

REPORT OF AUDIT
PIONEER-PLEASANT VALE SCHOOL DISTRICT #1-56
GARFIELD COUNTY - OKLAHOMA
JULY 1, 2018 TO JUNE 2019

PIONEER-PLEASANT SCHOOL DISTRICT #1-56
GARFIELD COUNTY - OKLAHOMA
JULY 1, 2018 TO JUNE 2019

OFFICERS

CLEE JAY HEDGES	PRESIDENT
DAVID LOESCH	VICE-PRESIDENT
RANDY GABRIEL	CLERK
JOHN STONE	MEMBER
MICHAEL KOEHL	MEMBER
SHERRIE WYSSMANN	TREASURER
BRENT KOONTZ	SUPERINTENDENT

AUDIT BY

PATRICK W. CARROLL
CERTIFIED PUBLIC ACCOUNTANT

CERTIFICATE #4081

PIONEER-PLEASANT VALE SCHOOL DISTRICT #I-56
GARFIELD COUNTY - OKLAHOMA
JULY 1, 2018 TO JUNE 2019

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PIONEER-PLEASANT VALE SCHOOL DISTRICT #I-56
GARFIELD COUNTY - OKLAHOMA
JULY 1, 2018 TO JUNE 2019

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, 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, 2019, 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, 2019, 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-regulatory basis. 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-regulatory basis 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 March 11, 2020 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.

A handwritten signature in blue ink that reads "Chas. W. Carroll, P.A." in a cursive style.

Chas. W. Carroll, P.A.
March 11, 2020

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, 2019

EXHIBIT A

ASSETS	Governmental Fund Types				Fiduciary Fund Types	Account Group	Total Memorandum Only
	General	Special Revenue	Debt Service	Capital Projects			
Cash and Cash Equivalents	\$ 2,085,348	\$ 920,433	\$ 1,148,590	\$ 555,536	\$ 190,469	\$ 0	\$ 4,900,375
Investments	0	0	0	0	0	0	0
Amounts Available in Debt Service Fund	0	0	0	0	0	1,148,590	1,148,590
Amounts to be Provided for Retirement of General Long-Term Debt	0	0	0	0	0	2,456,410	2,456,410
Total Assets	\$ 2,085,348	\$ 920,433	\$ 1,148,590	\$ 555,536	\$ 190,469	\$ 3,605,000	\$ 8,505,375
LIABILITIES AND FUND BALANCES							
Liabilities:							
Warrants Payable	\$ 142,478	\$ 17,696	\$ 0	\$ 0	\$ 4,675	\$ 0	\$ 164,849
Reserve for Encumbrances	0	0	0	0	0	0	0
Due to Activity Groups	0	0	0	0	185,794	0	185,794
General Obligation Bonds Payable	0	0	0	0	0	3,605,000	3,605,000
Capitalized Lease Obligations Payable	0	0	0	0	0	0	0
Total Liabilities	\$ 142,478	\$ 17,696	\$ 0	\$ 0	\$ 190,469	\$ 3,605,000	\$ 3,955,643
Fund Balances:							
Restricted For:							
Debt Service	\$ 0	\$ 0	\$ 1,148,590	\$ 0	\$ 0	\$ 0	\$ 1,148,590
Capital Projects	0	0	0	555,536	0	0	555,536
Building Programs	0	684,694	0	0	0	0	684,694
Child Nutrition Programs	0	211,827	0	0	0	0	211,827
Cooperative Programs	0	6,215	0	0	0	0	6,215
Unassigned	1,942,870	0	0	0	0	0	1,942,870
Total Fund Balances	\$ 1,942,870	\$ 902,736	\$ 1,148,590	\$ 555,536	\$ 0	\$ 0	\$ 4,549,732
Total Liabilities and Fund Balances	\$ 2,085,348	\$ 920,433	\$ 1,148,590	\$ 555,536	\$ 190,469	\$ 3,605,000	\$ 8,505,375

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
Regulatory Basis - All Governmental Fund Types
For the Year Ended June 30, 2019

EXHIBIT B

	Governmental Fund Types				Totals (Memorandum Only)
Revenue Collected:	General	Special Revenue	Debt Service	Capital Projects	June 30, 2019
Local Sources	\$ 3,980,078	\$ 990,461	\$ 1,187,971	\$ 1,186	\$ 6,159,697
Intermediate Sources	132,235	0	0	0	132,235
State Sources	1,057,949	36,320	12	0	1,094,282
Federal Sources	331,646	0	0	0	331,646
Non-Revenue Receipts	67,342	0	0	0	67,342
Total Revenue Collected	\$ 5,569,250	\$ 1,026,782	\$ 1,187,983	\$ 1,186	\$ 7,785,201
Expenditures Paid:					
Instruction	\$ 3,078,063	\$ 54,069	\$ 0	\$ 0	\$ 3,132,132
Support Services	1,458,808	661,311	0	2,775,141	4,895,260
Operation of Non-Instructional Services	234,664	0	0	0	234,664
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	935,000	0	935,000
Interest and Fiscal Agent Fees	0	0	89,084	0	89,084
Total Expenditures Paid	\$ 4,771,535	\$ 715,379	\$ 1,024,084	\$ 2,775,141	\$ 9,286,139
Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances	\$ 797,715	\$ 311,402	\$ 163,900	\$ (2,773,954)	\$ (1,500,938)
Adjustments to Prior Year Encumbrances	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Financing Sources (Uses):					
Estopped Warrants	\$ 98	\$ 11	\$ 0	\$ 0	\$ 109
Bond Proceeds	0	0	0	500,000	500,000
Transfers In	0	0	0	440,935	440,935
Transfers Out	0	(180,935)	0	(260,000)	(440,935)
Total Other Financing Sources (Uses)	\$ 98	\$ (180,924)	\$ 0	\$ 680,935	\$ 500,109
Excess (Deficiency) of Revenue Collected Over Expenditures Paid and Other Financing Sources (Uses)	\$ 797,812	\$ 130,479	\$ 163,900	\$ (2,093,019)	\$ (1,000,829)
Fund Balance - Beginning of Year	1,145,057	772,258	984,690	2,648,555	5,550,561
Fund Balance - End of Year	\$ 1,942,870	\$ 902,736	\$ 1,148,590	\$ 555,536	\$ 4,549,732

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, 2019

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	\$ 3,140,140	\$ 3,140,140	\$ 3,980,078	\$ 438,737	\$ 474,475	\$ 990,461	\$ 1,111,027	\$ 1,111,027	\$ 1,187,971
Intermediate Sources	120,737	120,737	132,235	0	0	0	0	0	0
State Sources	1,236,165	1,236,165	1,057,949	0	36,315	36,320	0	0	12
Federal Sources	387,640	387,640	331,646	0	0	0	0	0	0
Non-Revenue Receipts	0	0	67,342	0	0	0	0	0	0
Total Revenue Collected	\$ 4,884,683	\$ 4,884,683	\$ 5,569,250	\$ 438,737	\$ 510,790	\$ 1,026,782	\$ 1,111,027	\$ 1,111,027	\$ 1,187,983
Expenditures Paid:									
Instruction	\$ 4,042,460	\$ 4,042,460	\$ 3,078,063	\$ 3,815	\$ 75,868	\$ 54,069	\$ 0	\$ 0	\$ 0
Support Services	1,564,691	1,564,691	1,458,808	950,724	950,724	661,311	0	0	0
Operation of Non-Instructional Services	422,589	422,589	234,664	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	\$ 6,029,740	\$ 6,029,740	\$ 4,771,535	\$ 954,539	\$ 1,026,592	\$ 715,379	\$ 2,095,717	\$ 2,095,717	\$ 1,024,084
Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances	\$ (1,145,057)	\$ (1,145,057)	\$ 797,715	\$ (515,802)	\$ (515,802)	\$ 311,402	\$ (984,690)	\$ (984,690)	\$ 163,900
Adjustments to Prior Year Encumbrances	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Financing Sources (Uses):									
Estopped Warrants	\$ 0	\$ 0	\$ 98	\$ 0	\$ 0	\$ 11	\$ 0	\$ 0	\$ 0
Transfers In	0	0	0	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	(180,935)	0	0	0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 98	\$ 0	\$ 0	\$ (180,924)	\$ 0	\$ 0	\$ 0
Excess (Deficiency) of Revenue Collected Over Expenditures Paid and Other Financing Sources (Uses)	\$ (1,145,057)	\$ (1,145,057)	\$ 797,812	\$ (515,802)	\$ (515,802)	\$ 130,479	\$ (984,690)	\$ (984,690)	\$ 163,900
Fund Balance - Beginning of Year	1,145,057	1,145,057	1,145,057	515,802	515,802	772,258	984,690	984,690	984,690
Fund Balance - End of Year	\$ 0	\$ 0	\$ 1,942,870	\$ 0	\$ 0	\$ 902,736	\$ 0	\$ 0	\$ 1,148,590

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

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 #I-56.

Governmental Fund Types -

Fiduciary Fund Types -

General Fund
Special Revenue Funds
Debt Service Fund
Capital Project Funds

Trust and Agency Fund

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, 2019 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, 2019 is set forth below:

\$1,150,000.00 Building Bonds of 2014

Payment Date	Principal	Rate	Interest	Total
1 Nov 19	\$ <u>295,000.00</u>	1.250%	\$ <u>1,843.75</u>	\$ <u>296,843.75</u>

PIONEER-PLEASANT VALE SCHOOL DISTRICT #I-56
GARFIELD COUNTY - OKLAHOMA
JULY 1, 2018 TO JUNE 2019

NOTES TO COMBINED FINANCIAL STATEMENTS

PAGE 6

General Long-Term Debt (continued)

\$530,000.00 Building Bonds of 2015

Payment Date	Principal	Rate	Interest	Total
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>\$ 270,000.00</u>		<u>\$ 5,500.00</u>	<u>\$ 275,500.00</u>

\$350,000.00 Building Bonds of 2017

Payment Date	Principal	Rate	Interest	Total
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>\$ 240,000.00</u>		<u>\$ 6,180.00</u>	<u>\$ 246,180.00</u>

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

Payment Date	Principal	Rate	Interest	Total
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>\$ 92,000.00</u>	<u>\$2,392,000.00</u>

\$500,000.00 Building Bonds of 2018

Payment Date	Principal	Rate	Interest	Total
1 May 20	\$ 0.00		\$ 20,062.50	\$ 20,062.50
1 Nov 20	125,000.00	2.850%	6,687.50	131,687.50
1 May 21	0.00		4,906.25	4,906.25
1 Nov 21	125,000.00	2.850%	4,906.25	129,906.25
1 May 22	0.00		3,125.00	3,125.00
1 Nov 22	125,000.00	2.450%	3,125.00	128,125.00
1 May 23	0.00		1,593.75	1,593.75
1 Nov 23	<u>125,000.00</u>	2.550%	<u>1,593.75</u>	<u>126,593.75</u>
	<u>\$ 500,000.00</u>		<u>\$ 46,000.00</u>	<u>\$ 546,000.00</u>

General Long-Term Debt (continued)

b.) The Garfield County Economic Development Authority (Authority) and the District have entered into a Ground Lease Agreement dated as of January 1, 2019 (the "Ground Lease"), whereby the District leased to the Authority the real property on which the Project will be constructed, for a term through the earlier of full payment of the Bonds or December 16, 2036, and the Authority will lease said Project to the School District pursuant to a Lease/Purchase Agreement Dated as of January 1, 2019, (the "Lease/Purchase Agreement"), subject to annual approval and appropriation by the School District,

The voters of the District have approved the issuance of Lease Revenue Bonds for acquiring, constructing and equipping education facilities to serve the students of the District in the total amount of \$6,700,000.00. Those School District Lease Revenue Bonds will be issued in series over the life of the Authority's Series 2019 Bonds in amounts necessary to pay the maturing principal of the Authority's Series 2019 Bonds and will be utilized for that purpose by payment of the proceeds thereof as received to the Trustee Bank as rentals under the Sublease.

Upon the payment in full of the Series 2019 Bonds, the Ground Lease both will expire and possession of and title to the Improvements will be vested in the District.

A repayment schedule of the outstanding capital lease obligations at June 30, 2019 is set forth below:

Schedule of Annual Rental & Acquisition Payments

<u>Payment Date</u>	<u>Principal Payment</u>	<u>Interest Payments</u>	<u>Rental Payment</u>
1 Dec 19	\$ 415,000.00	\$ 209,583.58	\$ 624,583.58
1 Dec 20	335,000.00	211,437.50	546,437.50
1 Dec 21	1,760,000.00	198,037.50	1,958,037.50
1 Dec 22	555,000.00	143,037.50	698,037.50
1 Dec 23	595,000.00	125,000.00	720,000.00
1 Dec 24	590,000.00	105,662.50	695,662.50
1 Dec 25	1,510,000.00	85,750.00	1,595,750.00
1 Dec 26	940,000.00	32,900.00	972,900.00
	<u>\$ 6,700,000.00</u>	<u>\$ 44,736,300.00</u>	<u>\$ 44,752,800.00</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

Safeguard of Deposits and Investments (continued)

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, 2019, 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, 2019 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	\$ 440,469.00	\$2,130,511.39	\$ 0.00	\$2,570,980.39
Investments	\$ 250,000.00	2,079,364.60	0.00	2,329,394.60
Total	<u>\$ 690,469.00</u>	<u>\$4,209,875.99</u>	<u>\$ 0.00</u>	<u>\$4,900,374.99</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.

Property Tax Revenue (continued)

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.

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, 2018 to July 1, 2019.

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, 2018 to July 1, 2019.

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 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.

3. Employee Retirement System (continued)

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, 2019. An additional 7.70% 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 2019, 2018 and 2017 were \$442,682.78, \$391,751.06 and \$378,014.08, 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 March 11, 2020, 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.

6. Budget Amendments

The Co-op Fund budget was amended one time during the year by filing a supplemental estimate form with the County Clerk's office in the amount \$72,052.54. This increased the original Co-op Fund budget from \$3,815.27 to \$75,867.81.

Pioneer-Pleasant Vale School District No. I-56, Garfield County, Oklahoma
Combining Statement of Assets, Liabilities and Fund Balances
Regulatory Basis - All Special Revenue Funds
June 30, 2019

SCHEDULE A-1

<u>ASSETS</u>	<u>Building Fund</u>	<u>Municipal Tax Fund</u>	<u>Coop Fund</u>	<u>Total June 30, 2019</u>
Cash and Cash Equivalents	\$ 689,151	\$ 217,806	\$ 13,475	\$ 920,433
Investments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u>\$ 689,151</u>	<u>\$ 217,806</u>	<u>\$ 13,475</u>	<u>\$ 920,433</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Warrants Payable	\$ 4,457	\$ 5,979	\$ 7,261	\$ 17,696
Reserve for Encumbrances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Liabilities</i>	<u>\$ 4,457</u>	<u>\$ 5,979</u>	<u>\$ 7,261</u>	<u>\$ 17,696</u>
Fund Balances:				
Restricted	\$ 684,694	\$ 211,827	\$ 6,215	\$ 902,736
<i>Total Fund Balances</i>	<u>\$ 684,694</u>	<u>\$ 211,827</u>	<u>\$ 6,215</u>	<u>\$ 902,736</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 689,151</u>	<u>\$ 217,806</u>	<u>\$ 13,475</u>	<u>\$ 920,433</u>

Pioneer-Pleasant Vale School District No. 1-56, Garfield County, Oklahoma
Combining Statement of Assets, Liabilities and Fund Balances
Regulatory Basis - All Capital Project Funds
June 30, 2019

SCHEDULE A-2

<u>ASSETS</u>	Transportation Building Fund #32	Building Bond Fund #33	Building Bond Fund #34	Transportation Building Fund #35	Total June 30, 2019
Cash and Cash Equivalents	\$ 254,350	\$ 0	\$ 1,186	\$ 300,000	\$ 555,536
Investments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u>\$ 254,350</u>	<u>\$ 0</u>	<u>\$ 1,186</u>	<u>\$ 300,000</u>	<u>\$ 555,536</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Warrants Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Reserve for Encumbrances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Liabilities</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund Balances:					
Restricted	\$ 254,350	\$ 0	\$ 1,186	\$ 300,000	\$ 555,536
<i>Total Fund Balances</i>	<u>\$ 254,350</u>	<u>\$ 0</u>	<u>\$ 1,186</u>	<u>\$ 300,000</u>	<u>\$ 555,536</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 254,350</u>	<u>\$ 0</u>	<u>\$ 1,186</u>	<u>\$ 300,000</u>	<u>\$ 301,186</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, 2019

SCHEDULE B-1

	Building Fund	Municipal Tax Fund	Cooperative Fund	Total June 30, 2019
Revenue Collected:				
Local Sources	\$ 954,724	\$ 0	\$ 35,737	\$ 990,461
Intermediate Sources	0	0	0	0
State Sources	5	0	36,315	36,320
Federal Sources	0	0	0	0
Non-Revenue Receipts	0	0	0	0
<i>Total Revenue Collected</i>	\$ 954,729	\$ 0	\$ 72,053	\$ 1,026,782
Expenditures Paid:				
Instruction	\$ 0	\$ 0	\$ 54,069	\$ 54,069
Support Services	601,098	44,628	15,585	661,311
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
<i>Total Expenditures Paid</i>	\$ 601,098	\$ 44,628	\$ 69,653	\$ 715,379
<i>Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances</i>	\$ 353,631	\$ (44,628)	\$ 2,399	\$ 311,402
Adjustments to Prior Year Encumbrances	\$ 0	\$ 0	\$ 0	\$ 0
Other Financing Sources (Uses):				
Estopped Warrants	\$ 11	\$ 0	\$ 0	\$ 11
Transfers In	0	0	0	0
Transfers Out	(180,935)	0	0	(180,935)
<i>Total Other Financing Sources (Uses)</i>	\$ (180,924)	\$ 0	\$ 0	\$ (180,924)
<i>Excess (Deficiency) of Revenue Collected Over Expenditures Paid and Other Financing Sources (Uses)</i>	\$ 172,707	\$ (44,628)	\$ 2,399	\$ 130,479
<i>Fund Balance - Beginning of Year</i>	511,987	256,456	3,815	772,258
<i>Fund Balance - End of Year</i>	\$ 684,694	\$ 211,827	\$ 6,215	\$ 902,736

Pioneer-Pleasant Vale School District No. 1-56, Garfield 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, 2019

SCHEDULE B-2

	<u>Transportation Bond Fund #32</u>	<u>Building Bond Fund #33</u>	<u>Building Bond Fund #34</u>	<u>Transportation Bond Fund #35</u>	<u>Total June 30, 2019</u>
Revenue Collected:					
Local Sources	\$ 0	\$ 0	\$ 1,186	\$ 0	\$ 1,186
Intermediate Sources	0	0	0	0	0
State Sources	0	0	0	0	0
Federal Sources	0	0	0	0	0
Non-Revenue Receipts	0	0	0	0	0
<i>Total Revenue Collected</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,186</u>	<u>\$ 0</u>	<u>\$ 1,186</u>
Expenditures Paid:					
Instruction	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Support Services	26,926	0	2,748,215	0	2,775,141
Operation of Non-Instructional Services	0	0	0	0	0
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 and Bank Charges	0	0	0	0	0
<i>Total Expenditures Paid</i>	<u>\$ 26,926</u>	<u>\$ 0</u>	<u>\$ 2,748,215</u>	<u>\$ 0</u>	<u>\$ 2,775,141</u>
<i>Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances</i>	<u>\$ (26,926)</u>	<u>\$ 0</u>	<u>\$ (2,747,029)</u>	<u>\$ 0</u>	<u>\$ (2,773,954)</u>
Adjustments to Prior Year Encumbrances	<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
Bond Proceeds	0	0	500,000	0	500,000
Transfers In	0	0	440,935	0	440,935
Transfers Out	0	(260,000)	0	0	(260,000)
<i>Total Other Financing Sources (Uses)</i>	<u>\$ 0</u>	<u>\$ (260,000)</u>	<u>\$ 940,935</u>	<u>\$ 0</u>	<u>\$ 680,935</u>
<i>Excess (Deficiency) of Revenue Collected Over Expenditures Paid and Other Financing Sources (Uses)</i>	<u>\$ (26,926)</u>	<u>\$ (260,000)</u>	<u>\$ (1,806,094)</u>	<u>\$ 0</u>	<u>\$ (2,093,019)</u>
<i>Fund Balance - Beginning of Year</i>	<u>281,275</u>	<u>260,000</u>	<u>1,807,280</u>	<u>300,000</u>	<u>2,648,555</u>
<i>Fund Balance - End of Year</i>	<u>\$ 254,350</u>	<u>\$ 0</u>	<u>\$ 1,186</u>	<u>\$ 300,000</u>	<u>\$ 555,536</u>

Pioneer-Pleasant Vale School District No. 1-56, Garfield County, Oklahoma
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, 2019

SCHEDULE C-1
Page 1 of 2

	Building Fund			Cooperative Fund		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
Revenue Collected:						
Local Sources	\$ 438,737	\$ 438,737	\$ 954,724	\$ 0	\$ 35,737	\$ 35,737
Intermediate Sources	0	0	0	0	0	0
State Sources	0	0	5	0	36,315	36,315
Federal Sources	0	0	0	0	0	0
Non-Revenue Receipts	0	0	0	0	0	0
<i>Total Revenue Collected</i>	<u>\$ 438,737</u>	<u>\$ 438,737</u>	<u>\$ 954,729</u>	<u>\$ 0</u>	<u>\$ 72,053</u>	<u>\$ 72,053</u>
Expenditures Paid:						
Instruction	\$ 0	\$ 0	\$ 0	\$ 3,815	\$ 75,868	\$ 54,069
Support Services	950,724	950,724	601,098	0	0	15,585
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	0	0	0	0	0	0
<i>Total Expenditures Paid</i>	<u>\$ 950,724</u>	<u>\$ 950,724</u>	<u>\$ 601,098</u>	<u>\$ 3,815</u>	<u>\$ 75,868</u>	<u>\$ 69,653</u>
<i>Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances</i>	<u>\$ (511,987)</u>	<u>\$ (511,987)</u>	<u>\$ 353,631</u>	<u>\$ (3,815)</u>	<u>\$ (3,815)</u>	<u>\$ 2,399</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	\$ 11	\$ 0	\$ 0	\$ 0
Transfers In	0	0	0	0	0	0
Transfers Out	0	0	(180,935)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (180,924)</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>\$ (511,987)</u>	<u>\$ (511,987)</u>	<u>\$ 172,707</u>	<u>\$ (3,815)</u>	<u>\$ (3,815)</u>	<u>\$ 2,399</u>
<i>Fund Balance - Beginning of Year</i>	<u>511,987</u>	<u>511,987</u>	<u>511,987</u>	<u>3,815</u>	<u>3,815</u>	<u>3,815</u>
<i>Fund Balance - End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 684,694</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,215</u>

Pioneer-Pleasant Vale School District No. 1-56, Garfield County, Oklahoma
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, 2019

SCHEDULE C-1
Page 2 of 2

	Municipal Tax Fund			Total		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
Revenue Collected:						
Local Sources	\$ 0	\$ 0	\$ 0	\$ 438,737	\$ 474,475	\$ 990,461
Intermediate Sources	0	0	0	0	0	0
State Sources	0	0	0	0	36,315	36,320
Federal Sources	0	0	0	0	0	0
Non-Revenue Receipts	0	0	0	0	0	0
<i>Total Revenue Collected</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 438,737</u>	<u>\$ 510,790</u>	<u>\$ 1,026,782</u>
Expenditures Paid:						
Instruction	\$ 0	\$ 0	\$ 0	\$ 3,815	\$ 75,868	\$ 54,069
Support Services	0	0	44,628	950,724	950,724	661,311
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	0	0	0	0	0	0
<i>Total Expenditures Paid</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 44,628</u>	<u>\$ 954,539</u>	<u>\$ 1,026,592</u>	<u>\$ 715,379</u>
<i>Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (44,628)</u>	<u>\$ (515,802)</u>	<u>\$ (515,802)</u>	<u>\$ 311,402</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	\$ 11
Transfers In	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	(180,935)
<i>Total Other Financing Sources (Uses)</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (180,924)</u>
<i>Excess (Deficiency) of Revenue Collected Over Expenditures Paid and Other Financing Sources (Uses)</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (44,628)</u>	<u>\$ (515,802)</u>	<u>\$ (515,802)</u>	<u>\$ 130,479</u>
<i>Fund Balance - Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>256,456</u>	<u>515,802</u>	<u>515,802</u>	<u>772,258</u>
<i>Fund Balance - End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 211,827</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 902,736</u>

SCHEDULE D-1

PIONEER-PLEASANT VALE SCHOOL DISTRICT #1-56
 GARFIELD COUNTY - OKLAHOMA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
 REGULATORY BASIS - FIDUCIARY FUND - HIGH SCHOOL
 07/01/18 TO 06/30/19

ACCOUNT	07/01/18	REVENUES	ADJUSTMENTS	TRANSFERS	EXPENDITURES	06/30/19
MISCELLANEOUS	\$3,196.11	\$4,876.34	\$0.00	\$0.00	\$1,357.50	\$6,714.95
ATHLETICS	7,449.47	81,507.94		799.00	67,349.96	22,406.45
HI SCHOOL CHEERLEADERS	1,845.17	5,549.81			4,185.45	3,209.53
FCA	0.00	0.00			0.00	0.00
BETA	2,094.42	585.00			756.28	1,923.14
STUDENT COUNCIL	355.24	6,444.25			6,612.34	187.15
TSA	10,158.73	14,862.20			11,992.02	13,028.91
TECH SUPPLY	4,526.66	0.00			0.00	4,526.66
ANNUAL	22,475.11	5,496.25			3,728.63	24,242.73
BOOKS	342.44	0.00			286.42	56.02
ACADEMICS	1,983.81	100.00		0.00	318.14	1,765.67
JR. HIGH CHEERLEADERS	1,991.32	0.00			300.00	1,691.32
FCCLA	3,657.63	8,517.97			7,915.94	4,259.66
CHILD NUTRITION	1,383.65	34,445.41			35,829.06	0.00
CONCESSION STAND	5,689.00	638.59		10,312.38	4,641.91	11,998.06
HIGH SCHOOL FLOWER ACCOUNT	138.62	0.00			0.00	138.62
CLASS OF 2018	270.77	0.00			0.00	270.77
CLASS OF 2019	938.50	1,548.50			1,845.22	641.78
MUD RUN	0.00	0.00			0.00	0.00
CLASS OF 2020	1,225.00	2,415.00			3,286.18	353.82
CLASS OF 2021	840.00	530.00			0.00	1,370.00
CLASS OF 2022	725.00	270.00			0.00	995.00
FOOTBALL (BOOSTER)	8,745.34	16,399.15		(199.00)	18,411.54	6,533.95
BASEBALL/SOFTBALL	13,068.84	27,291.85			22,242.18	18,118.51
CLASS OF 2023	390.00	300.00			0.00	690.00
BASKETBALL(BOOSTER)	8,141.46	32,193.33	280.00	(10,912.38)	19,791.66	9,910.75
BOYS GOLF	41.00	1,150.00			0.00	1,191.00
GIRLS GOLF	390.71	390.00			302.62	478.09
CLASS OF 2024	0.00	320.00			0.00	320.00
TOTALS	\$102,064.00	\$245,831.59	\$280.00	\$0.00	\$211,153.05	\$137,022.54

PIONEER-PLEASANT VALE SCHOOL DISTRICT #I-56
 GARFIELD COUNTY - OKLAHOMA
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND
 FUND EQUITY - REGULATORY BASIS - FIDUCIARY FUND -
 HIGH SCHOOL
 07/01/18 TO 06/30/19

SCHEDULE D-2

<u>DEPOSITORY</u>	<u>DETAIL</u>	<u>TOTALS</u>
CASH	<u>141,370.91</u>	
TOTAL DEPOSITORY		<u>\$141,370.91</u>
<u>FUND</u>		
LEDGER BALANCE	137,022.54	
ADD: 2018-19 OUTSTANDING	2,897.37	
2017-18 OUTSTANDING	886.00	
2016-17 OUTSTANDING	440.00	
2008-19 OUTSTANDING	405.00	
ADJ: DEPOSIT CORRECTION POSTED TWICE 11/7/18	<u>(280.00)</u>	
TOTAL DEPOSITORY		<u>\$141,370.91</u>

SCHEDULE E-1

PIONEER-PLEASANT VALE SCHOOL DISTRICT #1-56
 GARFIELD COUNTY - OKLAHOMA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
 REGULATORY BASIS - FIDUCIARY FUND - ELEMENTARY SCHOOL
 07/01/18 TO 06/30/19

<u>ACCOUNT</u>	<u>07/01/18</u>	<u>REVENUES</u>	<u>ADJUSTMENTS</u>	<u>TRANSFERS</u>	<u>EXPENDITURES</u>	<u>06/30/19</u>
MISCELLANEOUS	\$7,313.25	\$19,587.60	\$0.00	\$2,000.00	\$21,453.40	\$7,447.45
ATHLETICS	424.35	2,338.58		700.00	1,650.30	1,812.63
LASSITER	378.21	637.58		700.00	701.34	1,014.45
CORDERMAN	130.53	100.00		700.00	686.61	243.92
WHATLEY	477.45	85.00		700.00	734.46	527.99
DOHERTY	722.14	0.00		700.00	425.87	996.27
SOLORIA	823.48	0.00		700.00	369.91	1,153.57
MARKES	473.31	0.00		700.00	778.03	395.28
LEE	78.81	0.00		700.00	777.37	1.44
MULLEN	338.85	80.00		700.00	1,078.37	40.48
BAND	8,507.07	140,583.89		700.00	135,481.69	14,309.27
C. VANOVER	560.80	0.00		700.00	865.67	395.13
KILLAM	664.60	180.00		700.00	657.20	887.40
BECK	322.61	0.00		700.00	439.97	582.64
T. JOHNSON	29.43	0.00		700.00	468.64	260.79
NOAK	400.98	0.00		700.00	471.22	629.76
TOLBERT	585.38	0.00		700.00	649.60	635.78
DENNEY	630.09	0.00		700.00	649.91	680.18
KRUSH	392.22	0.00		700.00	520.23	571.99
MUSIC	437.74	0.00		700.00	412.67	725.07
HAWKINS	1,161.74	0.00		700.00	827.43	1,034.31
6TH GRADE	801.17	3,604.50			3,284.46	1,121.21
ACADEMIC CLUB	2,294.38	0.00			736.53	1,557.85
RIESEN	417.74	259.00		700.00	862.39	514.35
RUDD	1,136.51	0.00		700.00	359.75	1,476.76
BRADY	723.31	0.00		700.00	1,156.03	267.28
CHILD NUTRITION	0.00	31,804.15		0.00	31,804.15	0.00
CARNIVAL	4,320.17	26,679.36		(19,500.00)	2,839.06	8,660.47
HUMPHRIES	119.49	0.00		700.00	166.89	652.60
HARRIS	216.00	0.00		700.00	460.55	455.45
TOTALS	\$34,881.81	\$225,939.66	\$0.00	\$0.00	\$211,769.70	\$49,051.77

PIONEER-PLEASANT VALE SCHOOL DISTRICT #1-56
 GARFIELD COUNTY - OKLAHOMA
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND
 FUND EQUITY - REGULATORY BASIS - FIDUCIARY FUND -
 ELEMENTARY SCHOOL
 07/01/18 TO 06/30/19

SCHEDULE E-2

<u>DEPOSITORY</u>	<u>DETAIL</u>	<u>TOTALS</u>
CASH	<u>49,098.09</u>	
TOTAL DEPOSITORY		<u><u>\$49,098.09</u></u>
<u>FUND</u>		
LEDGER BALANCE	49,051.77	
ADD: 2018-19 OUTSTANDING	0.00	
2006-07 OUTSTANDING	16.32	
2005-06 OUTSTANDING	<u>30.00</u>	
TOTAL DEPOSITORY		<u><u>\$49,098.09</u></u>

PIONEER-PLEASANT VALE SCHOOL DISTRICT #I-56
GARFIELD COUNTY COUNTY - OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
ALLOCATIONS & EXPENDITURES
07/01/18 TO 06/30/19

FEDERAL CFDA NUMBER	PASS- THROUGH GRANTOR'S NUMBER	PROGRAM OR AWARD AMOUNT	CASH/(ACCRUED) OR DEFERRED REVENUE AT JULY 1, 2018	RECEIPTS OR REVENUE RECOGNIZED	DISBURSEMENTS/ EXPENDITURES	CASH/(ACCRUED) OR DEFERRED REVENUE AT JUNE 30, 2019	INDIRECT COST
<u>U.S. Department of Education -</u>							
<u>Direct Programs</u>							
Title VI Part B REAP							
84.358A	588	\$125,423.00	\$0.00	\$85,719.00	\$85,719.00	\$0.00	\$0.00
<u>State Department of Education -</u>							
Title I, Part A							
84.010	511	105,948.79	(42,663.74)	42,860.74	104,876.85	(104,679.85)	0.00
Title II, Part A							
84.367	541/586	12,548.94	(15,979.74)	15,979.74	0.00	0.00	0.00
IDEA-B Flow Through							
84.027	621	105,899.12	(13,538.21)	13,538.21	105,899.12	(105,899.12)	0.00
<u>U.S. Department of Agriculture -</u>							
Child Nutrition Cluster:							
National School Lunch Program							
10.555	763	129,167.23	0.00	129,167.23	129,167.23	0.00	0.00
School Breakfast Program							
10.553	764	35,541.32	0.00	35,541.32	35,541.32	0.00	0.00
Total Cash Assistance							
			0.00	164,708.55	164,708.55	0.00	0.00
Commodity Distribution (Non-Cash)							
10.565	N/A	21,327.59	0.00	21,327.59	21,327.59	0.00	0.00
Total Child Nutrition Program							
			0.00	186,036.14	186,036.14	0.00	0.00
TOTAL FEDERAL FINANCIAL ASSISTANCE							
			(\$72,181.69)	\$344,133.83	\$482,531.11	(\$210,578.97)	\$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.

Chas. W. Carroll, P.A.

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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 #1-56
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 #1-56, Garfield County, Oklahoma, as listed in the Table of Contents as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collective comprise the District's combined financial statements, and have issued my report thereon dated March 11, 2020, 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. 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 19-01, 19-02 and 19-03, 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.
March 11, 2020

PIONEER-PLEASANT VALE SCHOOL DISTRICT #I-56
GARFIELD COUNTY - OKLAHOMA
JULY 1, 2018 TO JUNE 2019

SCHEDULE OF FINDINGS
JUNE 30, 2019

19-01 Finding

Statement of Condition - In reviewing District expenditures I found three (3) instances where an expenditure was approved in the 2017-18 year, but the payment was made from the 2018-19 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 2017-18 fund expenditures would have been increased and 2018-19 expenditures would have decreased by the same amount. At June 30, 2019 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.

19-02 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.

19-03 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, 2018 TO JUNE 2019

DISPOSITION OF PRIOR YEAR FINDINGS
JUNE 30, 2019

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.

Current Status - This finding continued during the current year.

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.

Current Status - This finding continued during the current year.

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

PIONEER-PLEASANT VALE SCHOOL DISTRICT #I-56
GARFIELD COUNTY - OKLAHOMA
JULY 1, 2018 TO JUNE 2019

DISPOSITION OF PRIOR YEAR FINDINGS
JUNE 30, 2019

18-03 Finding (continued)

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.

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.

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

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.

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

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)

Current Status - This finding continued during the current year.

PIONEER-PLEASANT VALE SCHOOL DISTRICT #I-56
GARFIELD COUNTY - OKLAHOMA
JULY 1, 2018 TO JUNE 2019

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 #I-56
GARFIELD COUNTY - OKLAHOMA
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL
LIABILITY INSURANCE AFFIDAVIT
JULY 1, 2018 TO JUNE 30, 2019

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 #I-56, Garfield County, Oklahoma, for the audit year 2018-19.

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

By: *Chas. W. Carroll*

Subscribed and sworn to before me this 11th day of March, 2020.

Pam S. Melvin
Notary Public



My commission expires January 29, 2024



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:

03/11/2020

Pioneer Pleasant Vale Schools will do the following to address any conditions, exceptions, findings and recommendations found in the 2018-2019 audit.

Finding 19-01

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 any and all school funds are used within the proper school year and liabilities are not paid for with previous year's 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. In the future, if any ongoing projects carry over across 2 fiscal years, a new purchase order will be approved at the July meeting and subsequent invoices paid from than blanket purchase order.

Finding 19-02

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, the district understands that it is not compliant and that procedures will be reexamined and/or modified to comply with state laws and regulations. Further training will be required of all teachers beginning the 2020-2021 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. No funds will be received by the Activity Fund Custodian without a written receipt. Any employee who does not comply with this regulation will be denied the opportunity to collect funds in any manner and will also be personally liable for any charges or expenses to return merchandise.

Finding 19-03

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.

In July of each subsequent year, the administrative team will meet to review previous contracts and develop current year addendums for any employees who may receive extra duty pay for extra duty work. As new employees come on board, their addendums will be completed and signed before work can begin.

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,

Brent Koontz
Superintendent