

WHITEBEAD SCHOOL DISTRICT NO. C-016
GARVIN COUNTY, OKLAHOMA
JUNE 30, 2023

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**Whitehead School District No. C-016, Garvin County, Oklahoma
School District Officials
June 30, 2023**

BOARD OF EDUCATION

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INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education
Whitebead School District No. C-016
Garvin County, Oklahoma

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying combined fund type and account group financial statements-regulatory basis of the Whitebead School District No. C-016, Garvin County, Oklahoma, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on Regulatory Basis of Accounting" paragraph, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balance arising from regulatory basis transactions of each fund type and account group of Whitebead School District No. C-016, Garvin County, Oklahoma as of June 30, 2023, and the revenues collected, expenditures paid and encumbered, and budgetary results, for the year then ended, on the regulatory basis of accounting described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Whitebead School District No. C-016, Garvin County, Oklahoma, as of June 30, 2023, or the changes in its financial position and, where applicable, cash flows for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Whitebead School District No. C-016, Garvin County, Oklahoma and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 1, 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 by the Oklahoma State Department of Education. The amount that should be recorded in the general fixed asset account group is not known.

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

As described in Note 1, the financial statements are prepared by Whitebead School District No. C-016, Garvin County, Oklahoma, on the basis of the financial reporting provisions of the Oklahoma State Department of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Oklahoma State Department of Education. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Whitebead School District No. C-016, Garvin County, Oklahoma's basic financial statements. The combining financial statements—regulatory basis and the schedule of expenditures of federal awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements—regulatory basis and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole on the regulatory basis of accounting described in Note 1.

Other Matters

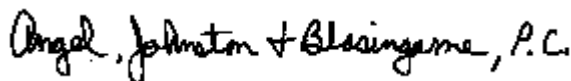
Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2024, on our consideration of the Whitebead School District No. C-016, Garvin County, Oklahoma's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Whitebead School District No. C-016, Garvin County, Oklahoma's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standard* in considering Whitebead School District No. C-016, Garvin County, Oklahoma's internal control over financial reporting and compliance.



Chickasha, Oklahoma
February 5, 2024

COMBINED FINANCIAL STATEMENTS

Whitehead School District No. C-016, Garvin County, Oklahoma
Combined Statement of Assets, Liabilities and Fund Balances
Regulatory Basis - All Fund Types and Account Groups
June 30, 2023

	Governmental Fund Types				Fiduciary Fund Types	Account Group	Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency	General Long- Term Debt	June 30, 2023
ASSETS							
Cash and Cash Equivalents	\$ 1,585,580	\$ 345,975	\$ 28,498	\$ 2,464	\$ 41,107	\$ 0	\$ 2,003,624
Investments	0	0	0	0	0	0	0
Amounts Available in Debt Service Fund	0	0	0	0	0	28,498	28,498
Amounts to be Provided for Retirement of General Long-Term Debt	0	0	0	0	0	46,502	46,502
Amounts to be Provided For Capitalized Lease Agreements	0	0	0	0	0	0	0
Total Assets	\$ 1,585,580	\$ 345,975	\$ 28,498	\$ 2,464	\$ 41,107	\$ 75,000	\$ 2,078,624
LIABILITIES AND FUND BALANCES							
Liabilities:							
Warrants Payable	\$ 131,589	\$ 229	\$ 0	\$ 0	\$ 0	\$ 0	\$ 131,818
Reserve for Encumbrances	0	0	0	0	0	0	0
Due to Activity Groups	0	0	0	0	41,107	0	41,107
General Obligation Bonds Payable	0	0	0	0	0	75,000	75,000
Capitalized Lease Obligations Payable	0	0	0	0	0	0	0
Total Liabilities	\$ 131,589	\$ 229	\$ 0	\$ 0	\$ 41,107	\$ 75,000	\$ 247,925
Fund Balances:							
Restricted For:							
Debt Service	\$ 0	\$ 0	\$ 28,498	\$ 0	\$ 0	\$ 0	\$ 28,498
Capital Projects	0	0	0	2,464	0	0	2,464
Building Programs	0	131,092	0	0	0	0	131,092
Child Nutrition Programs	0	214,654	0	0	0	0	214,654
Cooperative Programs	0	0	0	0	0	0	0
Unassigned	1,453,991	(0)	0	0	0	0	1,453,991
Total Fund Balances	\$ 1,453,991	\$ 345,746	\$ 28,498	\$ 2,464	\$ 0	\$ 0	\$ 1,830,699
Total Liabilities and Fund Balances	\$ 1,585,580	\$ 345,975	\$ 28,498	\$ 2,464	\$ 41,107	\$ 75,000	\$ 2,078,624

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

Whitebead School District No. C-016, Garvin 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, 2023

	Governmental Fund Types				Totals (Memorandum Only)
Revenue Collected:	General	Special Revenue	Debt Service	Capital Projects	June 30, 2023
Local Sources	\$ 629,555	\$ 127,690	\$ 60,481	\$ 4	\$ 817,729
Intermediate Sources	114,993	0	0	0	114,993
State Sources	1,896,906	29,269	1,462	0	1,927,637
Federal Sources	726,332	219,175	0	0	945,506
Non-Revenue Receipts	7,006	939	0	0	7,945
Total Revenue Collected	\$ 3,374,793	\$ 377,071	\$ 61,943	\$ 4	\$ 3,813,811
Expenditures Paid:					
Instruction	\$ 1,820,711	\$ 0	\$ 0	\$ 0	\$ 1,820,711
Support Services	874,963	91,412	0	0	966,375
Operation of Non-Instructional Services	513	159,540	0	0	160,053
Facilities Acquisition and Construction	0	0	0	0	0
Other Outlays	490	7,455	0	0	7,945
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	75,000	0	75,000
Interest and Fiscal Agent Fees	0	0	3,075	0	3,075
Total Expenditures Paid	\$ 2,696,676	\$ 258,408	\$ 78,075	\$ 0	\$ 3,033,159
<i>Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances</i>	<i>\$ 678,117</i>	<i>\$ 118,664</i>	<i>\$ (16,132)</i>	<i>\$ 4</i>	<i>\$ 780,652</i>
Adjustments to Prior Year Encumbrances	\$ 1,885	\$ 0	\$ 0	\$ 0	\$ 1,885
Other Financing Sources (Uses):					
Estopped Warrants	\$ 3,823	\$ 616	\$ 0	\$ 0	\$ 4,439
Bond Proceeds	0	0	0	0	0
Transfers In	0	0	0	0	0
Transfers Out	0	0	0	0	0
Total Other Financing Sources (Uses)	\$ 3,823	\$ 616	\$ 0	\$ 0	\$ 4,439
<i>Excess (Deficiency) of Revenue Collected Over Expenditures Paid and Other Financing Sources (Uses)</i>	<i>\$ 683,824</i>	<i>\$ 119,280</i>	<i>\$ (16,132)</i>	<i>\$ 4</i>	<i>\$ 786,976</i>
Fund Balance - Beginning of Year	770,167	226,466	44,630	2,461	1,043,723
Fund Balance - End of Year	\$ 1,453,991	\$ 345,746	\$ 28,498	\$ 2,464	\$ 1,830,699

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

Whitehead School District No. C-016, Garvin 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, 2023

	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	\$ 471,844	\$ 471,844	\$ 629,555	\$ 106,836	\$ 106,836	\$ 127,690	\$ 48,576	\$ 48,576	\$ 60,481
Intermediate Sources	107,700	107,700	114,993	0	0	0	0	0	0
State Sources	1,892,689	1,892,689	1,896,906	8,900	8,900	29,269	0	0	1,462
Federal Sources	447,756	447,756	726,332	95,000	95,000	219,175	0	0	0
Non-Revenue Receipts	0	0	7,006	0	0	939	0	0	0
<i>Total Revenue Collected</i>	<u>\$ 2,919,990</u>	<u>\$ 2,919,990</u>	<u>\$ 3,374,793</u>	<u>\$ 210,736</u>	<u>\$ 210,736</u>	<u>\$ 377,071</u>	<u>\$ 48,576</u>	<u>\$ 48,576</u>	<u>\$ 61,943</u>
Expenditures Paid:									
Instruction	\$ 1,901,755	\$ 1,901,755	\$ 1,820,711	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Support Services	1,014,228	1,014,228	874,963	133,006	133,006	91,412	0	0	0
Operation of Non-Instructional Services	513	513	513	173,395	173,395	159,540	0	0	0
Facilities Acquisition and Construction	0	0	0	13,952	13,952	0	0	0	0
Other Outlays	490	490	490	8,235	8,235	7,455	93,206	93,206	78,075
Other Uses	773,171	773,171	0	108,614	108,614	0	0	0	0
Repayments	0	0	0	0	0	0	0	0	0
Interest Paid on Warrants and Bank Charges	0	0	0	0	0	0	0	0	0
<i>Total Expenditures Paid</i>	<u>\$ 3,690,157</u>	<u>\$ 3,690,157</u>	<u>\$ 2,696,676</u>	<u>\$ 437,202</u>	<u>\$ 437,202</u>	<u>\$ 258,408</u>	<u>\$ 93,206</u>	<u>\$ 93,206</u>	<u>\$ 78,075</u>
<i>Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances</i>	<u>\$ (770,167)</u>	<u>\$ (770,167)</u>	<u>\$ 678,117</u>	<u>\$ (226,466)</u>	<u>\$ (226,466)</u>	<u>\$ 118,664</u>	<u>\$ (44,630)</u>	<u>\$ (44,630)</u>	<u>\$ (16,132)</u>
Adjustments to Prior Year Encumbrances	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,885</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Other Financing Sources (Uses):									
Estopped Warrants	\$ 0	\$ 0	\$ 3,823	\$ 0	\$ 0	\$ 616	\$ 0	\$ 0	\$ 0
Transfers In	0	0	0	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,823</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 616</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>\$ (770,167)</u>	<u>\$ (770,167)</u>	<u>\$ 683,824</u>	<u>\$ (226,466)</u>	<u>\$ (226,466)</u>	<u>\$ 119,280</u>	<u>\$ (44,630)</u>	<u>\$ (44,630)</u>	<u>\$ (16,132)</u>
<i>Fund Balance - Beginning of Year</i>	<u>770,167</u>	<u>770,167</u>	<u>770,167</u>	<u>226,466</u>	<u>226,466</u>	<u>226,466</u>	<u>44,630</u>	<u>44,630</u>	<u>44,630</u>
<i>Fund Balance - End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,453,991</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 345,746</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 28,498</u>

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

Whitebead School District No. C-016, Garvin County, Oklahoma
Notes to Combined Financial Statements
For the Year Ended June 30, 2023

Note 1 - Summary of Significant Accounting Policies

The basic financial statements of the Whitebead School District No. C-016, Garvin County, Oklahoma (the "District") have been prepared in conformity with another comprehensive basis of accounting as prescribed by the Oklahoma State Department of Education. The more significant of the District's accounting policies are described below.

1.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 the 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 ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the District and /or its citizens, or whether the activity is conducted within the geographic boundaries of the District and is generally available to its patrons. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, there are no potential component units included in the District's reporting entity. The District has various supporting groups. However, the District does not appoint any of the board members or exercise any oversight authority over these groups and the dollar amounts are not material to the District.

1.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.

Whitehead School District No. C-016, Garvin County, Oklahoma
Notes to Combined Financial Statements
For the Year Ended June 30, 2023

Note 1 - Summary of Significant Accounting Policies, (continued)

1.B. Fund Accounting, (continued)

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

Governmental Fund Types

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

1. General Fund - The General Fund is used to account for all financial transactions except those required to be accounted for in another fund. Major revenues 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.

2. Special Revenue Funds - The Special Revenue Funds of the District consist of the Building Fund and Child Nutrition Fund.

Building Fund - The Building Fund consists of monies derived from property taxes levied for the purpose of erecting, remodeling, or repairing buildings and for purchasing furniture and equipment.

Child Nutrition Fund - The Child Nutrition Fund consists of monies collected from meals served to students and employees of the District and is expended on food, supplies and salaries to operate the lunchroom. The District also deposits reimbursements received from the National School Lunch and Breakfast programs into this fund.

3. 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.

4. Capital Projects Fund - The Capital Projects Fund consists of the District's 2019 Combined Purpose Bond issue. These funds are used exclusively for acquiring school sites, constructing and equipping new school facilities, renovating existing facilities and acquiring transportation equipment.

Fiduciary Fund Types

Fiduciary Funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District. When these assets are held under the terms of a formal trust agreement, trust funds are used for their accounting and reporting. 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.

Whitehead School District No. C-016, Garvin County, Oklahoma
Notes to Combined Financial Statements
For the Year Ended June 30, 2023

Note 1 - Summary of Significant Accounting Policies, (continued)

1.B. Fund Accounting, (continued)

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

Account Groups

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

1. General Long-Term Debt Account Group - This account group is used to account for all long-term debt of the District, which is offset by the amount available in the debt service fund and the amount to be provided in future years to complete retirement of the debt principal. It is also used to account for liabilities for compensated absences and early retirement incentives, which are to be paid from funds provided in future years.

2. General Fixed Asset Account Group - This account group is used to account for property, plant and equipment of the District. The District does not have the information necessary to include this group in its combined financial statements.

Memorandum Only - Total Column

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

1.C. Basis of Accounting and Presentation

The District prepares its financial statements in a presentation format that is prescribed by the Oklahoma State Department of Education. This format is essentially the generally accepted form of presentation used by state and local governments prior to the effective date of GASB 34, *Basic Financial Statements-Management's Discussion and Analysis-for State and Local Governments*. This format significantly differs from that required by GASB 34.

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

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

Whitehead School District No. C-016, Garvin County, Oklahoma
Notes to Combined Financial Statements
For the Year Ended June 30, 2023

Note 1 - Summary of Significant Accounting Policies, (continued)

1.C. Basis of Accounting and Presentation, (continued)

- Accrued compensated absences are recorded as an expenditure and liability when the obligation is incurred.

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

1.D. Budgets and Budgetary Accounting

The District is required by state law to prepare an annual budget. The board of education requests an initial temporary appropriations budget from the county excise board before June 30. Then no later than October 1, the board of education prepares financial statement and estimate of needs and files it with the applicable county clerk and the State Department of Education. The final budget may be revised upon approval of the board of education and the county excise board.

Under current Oklahoma Statutes, a formal budget is required for all funds except for trust and agency funds. Budgets are presented for all funds that include the originally approved budgeted appropriations for expenditures and final budgeted appropriations as adjusted for supplemental appropriations and approved transfers between budget categories.

1.E. Assets, Liabilities and Fund Equity

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

Investments - Investments consist of direct obligations of the United States government and agencies with maturities greater than three months when purchased. All investments are recorded at cost, which approximates market value.

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

Whitehead School District No. C-016, Garvin County, Oklahoma
Notes to Combined Financial Statements
For the Year Ended June 30, 2023

Note 1 - Summary of Significant Accounting Policies, (continued)

1.E. Assets, Liabilities and Fund Equity, (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.

Inventories – The value of consumable inventories at June 30, 2023, is not material to the basic financial statements.

Fixed Assets and Property, Plant and Equipment - The General Fixed Asset Account Group has not been presented.

Compensated Absences - Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. There are no amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources.

No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. Vested accumulated rights to receive sick pay benefits have not been reported in the general long-term debt account group since the amount is not material to the financial statements.

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

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

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

Restricted fund balance represents amounts that are constrained either externally by creditors (such as debt covenants), grantors, contributors or laws or regulations of other governments; or by law, through constitutional provisions or enabling legislation.

Whitehead School District No. C-016, Garvin County, Oklahoma
Notes to Combined Financial Statements
For the Year Ended June 30, 2023

Note 1 - Summary of Significant Accounting Policies, (continued)

1.E. Assets, Liabilities and Fund Equity, (continued)

Committed fund balance represents amounts that are useable only for specific purposes by formal action of the government's highest level of decision-making authority. Such amounts are not subject to legal enforceability (like restricted amounts), but cannot be used for any other purpose unless the government removes or changes the limitation by taking action similar to that which imposed the commitment.

Assigned fund balance represents amounts that are intended to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by the governing body itself, or a subordinated high-level body or official who the governing body has delegated the authority to assign amounts to be used for specific purposes. Assigned fund balances includes all remaining spendable amounts (except negative balances) that are reported in governmental funds other than the general fund, that are neither restricted nor committed, and amounts in the general fund that are intended to be used for specific purpose in accordance with the provisions of the standard.

Unassigned fund balance is the residual classification for the general fund. It represents the amounts that have not been assigned to other funds, and that have not been restricted, committed, or assigned to specific purposes within the general fund.

Resource Use Policy

It is the District's policy for all funds that when an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources, including fund balances, are available, the District considers restricted amounts to be spent first before any unrestricted amounts are used. Furthermore, it is the District's policy that when an expenditure/expense is incurred for purposes for which committed, assigned, or unassigned resources, including fund balances, are available, the School considers committed amounts to be spent first, followed by assigned amounts and lastly unassigned amounts

1.F. Revenue, Expenses, and Expenditures

State Sources - Revenues from state sources for current operations are primarily governed by the state aid formula under provisions of Article XVIII, Title 70, Oklahoma Statutes. The State Board of Education administers the allocation of the 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.

Whitehead School District No. C-016, Garvin County, Oklahoma
Notes to Combined Financial Statements
For the Year Ended June 30, 2023

Note 1 - Summary of Significant Accounting Policies, (continued)

1.F. Revenue, Expenses, and Expenditures, (continued)

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

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

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Transfers in/transfers out may not agree because activity fund transactions are not included.

Note 2 – Deposit and Investment Risk

The District held the following deposits and investments at June 30, 2023:

		<u>Carrying</u>	
		<u>Value</u>	
Deposits			
Demand Deposits	\$	2,006,226	
Time Deposits		<u>0</u>	
Total Deposits	\$	<u><u>2,006,226</u></u>	
Investments			
	<u>Credit Rating</u>	<u>Maturity</u>	<u>Fair Value</u>
			\$ <u>0</u>
Total Investments			\$ <u><u>0</u></u>
Reconciliation to the Combined Statement of Assets, Liabilities and Equity			
Cash and Cash Equivalents	\$	2,003,624	
Activity Fund Outstanding Checks/Deposits in Transit		<u>2,602</u>	
Total Deposits and Investments	\$	<u><u>2,006,226</u></u>	

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

Whitehead School District No. C-016, Garvin County, Oklahoma
Notes to Combined Financial Statements
For the Year Ended June 30, 2023

Note 2 – Deposit and Investment Risk, (continued)

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

The District did not have any custodian credit risk as of June 30, 2023 as defined above.

Investment Credit Risk – The District has no investment policy that limits its investment choices other than the limitations of state law that generally authorize investment in:

1. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
2. Certificates of deposit of banks when such certificates of deposits are secured by acceptable collateral for the deposit of public monies.
3. Savings accounts or saving certificates to the extent that such accounts or certificates are fully insured by the United States Government.
4. Repurchase agreements that have underlying collateral including obligations of the United States government, its agencies and instrumentalities, or the State of Oklahoma.
5. County, municipal or school district debt obligations for which an ad valorem tax may be levied.
6. Money market funds regulated by the SEC and in which investments consist of obligations of the United States, its agencies and instrumentalities.
7. Warrants, bonds or judgments of the school district.
8. Qualified pooled investment programs through an interlocal cooperative agreement formed pursuant to applicable law and to which the board of education has voted to be a member, the investments of which consist of those items specified in paragraphs 1 through 7 above, as well as obligations of the United States agencies and instrumentalities.
9. Any other investment that is authorized by law.

Investment credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The District has no formal policy limiting investments based on credit rating, but discloses any such credit risk associated with their investment by reporting the credit quality ratings of investment in debt securities as determined by nationally recognized statistical rating organizations-rating agencies-as of the year end. Unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

The District did not have any investment credit risk as of June 30, 2023, as defined above.

Investment Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District discloses its exposure to interest rate risk by disclosing the maturity dates of its various investments. The District had no investment interest rate risk as defined above.

Whitehead School District No. C-016, Garvin County, Oklahoma
Notes to Combined Financial Statements
For the Year Ended June 30, 2023

Note 2 – Deposit and Investment Risk, (continued)

Concentration of Investment Credit Risk – Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the District (any over 5 percent are disclosed). Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this consideration. The District places no limit on the amount it may invest in any one issuer.

At June 30, 2023, the District had no concentration of credit risk as defined above.

Note 3 - General Long-Term Debt

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

General long-term debt of the District consists of bonds payable and lease purchases. Debt service requirements for bonds are payable solely from the fund balance and future revenues of the debt service fund.

The following is a summary of the long-term debt transactions of the District for the year ended June 30, 2023:

	Bonds Payable	Capital Lease Obligations	Compensated Absences	Total
Balance July 1, 2022	\$ 150,000	\$ 0	\$ 0	\$ 150,000
Additions	0	0	0	0
Retirements	(75,000)	0	0	(75,000)
Balance, June 30, 2023	<u>\$ 75,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 75,000</u>

A brief description of the outstanding general obligation bond issues at June 30, 2023 is set forth below:

	Interest Rate	Maturity Date	Amount Issued	Amount Outstanding
2019 Combined Purpose Bond	2.5%	June 1, 2024	\$ <u>300,000</u>	\$ <u>75,000</u>

Presented below is a summary of debt service requirements to maturity by years and by each bond issue:

	Principal	Interest	Total
2019 Combined Purpose Bond			
2023-24	\$ <u>75,000</u>	\$ <u>1,575</u>	\$ <u>76,575</u>
Total Bonds	<u>\$ 75,000</u>	<u>\$ 1,575</u>	<u>\$ 76,575</u>

Interest paid on general debt during the 2022-2023 year was \$3,075.

Whitehead School District No. C-016, Garvin County, Oklahoma
Notes to Combined Financial Statements
For the Year Ended June 30, 2023

Note 4 - Employee Retirement System

Plan Description - The District participates in the state-administered Oklahoma Teachers' Retirement System (the "System") which is a cost-sharing multiple-employer defined benefit Public Employee Retirement System (PERS). The administration, benefits, and funding of the System are governed by Article XVII, Section 70 of the Oklahoma Statutes. 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. PERS provides retirement, disability and death benefits to plan members and beneficiaries. 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.

The System issues a publicly available financial report that includes financial statements and required supplementary information that can be obtained in writing at the Teachers' Retirement System of Oklahoma, P.O. Box 53524, Oklahoma City, Ok 73152 or by calling (405) 521-2387.

Funding Policy - 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 education institutions who work at least 20 hours per week.

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% applicable compensation for the year ended June 30, 2023. The District is allowed by the Oklahoma Teacher's Retirement System to make the required contributions on behalf of the participating members. The required contribution for participating members is 7%.

The District's contributions to the System for the years ending June 30, 2023, 2022, and 2021 were \$145,260, \$184,560, and \$161,161, respectively.

The compensation for employees covered by the System for the year ended June 30, 2023 was \$1,471,829; the District's total compensation was \$1,649,698. In addition to the District's 9.50% contributions, the District was required to pay into the System 8.00% of compensation arising from federal grants \$11,186. There were \$84,901 contributions made by employees during the year ended June 30, 2023.

Note 5 - 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.

Note 6 – Risk Management

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 official's liability. The District had the following insurance coverage during the year: Commercial property - \$11,181,945; general liability - \$1,000,000; and educator's liability \$1,000,000. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

Whitehead School District No. C-016, Garvin County, Oklahoma
Notes to Combined Financial Statements
For the Year Ended June 30, 2023

Note 6 – Risk Management, (continued)

The School also participates in a risk pool for Workers' Compensation coverage in which there is a transfer or pooling of risks among the participants of that pool. In accordance with GASB No. 10, the school reports the required contribution to the pool, net of refunds, as insurance expense. The risk pool is the Oklahoma School Assurance Group (OSAG), an organization formed for the purpose of providing workers' compensation coverage to participating schools in the State of Oklahoma. In that capacity, OSAG is responsible for providing loss control services and certain fiscal activities, including obtaining contract arrangements for the underwriting, excess insurance agreements, claims processing, and legal defense for any and all claims submitted to them during the plan year. As a member of OSAG the District is required to pay fees set by OSAG according to an established payment schedule. A portion of the fees paid by the District goes into a loss fund for the District. The fee for the loss fund is calculated by projecting losses based on the school's losses for the last five years. OSAG provides coverage in excess of the Loss Fund so the District's liability for claim loss is limited to the balance of the loss fund. If the District does not use their loss fund in three years it is returned to them with no interest.

Note 7 - Use of Estimates

The preparation of financial statements in conformity with the regulatory basis of accounting requires the District to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 8 – Subsequent Events

Management has evaluated subsequent events through the date of the audit report, 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 statements.

Note 9 – Budget Amendments

The Building Fund Budget was amended once during the year by filing a Supplemental Appropriation form with the county clerk's office. The Supplemental Appropriation was filed May 8, 2023, in the amount of \$25,777.19. This increased the Building Fund Budget from \$157,820.39 to \$183,577.58.

Note 10 - Difference between Estimate of Needs (EON) and Audit of Financial Statements

The District overstated reserves for the 2022-2023 year by \$32,433.73 in the General Fund, \$40,821.14 in the Building Fund, \$7,510.23 in the Child Nutrition Fund, and \$89.00 in the Capital Projects Fund. The School District's fund balance is understated by \$32,433.73 in the General Fund, \$40,821.14 in the Building Fund, \$7,510.23 in the Child Nutrition Fund, and \$89.00 in the Capital Projects Fund. Therefore, we have adjusted the financials by \$32,433.73 in the General Fund, \$40,821.14 in the Building Fund, \$7,510.23 in the Child Nutrition Fund, and \$89.00 in the Capital Projects Fund. This increases the Fund balances as of June 30, 2023 for General Fund to \$1,453,991.37, Building Fund to \$131,091.70, Child Nutrition Fund to \$214,653.92 and Capital Projects Fund to \$2,464.18.

OTHER SUPPLEMENTARY INFORMATION

Whitebead School District No. C-016, Garvin County, Oklahoma
Combining Statement of Assets, Liabilities and Fund Balances
Regulatory Basis - All Special Revenue Funds
June 30, 2023

<u>ASSETS</u>	<u>Building Fund</u>	<u>Child Nutrition Fund</u>	<u>Total June 30, 2023</u>
Cash and Cash Equivalents	\$ 131,092	\$ 214,883	\$ 345,975
Investments	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u>\$ 131,092</u>	<u>\$ 214,883</u>	<u>\$ 345,975</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Warrants Payable	\$ 0	\$ 229	\$ 229
Reserve for Encumbrances	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Liabilities</i>	<u>\$ 0</u>	<u>\$ 229</u>	<u>\$ 229</u>
Fund Balances:			
Restricted	\$ <u>131,092</u>	\$ <u>214,654</u>	\$ <u>345,746</u>
<i>Total Fund Balances</i>	<u>\$ 131,092</u>	<u>\$ 214,654</u>	<u>\$ 345,746</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 131,092</u>	<u>\$ 214,883</u>	<u>\$ 345,975</u>

Whitehead School District No. C-016, Garvin 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, 2023

	<u>Building Fund</u>	<u>Child Nutrition Fund</u>	<u>Total June 30, 2023</u>
Revenue Collected:			
Local Sources	\$ 87,473	\$ 40,217	\$ 127,690
Intermediate Sources	0	0	0
State Sources	27,339	1,929	29,269
Federal Sources	24,222	194,952	219,175
Non-Revenue Receipts	490	449	939
	<u>139,524</u>	<u>237,547</u>	<u>377,071</u>
<i>Total Revenue Collected</i>	\$ <u>139,524</u>	\$ <u>237,547</u>	\$ <u>377,071</u>
Expenditures Paid:			
Instruction	\$ 0	\$ 0	\$ 0
Support Services	91,412	0	91,412
Operation of Non-Instructional Services	698	158,842	159,540
Facilities Acquisition and Construction	0	0	0
Other Outlays	7,006	449	7,455
Other Uses	0	0	0
Repayments	0	0	0
Interest Paid and Bank Charges	0	0	0
	<u>99,117</u>	<u>159,291</u>	<u>258,408</u>
<i>Total Expenditures Paid</i>	\$ <u>99,117</u>	\$ <u>159,291</u>	\$ <u>258,408</u>
<i>Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances</i>	\$ <u>40,407</u>	\$ <u>78,256</u>	\$ <u>118,664</u>
Adjustments to Prior Year Encumbrances	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Other Financing Sources (Uses):			
Estopped Warrants	\$ 0	\$ 616	\$ 616
Transfers In	0	0	0
Transfers Out	0	0	0
	<u>0</u>	<u>616</u>	<u>616</u>
<i>Total Other Financing Sources (Uses)</i>	\$ <u>0</u>	\$ <u>616</u>	\$ <u>616</u>
<i>Excess (Deficiency) of Revenue Collected Over Expenditures Paid and Other Financing Sources (Uses)</i>	\$ 40,407	\$ 78,872	\$ 119,280
<i>Fund Balance - Beginning of Year</i>	<u>90,684</u>	<u>135,782</u>	<u>226,466</u>
<i>Fund Balance - End of Year</i>	<u>\$ 131,092</u>	<u>\$ 214,654</u>	<u>\$ 345,746</u>

Whitebead School District No. C-016, Garvin 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, 2023

	Building Fund			Child Nutrition Fund		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
Revenue Collected:						
Local Sources	\$ 67,136	\$ 67,136	\$ 87,473	\$ 39,700	\$ 39,700	\$ 40,217
Intermediate Sources	0	0	0	0	0	0
State Sources	0	0	27,339	8,900	8,900	1,929
Federal Sources	0	0	24,222	95,000	95,000	194,952
Non-Revenue Receipts	0	0	490	0	0	449
<i>Total Revenue Collected</i>	<u>\$ 67,136</u>	<u>\$ 67,136</u>	<u>\$ 139,524</u>	<u>\$ 143,600</u>	<u>\$ 143,600</u>	<u>\$ 237,547</u>
Expenditures Paid:						
Instruction	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Support Services	133,006	133,006	91,412	0	0	0
Operation of Non-Instructional Services	698	698	698	172,697	172,697	158,842
Facilities Acquisition and Construction	13,952	13,952	0	0	0	0
Other Outlays	7,786	7,786	7,006	449	449	449
Other Uses	2,378	2,378	0	106,236	106,236	0
Repayments	0	0	0	0	0	0
Interest Paid	0	0	0	0	0	0
<i>Total Expenditures Paid</i>	<u>\$ 157,820</u>	<u>\$ 157,820</u>	<u>\$ 99,117</u>	<u>\$ 279,382</u>	<u>\$ 279,382</u>	<u>\$ 159,291</u>
<i>Excess of Revenues Collected Over (Under)</i> <i>Expenditures Paid Before Adjustments to</i> <i>Prior Year Encumbrances</i>	<u>\$ (90,684)</u>	<u>\$ (90,684)</u>	<u>\$ 40,407</u>	<u>\$ (135,782)</u>	<u>\$ (135,782)</u>	<u>\$ 78,256</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	\$ 616
Transfers In	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 616</u>
<i>Excess (Deficiency) of Revenue Collected</i> <i>Over Expenditures Paid and Other Financing</i> <i>Sources (Uses)</i>	<u>\$ (90,684)</u>	<u>\$ (90,684)</u>	<u>\$ 40,407</u>	<u>\$ (135,782)</u>	<u>\$ (135,782)</u>	<u>\$ 78,872</u>
<i>Fund Balance - Beginning of Year</i>	<u>90,684</u>	<u>90,684</u>	<u>90,684</u>	<u>135,782</u>	<u>135,782</u>	<u>135,782</u>
<i>Fund Balance - End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 131,092</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 214,654</u></u>

Whitebead School District No. C-016, Garvin County, Oklahoma
Combining Statement of Assets, Liabilities and Fund Equity
Regulatory Basis - Activity Fund
June 30, 2023

<u>ASSETS</u>	School Activity Fund
Cash	\$ 41,107
Investments	0
<i>Total Assets</i>	\$ <u>41,107</u>
<u>LIABILITIES AND FUND EQUITY</u>	
Liabilities:	
Due To Activity Groups	\$ <u>41,107</u>
<i>Total Liabilities</i>	\$ <u>41,107</u>
Fund Equity:	
Unassigned	\$ <u>0</u>
<i>Total Liabilities and Fund Equity</i>	\$ <u>41,107</u>

Whitebead School District No. C-016, Garvin County, Oklahoma
Combining Statement of Changes in Assets and Liabilities
Regulatory Basis - Activity Fund
For the Year Ended June 30, 2023

<u>ACTIVITIES</u>	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Medical Savings	\$ 4,374	\$ 4,200	\$ 7,745	\$ 829
Paid By Student	85	5,469	5,135	419
General Activity	3,278	9,780	7,744	5,314
Athletics	8,557	32,765	30,300	11,022
Chimaleers	1,097	339	377	1,059
Book Fair	3,052	11,644	11,435	3,261
Yearbook	5,238	1,355	2,245	4,348
Cheerleading	1,565	1,439	2,316	688
KNDR Fund	253	1,563	1,636	179
Pre School Art Fund	0	1,593	1,493	100
Student Government	760	975	669	1,067
Booster Club	5,689	4,443	4,396	5,736
Health Hut	3,254	0	0	3,254
Art	1	0	0	1
Academic Team	168	558	529	197
Band Booster	495	3,767	628	3,634
Total Activities	\$ <u>37,867</u>	\$ <u>79,888</u>	\$ <u>76,647</u>	\$ <u>41,107</u>

WHITEBEAD COUNTY SCHOOL DISTRICT NO.C-016, GARVIN COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass Through Grantor/Program Title	Federal Assistance Listing #	Pass- Through Grantor's Project Number	Deferred Revenue (Accounts Receivable) June 30, 2022	Federal Grant Receipts	Federal Grant Expenditures	Deferred Revenue (Accounts Receivable) June 30, 2023	Indirect Cost Included In Federal Grant Expenditures
U.S. Department of Education							
Direct Programs:							
Indian Education Title VII	84.060A	561	0	603	10,371	(9,768)	0
Small Rural School Achievement	84.358A	588	0	32,856	32,856	0	0
Passed Through Oklahoma State Department of Education:							
Title I, Basic	84.010	511/541/552/572	(13,865)	143,331	131,007	1,981	3,522
Title I Cluster			(13,865)	143,331	131,007	1,981	0
IDEA-B Flowthrough	84.027	621/615	(11,674)	75,279	63,605	0	
IDEA-B Preschool	84.173	641	0	798	798	0	0
ARP IDEA-B-American Rescue Plan-Flow Through	84.027X	628	0	8,000	9,924	(1,924)	0
Special Education Cluster			(11,674)	84,077	74,327	(1,924)	0
Emergency Connectivity							
COVID-19 ESSERF/CARES Act	84.425D	788	(2,079)	0	0	(2,079)	0
ARP - ESSER Science of Reading	84.425U	726	0	646	0	646	0
COVID-19 ESSER II Formula Fund	84.425D	793	(70,397)	1,553	1,553	(70,397)	0
COVID-19 ARP ESSER II	84.425U	795	(191,831)	416,688	152,381	76,653	4,177
COVID-19 ESSER FUNDS			(264,307)	418,887	153,933	4,823	0
Passed Through Department of Community Services							
Chickasaw Nation COVID-19 (Note 4)	21.019	770/778	0	70,800	14,214	0	0
Total Chickasaw Nation COVID-19 Subaward			0	70,800	14,214	0	0
Total U.S. Department of Education			(289,846)	750,554	416,708	(4,887)	7,698
U.S. Department of Agriculture							
Passed Through State Department of Education:							
USDA Supply Chain Assistance	10.555	759	11,934	19,086	2,560	28,461	0
Breakfast Program	10.553	764	65,387	52,593	48,280	69,700	0
Lunch Program	10.555	763	28,207	122,644	98,917	51,935	0
Commodities Distributed-Lunch (Note 3)	10.565	N/A	0	18,657	18,657	0	0
Child Nutrition Cluster			105,528	212,981	168,414	150,096	0
Other Federal Funds P-EBT Local Adm. Funds	10.649	760	614	628	0	1,242	
Emergency Operational Cost Reimb. Child & Adult Core f	10.558	761	522	0	0	522	
Total U.S. Department of Agriculture			106,664	213,609	168,414	151,860	0
Other Federal							
Passed Through Chickasaw Nation							
Johnson O'Malley	15.130	563	(996)	0	0	(996)	0
Total Other Federal			(996)	0	0	(996)	0
TOTAL FEDERAL ASSISTANCE			(184,178)	964,163	585,122	145,976	7,698

Whitebead School District No. C-016, Garvin County, Oklahoma
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Note 1 – Basis of Presentation – The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the School under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School, it is not intended and does not present the financial position, changes in net position or cash flows of the School.

Note 2 – Summary of Significant Accounting Policies – Expenditures reported on the Schedule are reported on the regulatory basis of accounting consistent with the preparation of the combined financial statements except for nonmonetary assistance noted in Note 3. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The School has elected not to use the 10 percent de minimus indirect cost rate allowed under the Uniform Guidance.

Note 3 – Food Distribution – Non-monetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed.

Note 4 – Chickasaw Nation-Covid 19 – The Chickasaw Nation Covid-19 grant will not show any expenditures. No requirements for school to track expenditures or report how expended. A payable will not be shown since they are not required to expend any funds to offset revenues received.

Note 5 –Donated PPE– The school reported they did not receive any federally funded personal protective equipment (PPE)

CERTIFIED PUBLIC ACCOUNTANTS

**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
Whitebead School District No. C-016
Garvin County, Oklahoma

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying fund type and account group financial statements-regulatory basis, within the combined financial statements of Whitebead School District No. C-016, Garvin County, Oklahoma, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated February 5, 2024. The report on these financial statements was adverse with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America because the presentation followed the regulatory basis of accounting for Oklahoma school districts and did not conform to the presentation requirements of the Governmental Accounting Standards Board. However, our report was qualified for the omission of the general fixed asset account group with respect to the presentation of financial statements on the regulatory basis of accounting authorized by the Oklahoma State Board of Education.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Whitebead School District No. C-016, Garvin County, Oklahoma's, internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we 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 a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

2023-001 Finding

Statement of Condition – The Superintendent was underpaid due to insurance and teacher retirement being deducted from her pay when it should have been a fringe.

Criteria – Per Oklahoma State Statute §70-5-141 “Each school district shall file within fifteen (15) days of signing the contract, the employment contract of the Superintendent of the school District with the State Department of Education. The Department shall keep all contracts available for inspection by the public. The School District shall not be authorized to pay any salary, benefits or other compensation to the Superintendent which are not specified in the contract on file and shall not pay administrators any amounts for accumulated sick leave that are not calculated on the same formula used for determining payment for accumulated sick leave benefits for other full-time employees of that School District and shall not pay administrators any amounts for accumulated vacation leave benefits that are not calculated on the same formula used for determining payment for accumulated vacation leave benefits for other twelve-month employees of that school district.”

Cause/Effect of Condition – The District had a new payroll clerk. The Superintendent was underpaid.

Recommendation – We recommend all wages per the contract be paid to the Superintendent.

2023-002 Finding

Statement of Condition – A teacher was paid \$4,116 over the contract amount.

Criteria – Per Oklahoma State Statute §70-5-123, “No expenditure involving an amount greater than Five Hundred Dollars (\$500) shall be made by a board of education except in accordance with the provisions of a written contract or purchase order.”

Cause/Effect of Condition – The contract amount was divided by 11 months to calculate the monthly salary and should have been divided by 12 months. The teacher was overpaid.

Recommendation – Contracts should be reviewed and checked against actual payment to ensure the correct amount is paid.

2023-003 Finding

Statement of Condition – During our testing of purchase orders in the appropriated funds, we noted that 8 of the 22 tested had an invoice that was dated prior to the purchase order date. We also noted that 12 of 22 purchase orders tested did not have signatures on invoices/receipts designating the goods/services had been received.

Criteria – Per Oklahoma State Statute §70-5-135, “before any purchase is completed, a purchase order or encumbrance must be issued”. Also, Internal control procedures require a signature verifying the goods and or services were actually received and in good working order.

Cause/Effect of Condition – The District could expend more than their legal appropriations and employees were not following internal control procedures. Items could be ordered that would not have been ordered that would not have been approved by the purchasing officer. Also, payments could be made for goods and services not actually received or weren't in good working condition.

Recommendation – The district should make sure no purchase is initiated without first obtaining an approved purchase order. The district should also have signatures on all receipts from goods or services ordered to designate the goods or service was received and documentation to verify the purchase.

2023-004 Finding

Statement of Condition – During our testing of reserves, we noted the District had recorded General Fund reserves of \$32,433.73, Building Fund reserves of \$40,821.14, Child Nutrition Fund reserves of \$7,510.23 and Capital Projects Fund reserves of \$89.00. Our testing of these reserves indicated the District was not obligated to expend these funds as of June 30, 2023 and, therefore, should have been closed as of June 30, 2023.

Criteria According to OAC 210:25-5-2 (b), “At the close of the fiscal year, appropriations will be reserved for any contracts pending for outstanding encumbrances (contracted for but not completed and/or paid for) by providing to the treasurer, the auditor, and the local school board...”

Cause/Effect of Condition – The District reviewed the reserves at year-end and felt that these were obligations owed by the District. The School District’s expenditures are overstated by \$32,433.73 in the General Fund, \$40,821.14 in the Building Fund, \$7,510.23 in the Child Nutrition Fund, and \$89.00 in the Capital Projects Fund. The School District’s fund balance is understated by \$32,433.73 in the General Fund, \$40,821.14 in the Building Fund, \$7,510.23 in the Child Nutrition Fund, and \$89.00 in the Capital Projects Fund. Therefore, we have adjusted the financials by \$32,433.73 in the General Fund, \$40,821.14 in the Building Fund, \$7,510.23 in the Child Nutrition Fund, and \$89.00 in the Capital Projects Fund. This increases the Fund balances as of June 30, 2023 for General Fund to \$1,453,991.37, Building Fund to \$131,091.70, Child Nutrition Fund to \$214,653.92 and Capital Projects Fund to \$2,464.18.

Recommendation – The District should only reserve contracts pending for outstanding encumbrances (contracted for but not completed and/or paid).

2023-005 Finding

Statement of Condition – During our testing of purchase orders in the Activity Fund, we noted that 13 of 24 tested were not signed to acknowledging the receipt of goods or services.

Criteria – Proper purchasing procedures include a signature denoting goods or services were received in order to prevent the school from paying for items not received.

Cause/Effect of Condition – Employees are not always following proper purchasing procedures. The District could expend more than their legal appropriations. The District could also not receive the correct goods or services it ordered.

Recommendation – The District should make sure no purchase is initiated without first obtaining an approved purchase order. The District should also have signatures on all receipts from goods or services ordered.

Report on Compliance and Other Matters

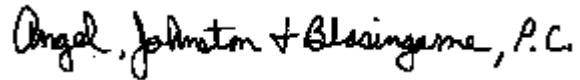
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Whitehead School District No. C-016, Garvin County, Oklahoma’s, Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Whitehead School District No. C-016, Garvin County, Oklahoma’s response to the findings identified in our audit and described in the attached corrective action plan. The District’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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

A handwritten signature in black ink that reads "Angel, Johnston + Blessingame, P.C." The signature is written in a cursive, slightly slanted style.

Chickasha, Oklahoma
February 5, 2024

Whitehead School District No. C-016, Garvin County, Oklahoma
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2023

2022-001 Finding

Statement of Condition – During our testing of Payroll, we noted that the Superintendent’s contract was not submitted to the State Department of Education to reflect a stipend received.

Criteria – Per Oklahoma State Statute 70-5-141, “Each school district shall file within fifteen (15) days of signing the contract, the employment contract of the Superintendent of the school district with the State Department of Education. The Department shall keep all contracts available for inspection by the public. The School district shall not be authorized to pay any salary, benefits or other compensation to the Superintendent which are not specified in the contract on file.”

Cause/Effect of Condition – This was an oversight. The Superintendent was paid more than the amount on the contract filed with the State Department of Education.

Recommendation – We recommend all wages paid to the Superintendent be included on his contract. Should the Superintendent receive a bonus, an addendum contract should be submitted to the State Department of Education.

Current Status – This was not noted during the 2022-2023 audit.

2022-002 Finding

Statement of Condition – The District did not pay federal matching teacher retirement on stipends.

Criteria – Per Oklahoma Teachers Retirement System, Section 715:10-13-7, “Statutes require employers of Teachers’ Retirement System members whose compensation is paid from federal funds to match the contributions of these members on all compensation or that portion of compensation paid from these funds. Federal matching funds shall be transmitted at the same time and in the same manner as the members’ contributions.....”

Cause/Effect of Condition – This was an oversight by the District. Teacher’s retirement was underpaid.

Recommendation – The District should contact teacher retirement to discuss how to remit the amount underpaid.

Current Status – This was not noted during the 2022-2023 audit.

2022-003 Finding

Statement of Condition – During our testing of payroll, it was noted that the Board of Education approved a one-time stipend of \$1,200 to all returning employees and new staff and faculty. The employees were paid more the \$1,200. The stipends were grossed up to cover the employer taxes, employee taxes (including federal and state tax) and teacher’s retirement.

Criteria – Wages paid that are not reflected in an employee’s contract should be authorized by the Board of Education and reflected in the minutes.

Cause/Effect of Condition – This was an oversight by the district. This could lead to money being paid to staff that is not approved by the board.

Recommendation – We recommend all stipends be approved as Gross or Net by the Board Members and reflected in the minutes.

Current Status – This was not noted during the 2022-2023 audit.

Whitehead School District No. C-016, Garvin County, Oklahoma
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2023
(Continued)

2022-004 Finding

Statement of Condition – During our testing of payroll, we noted contracts and time sheets that were missing signatures.

Criteria – Oklahoma State Statute 70-5-123, states, “No expenditure involving an amount greater than Five Hundred Dollars (\$500) shall be made by a Board of Education except in accordance with the provisions of a written contract or purchase order”

The Fair Labors Standards Act requires accurate time records be maintained by all non-exempt employees. Employees should be paid 1 ½ their regular rate of pay anytime they work over 40 hours/work week. Timesheets should be signed by the employee and supervisor verifying the records are accurate.

Cause/Effect of Condition – This was oversight by the District. Without approved contracts and timesheets, employees could be overpaid or underpaid.

Recommendation – Every employee should have a signed contract on file and contracts should be checked against salaries paid to make sure the amounts are correct. Non-exempt employees should keep timesheets that reflect only time worked. The supervisor should review timesheets before they approve them to ensure they are accurate.

Current Status – This was not noted during the 2022-2023 audit.

2022-005 Finding

Statement of Condition –During our engagement, we noted that the District had over expended its original appropriations in the Child Nutrition fund by \$9,803.74.

Criteria – Oklahoma State Statute 70-5-186 prohibits a school from approving expenditures in excess of its appropriations approved by the county excise board (including any supplemental appropriations filed and approved).

Cause/Effect of Condition – The school was not monitoring its available appropriations to ensure that appropriations were not overspend and, therefore, expended more than the amount approved. This could cause the school to spend funds it does not have.

Recommendation – The school should check its available appropriations for all funds prior to approving a purchase order to ensure that the approved budget is not exceeded.

Current Status – This was not noted during the 2022-2023 audit.

2022-006 Finding

Statement of Condition – During our testing of the Grants program, we noted that the Federal Program’s director failed to file for reimbursement for Indian Education expenditures totaling approximately \$3,045 and a claim for reimbursement for Small Rural School Achievement expenditures totaling \$42,118. Since these expenditures were not claimed, the Oklahoma State Department of Education state the expenditures should not be considered federal. Therefore, these expenditures are not included on the Schedule of Expenditure of Federal Awards.

Criteria – In order to receive reimbursement for Indian Education and Small Rural School Achievement expenditures, the school must draw down monies from the government agency.

Whitehead School District No. C-016, Garvin County, Oklahoma
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2023
(Continued)

Cause/Effect of Condition – The director failed to draw down the monies from the government agency. This led to the loss of approximately \$45,163 in Federal Funding

Recommendation –We recommend that the director of individual federal programs be aware of the requirements for reimbursements. Also, the District should have a policy of checks and balances to ensure that all federal claims are properly handled.

Current Status – This was not noted during the 2022-2023 audit.

2022-007 Finding

Statement of Condition – During our testing of appropriated funds purchase orders, we noted one instance of a purchase order that was incorrectly encumbered in the Fiscal year 2022-2023 for \$9,819.67 which is more than significant but less than material.

Criteria – Purchase orders should be encumbered in the year the school becomes obligated to pay.

Cause/Effect of Condition – This was an oversight by the school. Improper encumbrances of expenditures could cause the school’s fund balance to be misstated.

Recommendation – We recommend that purchase orders be encumbered when the school becomes obligated to pay.

Current Status – There was a comment during the 2022-2023 year regarding reserves.

2022-008 Finding

Statement of Condition – During our testing of purchase orders in the appropriated funds, we noted that 20 of the 29 tested had an invoice that was dated prior to the purchase order date. We also noted that 6 of 29 purchase orders tested did not have signatures on invoices/receipts designating the goods/services had been received. We also noted during our testing of purchase orders, that 6 of the 29 tested did not have adequate documentation.

Criteria – Per Oklahoma State Statute §70-5-135, “before any purchase is completed, a purchase order or encumbrance must be issued” and “(a)n approved bill may be paid by issuing a warrant or check against the designated fund only after ascertaining that proper accounting of the purchase has been made and that the files contain the required information to justify the expenditure of public funds.”

Cause/Effect of Condition – The district did not follow proper purchasing procedures. The district could expend more than their legal appropriations. The district could also not receive the corrects good or services it ordered.

Recommendation – The district should make sure no purchase is initiated without first obtaining an approved purchase order. The district should also have signatures on all receipts from goods or services ordered to designate the goods or service was received and documentation to verify the purchase.

Current Status – This was noted again during the 2022-2023 audit.

Whitehead School District No. C-016, Garvin County, Oklahoma
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2023
(Continued)

2022-009 Finding

Statement of Condition – During our testing of purchase orders in the activity fund, we noted that 13 of the 24 were not signed to acknowledge the receipt of goods or services.

Criteria – Proper purchasing procedures include a signature denoting goods or services were received in order to prevent the school from paying for items not received.

Cause/Effect of Condition – Employees are not always following proper purchasing procedures. The District could pay for goods or services that were not received.

Recommendation –The district should also have signatures on all receipts from goods or services ordered to designate the goods or service was received and documentation to verify the purchase.

Current Status – This was noted again during the 2022-2023 audit.

2022-010 Finding

Statement of Condition – During our review of the Activity Fund Cash Reconciliation, we noted the cash balance per the bank statement and the cash balance per the Custodian's Summary of Revenues and Expenditures did not reconcile. There was a difference of \$1,738.03.

Criteria – The Activity Fund Custodian, as part of their job duties, is required to reconcile, on a monthly basis, the cash balance per the bank and the balance of the Activity Fund subaccounts per the Custodian's Summary of Revenues and Expenditures.

Cause/Effect of Condition –The Activity Fund Custodian used the wrong reports when attempting to reconcile. Inaccurate financial statements could result if the reconciliation is not balanced each month.

Recommendation – The Activity Fund Custodian should reconcile, on a monthly basis, the cash balance per the bank and the balance of the Activity Fund subaccounts per the Custodian's summary of Revenues and Expenditures.

Current Status – This was not noted during the 2022-2023 audit.

OTHER OKLAHOMA DEPARTMENT OF EDUCATION REQUIRED INFORMATION

Whitehead School District No. C-016, Garvin County, Oklahoma
Statement of Statutory, Fidelity and Honesty Bonds
For the Year Ended June 30, 2023

<u>Bonding Company</u>	<u>Person Covered</u>	<u>Bond Number</u>	<u>Coverage Amount</u>	<u>Effective Dates</u>
Western Surety	Treasurer	18262430	\$100,000	12/05/22 to 12/05/23
RLI Insurance	Finance Manager/Encumbrance Clerk/Minutes Clerk	LSM1699477	\$1,000	03/29/22 to 03/29/24
RLI Insurance	Activity Fund Clerk	LSM1686763	\$2,000	08/06/22 to 08/06/23
RLI Insurance	Superintendent	LSM170525	\$100,000	07/01/22 to 07/01/25

**Whitebead School District No. C-016, Garvin County, Oklahoma
Schedule of Accountant's Professional Liability Insurance Affidavit
For the Year Ended June 30, 2023**

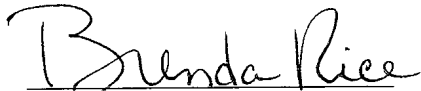
STATE OF OKLAHOMA)
)ss
COUNTY OF GRADY)

The undersigned auditing firm of lawful age, being first duly sworn on oath says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with *Whitebead School District No. C-016, Garvin County, Oklahoma*, for the audit year 2022-2023.

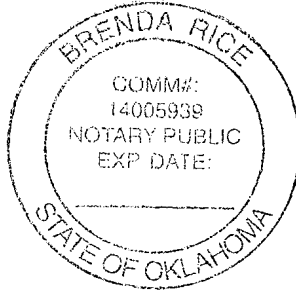
ANGEL, JOHNSTON, & BLASINGAME, P.C.



Subscribed and sworn to before me this 7 day of February, 2024.


Notary Public

My Commission Expires 07-01-2026



SCHOOL'S CORRECTIVE ACTION PLAN

Shea Thompson
Superintendent

16476 NCR 3200
Pauls Valley, OK 73075
Phone 405-238-3021
Fax 405-238-6258



WHITEBEAD PUBLIC SCHOOL DISTRICT

GARVIN COUNTY

AUDIT FINDINGS

CORRECTIVE ACTION PLAN

AUDIT YEAR FY23

AUDIT FINDING REFERENCE NUMBER: 2023-001

DESCRIPTION OF FINDING: The Superintendent was underpaid due to insurance and teacher retirement being deducted from her pay when it should have been a fringe.

CONTACT PERSON: Chassidy Thompson and Shea Thompson

STEPS IMPLEMENTED: We will visit with the Board to determine what they would like to do regarding the finding. The Teacher Retirement System will be contacted to ensure that appropriate contributions were made for the Superintendent.

COMPLETION DATE: February 2024

Shea Thompson
Superintendent

16476 NCR 3200
Pauls Valley, OK 73075
Phone 405-238-3021
Fax 405-238-6258



WHITEBEAD PUBLIC SCHOOL DISTRICT
GARVIN COUNTY

AUDIT FINDINGS

CORRECTIVE ACTION PLAN

AUDIT YEAR FY23

AUDIT FINDING REFERENCE NUMBER: 2023-002

DESCRIPTION OF FINDING: A teacher was paid \$4,116 over the contract amount.

CONTACT PERSON: Chassidy Thompson

STEPS IMPLEMENTED: As recommended by the Auditors, all contracts will be reviewed and checked against actual payment to ensure the correct amount is paid. The review of contracts checked against actual payments will be made periodically throughout the year.

COMPLETION DATE: February 2024

Shea Thompson
Superintendent

16476 NCR 3200
Pauls Valley, OK 73075
Phone 405-238-3021
Fax 405-238-6258



WHITEBEAD PUBLIC SCHOOL DISTRICT
GARVIN COUNTY

AUDIT FINDINGS

CORRECTIVE ACTION PLAN

AUDIT YEAR FY23

AUDIT FINDING REFERENCE NUMBER: 2023-003

DESCRIPTION OF FINDING: 12 of 22 purchase orders tested in the appropriated funds did not have signatures on invoices/receipts designating the goods or services had been received. It was also noted that 8 of the 22 tested had an invoice that was dated prior to the Purchase Order date.

CONTACT PERSON: Chassidy Thompson

STEPS IMPLEMENTED: Make sure that no purchase order is initiated without first obtaining an approved purchase order. All goods/services ordered will have signatures on receipts to designate the goods or services that were received and documentation to verify the purchase.

COMPLETION DATE: February 2024

Shea Thompson
Superintendent

16476 NCR 3200
Pauls Valley, OK 73075
Phone 405-238-3021
Fax 405-238-6258



WHITEBEAD PUBLIC SCHOOL DISTRICT
GARVIN COUNTY

AUDIT FINDINGS

CORRECTIVE ACTION PLAN

AUDIT YEAR FY23

AUDIT FINDING REFERENCE NUMBER: 2023-004

DESCRIPTION OF FINDING: During the testing of reserves, it was noted that the District had recorded General Fund reserves of \$32,433.73, Building Fund reserves of \$40,821.14, Child Nutrition Fund reserves of \$7,510.23, and Capital Projects Fund reserves of \$89.00. Testing of these reserves indicated the District was not obligated to expend these funds as of June 30, 2023 and, therefore, should have been closed as of June 30, 2023.

CONTACT PERSON: Chassidy Thompson

STEPS IMPLEMENTED: The District will only reserve contracts pending for outstanding encumbrances (contracted for but not completed and/or paid).

COMPLETION DATE: February 2024

Shea Thompson
Superintendent

16476 NCR 3200
Pauls Valley, OK 73075
Phone 405-238-3021
Fax 405-238-6258



WHITEBEAD PUBLIC SCHOOL DISTRICT
GARVIN COUNTY

AUDIT FINDINGS

CORRECTIVE ACTION PLAN

AUDIT YEAR FY23

AUDIT FINDING REFERENCE NUMBER: 2023-005

DESCRIPTION OF FINDING: 13 of 24 Purchase Orders tested in the Activity Fund were not signed to acknowledge the receipt of goods and/or services.

CONTACT PERSON: Richelle Humphrey

STEPS IMPLEMENTED: The District will make sure no purchase is initiated without first obtaining an approved purchase order. The District will also have signatures on all receipts from goods or services ordered.

COMPLETION DATE: February 2024