ (7,674)	\$ (3,859)	\$ (203,156)	\$ (203,156)	\$ 53,299	\$ (881,648)	\$ (881,648)	\$ (109,391)
Adjustments to Prior Year Encumbrances	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Financing Sources (Uses):												
Estopped Warrants	0	0	0	0	0	0	0	0	0	0	0	0
Transfers In	0	0	0	0	0	0	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0	0	0	0	0	0	0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Excess (Deficiency) of Revenue Collected Over Expenditures Paid and Other Financing Sources (Uses)	\$ (670,818)	\$ (670,818)	\$ (158,831)	\$ (7,674)	\$ (7,674)	\$ (3,859)	\$ (203,156)	\$ (203,156)	\$ 53,299	\$ (881,648)	\$ (881,648)	\$ (109,391)
Fund Balance - Beginning of Year	670,818	670,818	670,818	7,674	7,674	7,674	203,156	203,156	203,156	881,648	881,648	881,648
Fund Balance - End of Year	\$ 0	\$ 0	\$ 511,987	\$ 0	\$ 0	\$ 3,815	\$ 0	\$ 0	\$ 256,455	\$ 0	\$ 0	\$ 772,257

PIONEER-PLEASANT VALE SCHOOL DISTRICT #I-56
 GARFIELD COUNTY COUNTY - OKLAHOMA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 ALLOCATIONS & EXPENDITURES
 07/01/17 TO 06/30/18

FEDERAL CFDA NUMBER	PASS- THROUGH GRANTOR'S NUMBER	PROGRAM OR AWARD AMOUNT	CASH/(ACCRUED) OR DEFERRED REVENUE AT JULY 1, 2017	RECEIPTS OR REVENUE RECOGNIZED	DISBURSEMENTS/ EXPENDITURES	CASH/(ACCRUED) OR DEFERRED REVENUE AT JUNE 30, 2018	INDIRECT COST
<u>U.S. Department of Education -</u>							
<u>Direct Programs</u>							
84.358A	588	\$0.00	(\$5,811.01)	\$0.00	\$0.00	(\$5,811.01)	\$0.00
<u>State Department of Education -</u>							
84.010	511	97,689.07	0.00	54,761.16	97,424.90	(42,663.74)	0.00
84.367	541/586	16,519.13	0.00	0.00	15,979.74	(15,979.74)	0.00
84.027	621	100,493.29	(97,195.28)	178,424.54	94,767.47	(13,538.21)	0.00
<u>U.S. Department of Agriculture -</u>							
Child Nutrition Cluster:							
10.555	763	133,422.45	0.00	133,422.45	133,422.45	0.00	0.00
10.553	764	40,428.66	0.00	40,428.66	40,428.66	0.00	0.00
			0.00	173,851.11	173,851.11	0.00	0.00
10.565	N/A	23,309.75	0.00	23,309.75	23,309.75	0.00	0.00
			0.00	197,160.86	197,160.86	0.00	0.00
TOTAL FEDERAL FINANCIAL ASSISTANCE			(\$103,006.29)	\$430,346.56	\$405,332.97	(\$77,992.70)	\$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 Cluster 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 Cost included in total expenditures

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

SCHEDULE 2-00

PIONEER-PLEASANT VALE SCHOOL DISTRICT #1-56
 GARFIELD COUNTY - OKLAHOMA
 HIGH SCHOOL ACTIVITY FUND
 REVENUES, EXPENDITURES AND BALANCES
 07/01/17 TO 06/30/18

<u>ACCOUNT</u>	<u>07/01/16</u>	<u>REVENUES</u>	<u>ADJUSTMENTS</u>	<u>TRANSFERS</u>	<u>EXPENDITURES</u>	<u>06/30/17</u>
MISCELLANEOUS	\$544.97	\$4,382.48	\$45.00	\$0.00	\$1,776.34	\$3,196.11
ATHLETICS	684.88	70,937.96	677.00		64,850.37	7,449.47
HI SCHOOL CHEERLEADERS	2,385.84	4,389.00			4,929.67	1,845.17
FCA	0.00	0.00			0.00	0.00
BETA	2,333.02	853.51			1,092.11	2,094.42
STUDENT COUNCIL	847.03	4,898.05			5,389.84	355.24
TSA	7,672.62	16,898.20			14,412.09	10,158.73
TECH SUPPLY	4,576.66	0.00			50.00	4,526.66
CLASS OF 2014	(0.00)	0.00			0.00	(0.00)
ANNUAL	20,034.05	6,254.76			3,813.70	22,475.11
BOOKS	466.08	0.00			123.64	342.44
ACADEMICS	2,907.80	0.00		112.01	1,036.00	1,983.81
JR. HIGH CHEERLEADERS	4,539.00	1,743.38			4,291.06	1,991.32
FCCLA	3,818.31	7,970.00			8,130.68	3,657.63
CHILD NUTRITION	0.00	36,467.89			35,084.24	1,383.65
CLASS OF 2015	0.00	0.00			0.00	0.00
CONCESSION STAND	10,480.86	395.00			5,186.86	5,689.00
CLASS OF 2016	0.00	0.00			0.00	0.00
CLASS OF 2017	112.01	0.00		(112.01)	0.00	(0.00)
HIGH SCHOOL FLOWER ACCOUNT	217.52	20.00			98.90	138.62
CLASS OF 2018	467.77	1,712.25			1,909.25	270.77
CLASS OF 2019	1,570.00	2,460.00			3,091.50	938.50
MUD RUN	0.00	0.00			0.00	0.00
CLASS OF 2020	740.00	500.00			15.00	1,225.00
CLASS OF 2021	580.00	260.00			0.00	840.00
CLASS OF 2022	350.00	375.00			0.00	725.00
FOOTBALL (BOOSTER)	0.00	17,966.82			9,221.48	8,745.34
BASEBALL/SOFTBALL	0.00	20,091.73			7,022.89	13,068.84
CLASS OF 2023	0.00	390.00	0.00	0.00	0.00	390.00
BASKETBALL(BOOSTER)	0.00	16,842.14			8,700.68	8,141.46
BOYS GOLF	0.00	1,376.00			1,335.00	41.00
GIRLS GOLF	0.00	690.00			299.29	390.71
TOTALS	\$65,328.42	\$217,874.17	\$722.00	\$0.00	\$181,860.59	\$102,064.00

PIONEER-PLEASANT VALE SCHOOL DISTRICT #1-56
GARFIELD COUNTY - OKLAHOMA
HIGH SCHOOL ACTIVITY FUND
RECONCILIATION STATEMENT
07/01/17 TO 06/30/18

SCHEDULE 2-01

<u>DEPOSITORY</u>	<u>DETAIL</u>	<u>TOTALS</u>
CASH	<u>108,399.51</u>	
TOTAL DEPOSITORY		<u>\$108,399.51</u>
 <u>FUND</u>		
LEDGER BALANCE	102,064.00	
ADD: 2017-18 OUTSTANDING	5,490.51	
2016-17 OUTSTANDING	440.00	
2008-09 OUTSTANDING	<u>405.00</u>	
TOTAL DEPOSITORY		<u>\$108,399.51</u>

SCHEDULE 2-02

PIONEER-PLEASANT VALE SCHOOL DISTRICT #1-56
 GARFIELD COUNTY - OKLAHOMA
 HIGH SCHOOL ACTIVITY FUND
 CASH STATEMENT
 07/01/17 TO 06/30/18

	<u>TOTAL</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>PRIOR</u>	<u>INVESTMENTS</u>
BEGINNING CASH AND INVESTMENTS	\$79,404.03	\$65,328.42	\$13,293.61	\$377.00	\$405.00	\$0.00
<u>REVENUES</u>						
DEPOSITS	217,763.79	217,763.79				
INTEREST	110.38	110.38				
REDEPOSITS	0.00	0.00				
CHECKS ESTOPPED	0.00	722.00	(345.00)	(377.00)		
TOTAL REVENUES	217,874.17	218,596.17	(345.00)	(377.00)	0.00	0.00
<u>EXPENDITURES</u>						
CHECKS PAID	188,718.69	176,210.08	12,508.61			
RET CKS/RET CK CHGS	160.00	160.00				
BANK FEES	0.00	0.00				
TOTAL EXPENDITURES	188,878.69	176,370.08	12,508.61	0.00	0.00	0.00
ENDING BALANCES	\$108,399.51	\$107,554.51	\$440.00	\$0.00	\$405.00	\$0.00

PIONEER-PLEASANT VALE SCHOOL DISTRICT #I-56
 GARFIELD COUNTY - OKLAHOMA
 ELEMENTARY SCHOOL ACTIVITY FUND
 REVENUES, EXPENDITURES AND BALANCES
 07/01/17 TO 06/30/18

SCHEDULE 3-00

<u>ACCOUNT</u>	<u>07/01/17</u>	<u>REVENUES</u>	<u>ADJUSTMENTS</u>	<u>TRANSFERS</u>	<u>EXPENDITURES</u>	<u>06/30/18</u>
MISCELLANEOUS		\$26,172.23	\$0.00	\$617.70	\$25,128.08	\$7,313.25
ATHLETICS	\$5,651.40					424.35
LASSITER	2,681.15	213.05		500.00	2,969.85	378.21
CORDERMAN	100.29	445.00		500.00	667.08	130.53
WHATLEY	413.19	45.00		500.00	827.66	477.45
DOHERTY	72.09	85.00		500.00	179.64	722.14
SOLORIA	564.64	100.00		500.00	442.50	823.48
MARKES	619.39	30.00		500.00	325.91	473.31
LEE	320.31	0.00		500.00	347.00	78.81
MULLEN	5.55	84.00		500.00	510.74	338.85
BAND	476.73	120.00		500.00	757.88	8,507.07
C. VANOVER	680.59	136,679.20		500.00	129,352.72	560.80
KILLAM	561.46	52.00		500.00	552.66	664.60
BECK	593.64	126.00		500.00	555.04	322.61
T. JOHNSON	358.16	126.00		500.00	661.55	29.43
NOAK	109.71	0.00		500.00	580.28	400.98
TOLBERT	484.90	35.00		500.00	618.92	585.38
DENNEY	487.17	676.00		500.00	1,077.79	630.09
KRUSH	645.84	0.00		500.00	515.75	392.22
MUSIC	285.17	0.00		500.00	392.95	437.74
HAWKINS	166.16	0.00		500.00	228.42	1,161.74
6TH GRADE	847.22	0.00		500.00	185.48	801.17
ACADEMIC CLUB	788.71	3,841.75			3,829.29	2,294.38
RIESEN	2,137.21	1,000.00			842.83	417.74
RUDD	165.59	218.00		500.00	465.85	1,136.51
BRADY	1,137.36	0.00		500.00	500.85	723.31
CHILD NUTRITION	299.98	50.00		500.00	126.67	0.00
CARNIVAL	0.00	31,946.70		382.30	32,329.00	4,320.17
HUMPHRIES	2,250.28	20,857.50		(13,500.00)	5,287.61	119.49
HARRIS	148.56	0.00		500.00	529.07	216.00
	284.31	85.00		500.00	653.31	
TOTALS	\$23,336.76	\$222,987.43	\$0.00	\$0.00	\$211,442.38	\$34,881.81

PIONEER-PLEASANT VALE SCHOOL DISTRICT #1-56
GARFIELD COUNTY - OKLAHOMA
ELEMENTARY SCHOOL ACTIVITY FUND
RECONCILIATION STATEMENT
07/01/17 TO 06/30/18

SCHEDULE 3-01

<u>DEPOSITORY</u>	<u>DETAIL</u>	<u>TOTALS</u>
CASH	<u>34,988.13</u>	
TOTAL DEPOSITORY		<u>\$34,988.13</u>
<u>FUND</u>		
LEDGER BALANCE	34,881.81	
ADD: 2017-18 OUTSTANDING	60.00	
2006-07 OUTSTANDING	16.32	
2005-06 OUTSTANDING	<u>30.00</u>	
TOTAL DEPOSITORY		<u>\$34,988.13</u>

PIONEER-PLEASANT VALE SCHOOL DISTRICT #1-56
 GARFIELD COUNTY - OKLAHOMA
 ELEMENTARY SCHOOL ACTIVITY FUND
 CASH STATEMENT
 07/01/17 TO 06/30/18

SCHEDULE 3-02

	<u>TOTAL</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>PRIOR</u>	<u>INVESTMENTS</u>
BEGINNING CASH AND INVESTMENTS	\$23,754.37	\$23,336.76	\$371.29	\$0.00	\$46.32	\$0.00
<u>REVENUES</u>						
DEPOSITS	222,944.50	222,944.50				
INTEREST	42.93	42.93				
REDEPOSITS	1,636.50	1,636.50				
CHECKS ESTOPPED	0.00	0.00				
TOTAL REVENUES	224,623.93	224,623.93	0.00	0.00	0.00	0.00
<u>EXPENDITURES</u>						
CHECKS PAID	210,764.36	210,393.07	371.29			
RET CKS/RET CK CHGS	2,566.50	2,566.50				
BANK CHARGES	59.31	59.31				
TOTAL EXPENDITURES	213,390.17	213,018.88	371.29	0.00	0.00	0.00
ENDING BALANCES	\$34,988.13	\$34,941.81	\$0.00	\$0.00	\$46.32	\$0.00

Chas. W. Carroll, P.A.

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Enid, Oklahoma 73701

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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
Pioneer-Pleasant Vale School District #I-56
Garfield County, Oklahoma

I 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 Pioneer-Pleasant Vale School District #I-56, Garfield County, Oklahoma, as listed in the Table of Contents as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collective comprise the District's combined financial statements, and have issued my report thereon dated April 25, 2019, which was adverse with respect to the presentation of the financial statements in conformity with the 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, my 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.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the 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 my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, I do not express an opinion on the effectiveness of the 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 deficiency, or a combination of deficiencies, in internal control such that there reasonable possibility that a material misstatement of the District'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.

My 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 were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified. I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 18-01, 18-02, 18-03, 18-04 and 18-05 that I 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, I 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my 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 my audit is described in the accompanying school's corrective action plan. I did not audit the District's response and, accordingly I 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.
April 25, 2019

PIONEER-PLEASANT VALE SCHOOL DISTRICT #1-56
GARFIELD COUNTY - OKLAHOMA
JULY 1, 2017 TO JUNE 30, 2018

SCHEDULE OF FINDINGS
JUNE 30, 2018

18-01 Finding

Statement of Condition - In reviewing District expenditures I found two (2) instances where an expenditure was approved in the 2016-17 year, but the payment was made from the 2017-18 appropriations.

Criteria - Obligations made by the District are to be paid from appropriations of the fiscal year in which they are incurred.

Cause/Effect of Condition - The expenditure was not encumbered when the services were authorized and no reserve was established to pay for services from prior fiscal period. Since the expenditures were made from the incorrect fiscal year, the funds ending balance and beginning balance would have been decreased by the same amount. Also, the 2016-17 fund expenditures would have been increased and 2017-18 expenditures would have decreased by the same amount. At June 30, 2018 the fund balance was correct.

Recommendation - I recommend that cut-off dates be established and purchase order procedures be followed to reserve encumbrances for year-end obligations. Also, a school district may issue a blanket purchase order for recurring purchases of goods or services if a maximum authorized amount for all purchases, pursuant to a blanket purchase order, is specified in the order and approved by the governing board.

18-02 Finding

Statement of Condition - Pre-numbered receipts were not always utilized by activity fund sponsors and receipts were not turned into the Activity Fund Custodian on a timely basis..

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.

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

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

18-03 Finding

Statement of Condition – Pre-numbered tickets were not issued for receipt collections at the District's events.

Criteria – Receipts for collections shall be given by the School Activity Fund Custodian. Pre-numbered tickets should be used for admissions in order to establish internal control. All tickets not sold by the 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.

PIONEER-PLEASANT VALE SCHOOL DISTRICT #1-56
GARFIELD COUNTY - OKLAHOMA
JULY 1, 2017 TO JUNE 30, 2018

SCHEDULE OF FINDINGS
JUNE 30, 2018

18-03 Finding (continued)

Cause/Effect of Condition – Not providing or maintaining event tickets could lead to loss of revenues and provides no documentation or receipts and failure to properly record transactions in general and sub-account ledgers.

Recommendation – The District should utilize gate tickets at all events as required by the State Department of Education.

18-04 Finding

Statement of Condition – The Activity Fund Lunch Clearing sub-account had a balance on hand at June 30, 2018.

Criteria – These funds represent District level revenues and are to be transferred to the District funds prior to June 30, of each fiscal year.

Cause/Effect of Condition –Lack of implementation of proper procedures resulted in non-compliance with District policy and District assets not being returned to District level funds.

Recommendation – The District should follow procedures established by the State Department of Education.

18-05 Finding

Statement of Condition – It appears one employee was paid in excess of the contract amount.

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

Cause/Effect of Condition – Extra-duty or extracurricular salary amounts were not included with employee contracts or job description.

Recommendation – All contracts for employment of, or related employee information worksheets for a teacher or administrator by a district board of education shall include all categories in a clear and concise format. (70-6-101.6)

PIONEER-PLEASANT VALE SCHOOL DISTRICT #I-56
GARFIELD COUNTY - OKLAHOMA
JULY 1, 2017 TO JUNE 30, 2018

DISPOSITION OF PRIOR YEAR FINDINGS
JUNE 30, 2018

17-01 Finding

Statement of Condition - In reviewing District expenditures I found three (3) instances where an expenditure was approved in the 2015-16 year, but the payment was made from the 2016-17 appropriations.

Criteria - Obligations made by the District are to be paid from appropriations of the fiscal year in which they are incurred.

Cause/Effect of Condition - The expenditure was not encumbered when the services were authorized and no reserve was established to pay for services from prior fiscal period. Since the expenditures were made from the incorrect fiscal year, the funds ending balance and beginning balance would have been decreased by the same amount. Also, the 2015-16 fund expenditures would have been increased and 2015-16 expenditures would have decreased by the same amount. At June 30, 2017 the fund balance was correct.

Recommendation - I recommend that cut-off dates be established and purchase order procedures be followed to reserve encumbrances for year-end obligations. Also, a school district may issue a blanket purchase order for recurring purchases of goods or services if a maximum authorized amount for all purchases, pursuant to a blanket purchase order, is specified in the order and approved by the governing board.

Current Status - This finding continued during the current year.

17-02 Finding

Statement of Condition - Six (6) of 72 District purchase orders and eight (8) of 44 Activity Fund requisitions were dated after the invoice/order date indicating the goods/services were ordered before approved. Additionally, six (6) of 44 Activity Fund requisitions were not dated.

Criteria - All purchases should be approved by the purchasing officer prior to purchase.

Cause/Effect of Condition - Employees failure to follow purchasing policies caused them to be in noncompliance with District purchasing procedures.

Recommendation - All requisitions should be submitted and approved prior to any order for goods and services being placed.

Current Status - This finding was corrected during the current year.

17-03 Finding

Statement of Condition - Nine (9) of 44 Activity Fund requisitions tested did not have an original or itemized invoice or invoices were not signed by an employee receiving goods or services.

Criteria - Itemized invoices are required as documentation prior to an expenditure being made. Also, each invoice or packing slip is to be signed by the employee receiving the goods or services.

PIONEER-PLEASANT VALE SCHOOL DISTRICT #1-56
GARFIELD COUNTY - OKLAHOMA
JULY 1, 2017 TO JUNE 30, 2018

DISPOSITION OF PRIOR YEAR FINDINGS
JUNE 30, 2018

17-03 Finding (continued)

Cause/Effect of Condition - Some employees failure to follow purchasing policies could lead to unauthorized expenditures being made.

Recommendation - Expenditures should not be made unless an itemized invoice is received. This invoice should be kept with the requisition for documentation.

Current Status - This finding was corrected during the current year.

17-04 Finding

Statement of Condition - Pre-numbered receipts were not always utilized by Activity Fund sponsors and receipts were not turned into the Activity Fund Custodian on a timely basis.

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.

Cause/Effect of Condition - The District and employees were not following Oklahoma State Department of Education Activity Fund procedures, which could lead 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 Status - This finding continued during the current year.

PIONEER-PLEASANT VALE SCHOOL DISTRICT #1-56
GARFIELD COUNTY - OKLAHOMA
JULY 1, 2017 TO JUNE 30, 2018

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 years audit report".

PIONEER-PLEASANT VALE SCHOOL DISTRICT #1-56
GARFIELD COUNTY - OKLAHOMA
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL
LIABILITY INSURANCE AFFIDAVIT
JULY 1, 2017 TO JUNE 30, 2018

STATE OF OKLAHOMA)
)
COUNTY OF GARFIELD)

The undersigned auditing firm of lawful age, being first duly sworn on oath says that said firm had in full force and effect Accountant' Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of the audit contract and during the entire audit engagement with the Pioneer-Pleasant Vale School District #1-56, Garfield County, Oklahoma, for the audit year 2017-18.

Chas. W. Carroll, P.A.
Auditing Firm

By: *Chas. W. Carroll*

Subscribed and sworn to before me this 25th day of April, 2019.

Pam S. Melvin
Notary Public



My Commission expires January 29, 2020.



Pioneer Pleasant Vale School, Dist. 1-56

High School -- 6520 E. Wood Rd.
Waukomis, Oklahoma 73773

(580) 758-3282

Elementary -- 6020 E. Willow
Enid, Oklahoma 73701

(580) 234-9628

BRENT KOONTZ
Superintendent

TOM BETCHAN
High School Principal

LARRY COONROD
Elementary Principal

To Whom It May Concern:

04/25/2019

Pioneer Pleasant Vale Schools will do the following to address any conditions, exceptions, findings and recommendations found in the 2017-2018 audit.

Finding 18-01

PPV Schools will strive to follow the correct purchasing procedures spelled out in law and strive ensure that all expenditures will be paid within the fund year they are incurred. Current procedures will be reviewed and/or modified to comply with state laws and regulations. Further training will be required beginning the 2019-2020 school year and rules will be followed according to the law.

The PPV school district will make every effort to correct any payment/funding year issues on requisitions in the future by increasing training opportunities. Cut-off dates will be established to ensure year-end obligations are handled correctly.

Finding 18-02

PPV Schools will strive to follow the correct receipting procedures ensure that the PPV school district is in compliance with the law. Although we feel we made tremendous strides in this area, procedures will be reexamined and/or modified to comply with state laws and regulations. Further training will be required of all teachers beginning the 2019-2020 school year and rules will be followed according to the law.

PPV will continue to issue and train all sponsors who collect funds in any manner and require them to receipt and turn in any funds they receive on a daily basis. Any employee who does not comply with this regulation will be denied the opportunity to collect funds in any manner.

Finding 18-03

PPV Schools will strive to ensure that pre-numbered tickets are used at all events where a fee is required for entry. The administrator on duty will be assigned to make sure that tickets are being used at all games and the central office will ensure that tickets are available and ready for each game being played.

Additional training and supervision will be used to insure ticket numbers reconcile with the amount of entry fees collected. Receipts from this count will be properly dated and signed by the correct employee.

Finding 18-04

PPV School will examine procedures and timelines used at the end of the fiscal year to determine better, more proficient ways to insure that the Activity Lunch Fund Clearing sub-account has a balance of zero and funds have been transferred to the appropriate district level funds..

New procedures will be placed in effect this current school year that will help the administration follow policy and district assets will be returned to district level funds proficiently.

Finding 18-05

PPV Schools will continue to strive to insure that all payments to employees are included in their respective contracts or addendums. Additional safeguards may be needed to correctly identify sources of payment on contracts and addendums for accurately reporting.

PPV will continue to seek out methods from other schools on how remedy this situation with accuracy and expedience. Additional emphasis will be placed on addendums when faculty or coaching changes are made after the initial contracts are signed.

If any other documentation or information is needed please do not hesitate to contact the district. PPV schools will continue to strive for improvement in the above areas and provide our students with the best education possible.

Sincerely,

A handwritten signature in black ink, appearing to read "Brent Koontz", with a long horizontal flourish extending to the right.

Brent Koontz
Superintendent