

**Plainview School District I-27**  
**Carter County, Oklahoma**  
Financial Statements  
Year-End June 30, 2020

**Plainview School District I-27**  
**Carter County, Oklahoma**  
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**June 30, 2020**

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## Independent Auditor's Report

The Honorable Board of Education  
Plainview School District I-27  
Ardmore, Oklahoma 73401

### **Report on the Financial Statements**

We have audited the accompanying fund type and account group financial statements of Plainview School District I-27, Carter County, Oklahoma, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's regulatory financial statements as listed in the table of contents.

### **Management's Responsibility of the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with financial reporting provisions of the Oklahoma State Department of Education, as described in Note 1. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Basis for Adverse Opinion on U.S. Generally Accepting Accounting Principles**

As discussed in Note 1, the financial statements are prepared by Plainview School District I-27, Carter County, Oklahoma, on the basis of the financial reporting provisions of Oklahoma State Department of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of 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.

### **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 statement referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Plainview School District I-27, Carter County, Oklahoma as of June 30, 2020, the changes in its financial position for the year then ended.

### **Basis for Qualified Opinion on General Fixed Asset Account Group**

As discussed in Note 1, the combined financial statements referred to above do not include the General Fixed Asset Account Group which should be included to conform with financial reporting provisions of Oklahoma State Department of Education. The amount that should be recorded in the General Fixed Asset Account Group is not known.

### **Qualified Opinion**

In our opinion, except for the effects of the matters described in the “Basis for Qualified Opinion on General Fixed Asset Account Group” paragraph, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and fund equity arising from regulatory basis transactions of each fund type and account group of Plainview School District I-27, Carter County, Oklahoma, as of June 30, 2020, and the revenues collected and expenses paid and budgetary results for the year then ended on the basis of accounting described in Note 1.

### **Other Matters**

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Plainview School District I-27 Carter County, Oklahoma financial statements as a whole. The accompanying Combining Schedules of Special Revenue Fund Financial Statements – Regulatory Basis, Combining Schedules of Capital Project Fund Financial Statements – Regulatory Basis, Combining Schedule of Changes in Cash Balances – Regulatory Basis – Activity Funds is presented for purposes of additional analysis and is not required part of the basic financial statements. The schedule of expenditures of federal awards is

presented for purposes of additional analysis, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements.

The Combining Schedules of Special Revenue Fund Financial Statements – Regulatory Basis, Combining Schedules of Capital Project Fund Financial Statements – Regulatory Basis, Combining Schedule of Changes in Cash Balances – Regulatory Basis – Activity Funds and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The statement of statutory fidelity and honesty bonds and schedule of accountant’s professional liability insurance have not been subjected to the auditing procedures applied in the basic financial statements and accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2021, on our consideration of Plainview School District I-27 Carter County, Oklahoma’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contract 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 Plainview School District I-27 Carter County, Oklahoma’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering Plainview School District I-27 Carter County, Oklahoma’s internal control over financial reporting and compliance.

*Mary C Johnson & Associates PLLC*

Ardmore, Oklahoma  
March 2, 2021

**Plainview School District I-27**  
**Carter County, Oklahoma**  
**Combined Statement of Assets, Liabilities and Fund Equity**  
**Regulatory Basis – All Fund Types and Account Groups**  
**June 30, 2020**

	Governmental Fund Types				Fiduciary	Account	Total
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency	General Long Term Debt	(memorandum only - Note 1) June 30, 2020
<b>ASSETS</b>							
Cash	\$ 2,041,092	\$ 1,477,361	\$ 1,563,043	\$ 1,389,082	\$ 534,899	\$ -	\$ 7,005,477
Amount available in							
Debt service fund	-	-	-	-	-	1,418,612	1,418,612
Trustee fund for debt service	-	-	-	-	-	1,700,101	1,700,101
Amount to be provided for							
Capital leases	-	-	-	-	-	12,473,950	12,473,950
Retirement of general long term debt	-	-	-	-	-	2,333,071	2,333,071
Total Assets	<u>\$ 2,041,092</u>	<u>\$ 1,477,361</u>	<u>\$ 1,563,043</u>	<u>\$ 1,389,082</u>	<u>\$ 534,899</u>	<u>\$ 17,925,734</u>	<u>\$ 24,931,211</u>
<b>LIABILITIES AND FUND EQUITY</b>							
Liabilities:							
Warrants payable	\$ 520,389	\$ 30,180	\$ -	\$ -	\$ -	\$ -	\$ 550,569
Due to others	-	-	-	-	534,899	-	534,899
Capital leases payable	-	-	-	-	-	13,805,734	13,805,734
General obligation bonds payable	-	-	-	-	-	4,120,000	4,120,000
Total Liabilities	<u>520,389</u>	<u>30,180</u>	<u>-</u>	<u>-</u>	<u>534,899</u>	<u>17,925,734</u>	<u>19,011,202</u>
Fund Equity:							
Unreserved:							
Designated for debt service	-	-	1,563,043	-	-	-	1,563,043
Designated for capital projects	-	-	-	1,389,082	-	-	1,389,082
Undesignated	<u>1,520,703</u>	<u>1,447,181</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,967,884</u>
Total Cash Fund Balances	<u>1,520,703</u>	<u>1,447,181</u>	<u>1,563,043</u>	<u>1,389,082</u>	<u>-</u>	<u>-</u>	<u>5,920,009</u>
Total Liabilities and Fund Equity	<u>\$ 2,041,092</u>	<u>\$ 1,477,361</u>	<u>\$ 1,563,043</u>	<u>\$ 1,389,082</u>	<u>\$ 534,899</u>	<u>\$ 17,925,734</u>	<u>\$ 24,931,211</u>

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

**Plainview School District I-27**  
**Carter County, Oklahoma**  
**Combined Statement of Revenues Collected, Expenditures Paid and Changes in Cash Fund Balances**  
**Regulatory Basis – All Governmental Fund Types**  
**For the Year Ended June 30, 2020**

	Governmental Fund Types				Total
	General	Special Revenue	Debt Service	Capital Projects	(memorandum only - Note 1) June 30, 2020
Revenues collected:					
Local sources	\$ 3,227,353	\$ 676,645	\$ 1,504,465	\$ -	\$ 5,408,463
Intermediate sources	394,815	415,902	-	-	810,717
State sources	6,590,620	75,040	3,339	-	6,668,999
Federal sources	647,685	272,715	-	-	920,400
Total Revenues Collected	<u>10,860,473</u>	<u>1,440,302</u>	<u>1,507,804</u>	<u>-</u>	<u>13,808,579</u>
Expenditures paid:					
Instruction	7,020,934	482,142	-	-	7,503,076
Support services	3,971,178	41,762	-	19,100	4,032,040
Non-Instructional services	93,038	543,943	-	-	636,981
Capital outlay	-	409,418	-	936,150	1,345,568
Other outlays	328	363,941	-	-	364,269
Debt service:					
Principal payments	-	-	1,265,000	-	1,265,000
Interest and fiscal agent fees	-	-	98,373	-	98,373
Total expenditures paid	<u>11,085,478</u>	<u>1,841,206</u>	<u>1,363,373</u>	<u>955,250</u>	<u>15,245,307</u>
Excess of revenues collected over (under) expenditures paid	(225,005)	(400,904)	144,431	(955,250)	(1,436,728)
Other financing sources:					
Bond sale proceeds	-	-	-	1,385,000	1,385,000
Excess of revenues collected and other sources over (under) expenditures paid and other uses	(225,005)	(400,904)	144,431	429,750	(51,728)
Cash fund balances, beginning of year	<u>1,745,708</u>	<u>1,848,085</u>	<u>1,418,612</u>	<u>959,332</u>	<u>5,971,737</u>
Cash fund balances, end of year	<u>\$ 1,520,703</u>	<u>\$ 1,447,181</u>	<u>\$ 1,563,043</u>	<u>\$ 1,389,082</u>	<u>\$ 5,920,009</u>

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



**Plainview School District I-27  
Carter County, Oklahoma**

**Combined Statement of Revenues Collected, Expenditures Paid and Changes in Cash Fund Balances – Budget and Actual  
Regulatory Basis – Budgeted Governmental Fund Types  
For the Year Ended June 30, 2020**

	General Fund				Building and Child Nutrition Funds			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Beginning cash fund balances - Budgetary basis	\$ 1,745,708	\$ 1,745,708	\$ 1,745,708	\$ -	\$ 1,696,042	\$ 1,696,042	\$ 1,696,011	\$ (31)
Revenues collected:								
Local sources	3,086,106	3,086,106	3,227,353	141,247	717,810	717,810	676,645	(41,165)
Intermediate sources	318,400	318,400	394,815	76,415	-	-	-	-
State sources	7,016,288	7,016,288	6,590,620	(425,668)	76,800	76,800	75,040	(1,760)
Federal sources	602,000	602,000	647,685	45,685	263,000	263,000	272,715	9,715
Total Revenues Collected	<u>11,022,794</u>	<u>11,022,794</u>	<u>10,860,473</u>	<u>(162,321)</u>	<u>1,057,610</u>	<u>1,057,610</u>	<u>1,024,400</u>	<u>(33,210)</u>
Expenditures paid:								
Instruction	8,480,292	8,480,292	7,020,934	1,459,358	40,000	40,000	82,850	(42,850)
Support services	3,405,456	3,405,456	3,971,178	(565,722)	75,000	75,000	25,000	50,000
Non-Instructional services	108,930	108,930	93,038	15,892	596,210	596,210	543,943	52,267
Capital outlay	-	-	-	-	812,699	812,699	409,418	403,281
Other outlays	773,824	773,824	328	773,496	123,521	123,521	363,941	(240,420)
Total Expenditures paid	<u>12,768,502</u>	<u>12,768,502</u>	<u>11,085,478</u>	<u>1,683,024</u>	<u>1,647,430</u>	<u>1,647,430</u>	<u>1,425,152</u>	<u>222,278</u>
Excess of revenues collected over (under) expenditures paid	<u>(1,745,708)</u>	<u>(1,745,708)</u>	<u>(225,005)</u>	<u>1,520,703</u>	<u>(589,820)</u>	<u>(589,820)</u>	<u>(400,752)</u>	<u>189,068</u>
Ending cash fund balances	\$ -	\$ -	\$ 1,520,703	\$ 1,520,703	\$ -	\$ -	\$ 1,295,259	\$ 189,068
Reconciliation between Building and Child Nutrition Funds Budgetary Comparison Schedule and Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances -- Special Revenues.								
End cash fund balances from Budgetary Comparison Schedule:							\$ 1,295,259	
Nonappropriated fund: County Sales Tax Fund Cash fund balance:							<u>151,922</u>	
End cash fund balance per Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances- Special Revenues							<u>\$ 1,447,181</u>	

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

**Plainview School District I-27  
Carter County, Oklahoma**

**Combined Statement of Revenues Collected, Expenditures Paid and Changes in Cash Fund Balances – Budget and Actual  
Regulatory Basis – Budgeted Governmental Fund Types  
For the Year Ended June 30, 2020**

	Debt Service Fund			
	Original Budget	Final Budget	Actual	Variance
Beginning cash fund balances - Budgetary basis	\$ (63,073)	\$ (63,073)	\$ 1,418,612	\$ 1,481,685
Revenues collected:				
Local sources	1,459,576	1,459,576	1,504,465	44,889
State sources	-	-	3,339	3,339
Total Revenues Collected	1,459,576	1,459,576	1,507,804	48,228
Expenditures paid:				
Debt service:				
Principal payments	1,295,000	1,295,000	1,265,000	30,000
Interest and fiscal agent fees	101,503	101,503	98,373	3,130
Total expenditures paid	1,396,503	1,396,503	1,363,373	33,130
Excess of revenues collected over (under) expenditures paid	63,073	63,073	144,431	81,358
Ending cash balances	\$ -	\$ -	\$ 1,563,043	\$ 1,563,043

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

**Plainview School District I-27**  
**Carter County, Oklahoma**  
**Notes to Combined Financial Statements**  
**June 30, 2020**

***1. Summary of Significant Accounting Policies***

The basic financial statements of the Plainview School District, I-27, Carter County, Oklahoma (the "District") have been prepared in conformity with an other 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.

***A. The Reporting Entity***

The District is a corporate body for public purposes created under Title 70 of the Oklahoma Statutes and accordingly is a separate entity for operating and financial reporting purposes. The District is part of the public school system of Oklahoma under the general direction and control of the State Board of Education and is financially dependent on state of Oklahoma for 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 five 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.

**Plainview School District I-27**  
**Carter County, Oklahoma**  
**Notes to Combined Financial Statements**  
**June 30, 2020**

**1. Summary of Significant Accounting Policies – (continued)**

***B. Fund Accounting***

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

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

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

*Governmental Fund Types*

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

General Fund - The general fund is used to account for all financial transactions except those required to be accounted for in another fund. Major revenue sources include state and local property taxes and state funding under the Foundation and Incentive Aid Program. Expenditures include all costs associated with the daily operations of the schools except for programs funded for building repairs and maintenance, school construction and debt service on bonds and other long-term debt. The general fund includes federal and state restricted monies that must be expended for specific programs.

Special Revenue Fund - The special revenue fund consists of the District's Building Fund, Child Nutrition Fund and County Sales Tax Fund. The Building fund consists of monies derived from property taxes levied for the purpose of erecting, remodeling, or repairing buildings and for purchasing furniture and equipment.

The Child Nutrition Fund derives monies from local sources for meals. Reimbursements are received from state and federal sources for reimbursement of free and reduced lunches.

The County Sales Tax Fund consists of monies derived from a special county sales tax collected on behalf of the school district for the purposes of technology equipment and instructional and classroom materials.

**Plainview School District I-27**  
**Carter County, Oklahoma**  
**Notes to Combined Financial Statements**  
**June 30, 2020**

**1. Summary of Significant Accounting Policies – (continued)**

***B. Fund Accounting – (continued)***

Debt Service Fund - The debt service fund is the District's Sinking Fund and is used to account for the accumulation of financial resources for the payment of general long-term debt principal, interest and related costs. The primary revenue sources are local property taxes levied specifically for debt service and interest earnings from temporary investments.

Capital Projects Fund - The capital projects fund is the District's Bond Funds and is used to account for the proceeds from bond sales to be used exclusively for acquiring school sites, constructing and equipping new school facilities, renovating existing facilities, and acquiring transportation equipment.

*Fiduciary Fund Types*

Agency Fund - 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.

General Long-Term Debt Account Group - This account group was established to account for all long-term debt of the District, which is offset by the amount available in the debt service fund and the amount to be provided in future years to complete retirement of the debt principal.

General Fixed Asset Account Group - This account group is used to account for property, plant and equipment of the school district. The District does not maintain the fixed asset records necessary to account for this account group.

**Plainview School District I-27**  
**Carter County, Oklahoma**  
**Notes to Combined Financial Statements**  
**June 30, 2020**

**1. *Summary of Significant Accounting Policies – (continued)***

*Memorandum Only - Total Column*

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

**C. *Basis of Accounting and Presentation***

The District prepares its financial statements in a presentation format that is prescribed by the Oklahoma State Department of Education. This format is essentially the generally accepted form of presentation used by state and local governments prior to the effective date of GASB Statement No. 34, *Basic Financial Statements-Management's Discussion and Analysis-for State and Local Governments*. This format significantly differs from that required by GASB 34.

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

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

This regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, which 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.

*Estimates* - The preparation of financial statements in conformity with the regulatory basis of accounting requires the District to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

**Plainview School District I-27**  
**Carter County, Oklahoma**  
**Notes to Combined Financial Statements**  
**June 30, 2020**

**1. Summary of Significant Accounting Policies – (continued)**

*Noncash Transactions* - The District received federal food commodities in the amount of \$44,217.

***D. Budgets and Budgetary Accounting***

The District is required by state law to prepare an annual budget. No later than October 1, each board of education shall prepare a financial statement and estimate of needs to be filed with the applicable county clerk and the State Department of Education. Once the county excise board has approved the estimate of needs, the board shall adopt a final budget within 45 days or the second regularly scheduled board meeting. No later than 15 days prior to adoption of a final budget, the board must conduct a public hearing for the purposes of taking public comments. The final budget may be revised upon approval of the board of education in open meeting.

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. Budgets generally assume the expenditure of all available resources. Therefore, when the legal budget is prepared, it is assumed these funds will not have a carryover balance to subsequent year.

***E. Assets Liabilities and Fund Equity***

*Investments* – The District’s investment policies are governed by Oklahoma Statutes. Permissible investments include direct obligations of the United States government and agencies, certificates of deposits of savings and loan associations, and bank and trust companies; and savings accounts or savings certificates of savings and loan associations, banks and trust companies. Collateral is required for all amounts not covered by FDIC insurance.

*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 is due prior to January 1 and the second half is due prior to April 1. If the first payment is not made timely, the entire tax becomes due and payable on January 1. Second half taxes become delinquent on April 1 of the year following the year of assessment. If not paid for a period of three years or more as of the date such taxes first become due, the property is offered for sale for the amount of taxes due.

**Plainview School District I-27**  
**Carter County, Oklahoma**  
**Notes to Combined Financial Statements**  
**June 30, 2020**

**1. *Summary of Significant Accounting Policies – (continued)***

*Inventories* - The value of consumable inventories at June 30, 2020 is not material to the financial statements.

*Compensated Absences* - Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure of the governmental funds that will pay it. There are no amounts of vested or accumulated vacation leave.

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

***E. Revenue, Expenses and Expenditures***

*State Revenues* - Revenues from state sources for current operations are primarily governed by the state aid formula under the provisions of Article XVIII, Title 70, Oklahoma Statutes. The State Board of Education administers the allocation of state aid funds to school districts based on information accumulated from the districts. Approximately 61% of the District's general fund revenue comes from state sources.

After review and verification of reports and supporting documentation, the State Department of Education may adjust subsequent fiscal period allocations of money for prior year errors disclosed by review. Normally, such adjustments are treated as reductions or additions of revenue of the year when the adjustment is made.

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



**Plainview School District I-27**  
**Carter County, Oklahoma**  
**Notes to Combined Financial Statements**  
**June 30, 2020**

**1. Summary of Significant Accounting Policies – (continued)**

*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 which are reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers.

**2. Cash**

*Custodial Credit Risk* - Custodial credit risk for deposits is the risk that in the event of a bank failure, the District’s deposits may not be returned or the District will not be able to recover collateral securities in the possession of an outside party. The District’s policy requires collateral for demand deposits and certificates of deposit for all amounts not covered by federal deposit insurance. As of June 30, 2020, cash deposits were fully insured or collateralized by a pledging bank’s agent in the District’s name. All funds were held as demand deposits at a local bank.

**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. 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 capital leases. Debt service requirements for bonds are payable solely from 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, 2020:

	<i>Bonds Payable</i>	<i>Capital Leases</i>
Balance July 1, 2019	\$ 4,000,000	\$ 14,782,072
Additions	1,385,000	-
Retirements	(1,265,000)	(976,338)
Balance June 30, 2020	\$ 4,120,000	\$ 13,805,734

**Plainview School District I-27**  
**Carter County, Oklahoma**  
**Notes to Combined Financial Statements**  
**June 30, 2020**

**3. General Long Term Debt – (continued)**

**General Obligation Bonds**

A brief description of the outstanding general obligations bond issues at June 30, 2020, is set forth below:

	<i>Amount Outstanding</i>
Independent School District, I-27 School Combined Purpose Bonds of 2019, original issue \$1,360,000, interest rates from 3.30% due in annual installments of \$50,000 starting January 1, 2021 with final payment of \$1,310,000 due January 1, 2022.	\$ 1,360,000
Independent School District, I-27 Combined Purpose Bonds of 2017, original issue of \$2,490,000, interest rates of 1.70%, \$1,115,000 due July 1, 2019 with final payment of \$1,375,000 on July 1, 2020.	1,375,000
Independent School District, I-27 Building Bonds of 2020, original issue of \$1,385,000, interest rates from 2.00%, \$220,000 due March 1, 2022 and then \$1,165,000 the final installment on March 1, 2023.	1,385,000
	<u>\$ 4,120,000</u>

The annual debt service requirements for retirement of bond principal and payment of interest, is as follows:

<i>Year Ended June 30,</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2021	\$ 1,425,000	\$ 101,448	\$ 1,526,448
2022	1,530,000	98,630	1,628,630
2023	1,165,000	23,300	1,188,300
Total	\$ 4,120,000	\$ 223,378	\$ 4,343,378

**Pledged Revenues**

Property Tax Revenues collected by the District are pledged to repay the District's General Obligation Bonds. As of June 30, 2020, \$4,120,000 general obligations were outstanding. Principal and interest paid for current year and revenues collected were \$1,363,373 and \$1,504,465, respectively.

**Plainview School District I-27**  
**Carter County, Oklahoma**  
**Notes to Combined Financial Statements**  
**June 30, 2020**

**3. General Long Term Debt – (continued)**

***Capital Leases***

The District enters into lease agreements as lessee for financing the acquisition of equipment. For accounting purposes since the title transfers at the end of the lease term, it has been recorded at the present value of the future minimum lease payments. The leases contain a clause which provides the ability to terminate the agreement at the end of each fiscal year. The District has recorded the liability for future lease payments in the general long-term debt group.

The District entered into a lease/purchase agreement to for elementary storm shelter/PE room, elementary fire alarm system and HVAC controls/building automation system, in the amount of \$1,100,000 at interest rates of 2.948216% payable in seven annual installments.

The District has entered into a lease/purchase agreement for computers for a technology one to one initiative at the intermediate and high schools in the amount of \$536,375 at interest rates of 4.21% payable in four annual installments.

The District has entered into a lease/purchase agreement for equipment for new early elementary center in the amount of \$3,000,000 at an interest rate of 3.54% payable in 10 annual installments.

The District has also entered financing arrangements with the Carter County Public Facilities Authority (see Note 7). These financing arrangements are accounted for as capital leases, since for accounting purposes the title transfers at the end of lease term. The leases contain a clause which gives the District the ability to terminate the lease agreements at the end of each fiscal year. The District has a rental payment of \$1,500 due semi-annually on June 1 and December 1 which started June 1, 2016. District will have varying annual payments with imputed interest rate of 3.942%, with first payment due December 1, 2017.

**Plainview School District I-27**  
**Carter County, Oklahoma**  
**Notes to Combined Financial Statements**  
**June 30, 2020**

**3. General Long Term Debt – (continued)**

Scheduled payments under the lease/purchase agreements for each fiscal year ended June 30, are as follows:

<u>Year Ended June 30,</u>	<u>Amount Due</u>
2021	\$ 2,034,119
2022	2,034,119
2023	1,957,634
2024	1,903,599
2025	1,903,599
2026-2030	<u>6,909,546</u>
	16,742,616
Less: Interest	<u>(2,936,882)</u>
Total	<u>\$ 13,805,734</u>

Interest expense on general long-term debt incurred during the current year totaled \$726,404.

**4. Employee Retirement System**

Teachers' Retirement System of Oklahoma

*Plan Description* – The System provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The ability to establish and amend benefit provisions is the responsibility of the state legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the employees of the District. The System issues a publically available financial report that can be obtained at <http://www.ok.gov/trs/>.

*Benefits Provided* – The System provides defined retirement benefits based on members' final compensation, age, and term of service. In addition, the retirement program provides for benefits upon disability and to survivors upon the death of eligible members. Title 70 O.S. Sec. 17-105 defines all retirement benefits. The authority to establish and amend benefit provisions rests with the State Legislature.

*Funding Policy*—Under the System, contributions are made by the District, the State of Oklahoma and participating employees. Participation is required for all teachers and other certified staff and is options for all other employees of public education institutions who work at least 20 hours per week.

**Plainview School District I-27**  
**Carter County, Oklahoma**  
**Notes to Combined Financial Statements**  
**June 30, 2020**

**4. *Employee Retirement System (continued)***

*Contributions* – In accordance with *Oklahoma Statutes*, System members are required to contribute 7.00% of applicable compensation. For the year ended June 30, 2020, qualifying employee contributions were reduced by a retirement credit of \$68,006 provided by Enrolled House Bill 1873 and paid by the State of Oklahoma as on-behalf payments. For the year ended June 30, 2020, the District had a statutory contribution rate of 9.5% plus 7.70% as a match for salaries funded by federal programs. The contribution requirements of System members and the District are established and may be amended by the state legislature. For the year ended June 30, 2020, the District contributions to the System for were \$776,888.

Pension plan fiduciary net position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued TRS financial report that can be obtained at <http://www.ok.gov/trs/>.

**5. *Other Post-Employment Benefits (OPEB)***

In addition to the retirement plan described in Note 4, the District participates in the state-administered Supplemental Health Insurance Program (OPEB Plan) within Teachers’ Retirement System of Oklahoma (the OPEB System), which is a cost-sharing multiple-employer defined benefit OPEB plan administered by the Teacher Retirement System (TRS).

Plan Description – The OPEB System provides pays a monthly health insurance premium supplement for each retired member who is enrolled in the health insurance plan provided by the State and Education Employees Group Health and Dental Insurance plan or in an insurance program provided by a participating education employer who provides health insurance coverage to former employees, provided the retired member had at least ten (10) years of Oklahoma service prior to retirement.

Benefits Provided – All retirees are eligible except for special retirees (as defined) and spouses and beneficiaries as long as they have at least 10 years of service. Retirees who elect such coverage receive the smaller of (i) a Medicare supplement benefit, if eligible, or (ii) an amount between \$100 and \$105 per month, depending on service and final average compensation. Payments made on the retirees’ behalf to the Employees Group Insurance Division of the Office of Management and Enterprise Services, if the member continues health coverage under that Plan, or (ii) to the member’s former employer, if the member retains health coverage under a plan maintained by the former employer.

**Plainview School District I-27**  
**Carter County, Oklahoma**  
**Notes to Combined Financial Statements**  
**June 30, 2020**

**5. *Other Post-Employment Benefits (OPEB) (continued)***

Contributions – Employer and employee contributions are made based upon the TRS Plan provisions contained in State Statute Title 70, as amended. However, the statutes do not specify or identify any particular contribution source to pay the health insurance subsidy. The cost of the subsidy averages 0.06% of normal cost, as determined by an actuarial valuation.

OPEB plan fiduciary net position – Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued TRS financial report that can be obtained at <http://www.ok.gov/trs/>.

**6. *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.

During 2020, the worldwide coronavirus pandemic impacted local, national and global economies. The District is closely monitoring their operations and available fund balances and actively working to minimize current and future impacts of the unprecedented situation. As of date of issuance of these financial statements, the current and future full impact to the District is not known.

**7. *Risk Management***

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from prior year and settlements have not exceeded coverage in the past three years.

**8. *Ground Lease and Sublease Agreements***

February 2016, the District executed a Ground Lease Agreement and Sublease agreement with Carter County Public Facilities Authority, a public trust, (the Authority). The District will lease the land upon which the improvements are to be constructed for so long as there are obligations outstanding. The Authority will issue the Bonds and apply the proceeds thereof to acquire, construct, furnish, and equipment the improvements as approved by voters

**Plainview School District I-27**  
**Carter County, Oklahoma**  
**Notes to Combined Financial Statements**  
**June 30, 2020**

in October 2015. The premises, including the Improvements, will then be leased by the Authority to the District pursuant to the Sublease Agreement for an initial term expiring on June 30, 2016, provided that the District has the option to renew for successive one-year periods, or until such time as the Sublease agreement is terminated in accordance with its terms.

The Authority will issue Bonds in the amount of \$11,465,000 to finance a portion of the Improvements costs. This amount, together with separate issuance by the District of the first series of its general obligation bonds, is expected to fund the costs of the Improvements. If Improvements costs exceed the proceeds of the Bonds and the District's general obligation bonds, those costs will be paid out of other legally available monies of the District.

The District intends to issue the balance of the voter-approved general obligation bonds over the next twelve-years. The monies derived from the issuance and sale of such bonds will be used to make Lease Purchase Acquisition Payments under the Sublease and thereby periodically acquire from the Authority title to portions of the Improvements. The proceeds of the general obligation bonds authorized at the special election can be used only to finance the costs of the Improvements, including the Lease Purchase Acquisition Payments.

As of report date, there is \$9,695,000 authorized but unissued general obligation bonds from the bond election held in October 2015 of which \$9,695,000 of bond proceeds are pledged for the Ground and Sublease agreement with Carter County Public Facilities Authority as discussed in prior paragraphs.

**9. *Tax Abatement***

The State of Oklahoma has authorized by Oklahoma State Statutes Title 31 to offer Homestead and Veterans exemptions to Ad Valorem property taxes. These exemptions reduce the ad valorem taxes remitted to the District. For the year ended June 30, 2020, the District had the \$107,299 in abated ad valorem tax revenues.

**10. *Subsequent Events***

November 2020, the District has authorized the issuance of \$1,385,000 of General Obligation Building Bonds of 2021. Bonds were issued January 1, 2021 are due \$440,000 on the 1<sup>st</sup> day of January 2023 and due \$945,000 on the 1<sup>st</sup> day of January 2024, bearing interest of 0.500%-0.625%, from their date until paid. Property taxes revenues are pledged to repay this obligation.

The District has evaluated subsequent events through March 2, 2021, the date which the financial statements were available to be issued.

**Plainview School District I-27**  
**Carter County, Oklahoma**  
**Supplementary Schedule**  
**Combining Statement of Assets, Liabilities and Fund Equity – Regulatory Basis**  
**All Special Revenue Funds**  
**June 30, 2020**

	Building Fund	Child Nutrition Fund	County Sales Tax Fund	Special Revenue Total
<u>ASSETS</u>				
Cash	\$ 1,133,199	\$ 191,665	\$ 152,497	\$ 1,477,361
Total Assets	\$ 1,133,199	\$ 191,665	\$ 152,497	\$ 1,477,361
 <u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Warrants payable	\$ -	\$ 29,605	\$ 575	\$ 30,180
Total Liabilities	-	29,605	575	30,180
 Fund Equity:				
Unreserved:				
Undesignated	\$ 1,133,199	\$ 162,060	\$ 151,922	\$ 1,447,181
Total Cash Fund Balances	1,133,199	162,060	151,922	1,447,181
 Total Liabilities and Fund Equity	\$ 1,133,199	\$ 191,665	\$ 152,497	\$ 1,477,361



**Plainview School District I-27**  
**Carter County, Oklahoma**  
**Supplementary Schedule**  
**Combining Statement of Revenues Collected, Expenditures Paid and**  
**Changes in Cash Fund Balances – Regulatory Basis**  
**All Special Revenue Funds**  
**For the Year Ended June 30, 2020**

	<u>Building Fund</u>	<u>Child Nutrition Fund</u>	<u>County Sales Tax Fund</u>	<u>Special Revenue Total</u>
Revenues collected:				
Local sources	\$ 521,152	\$ 155,493	\$ -	\$ 676,645
Intermediate sources	-	-	415,902	415,902
State Sources	990	74,050	-	75,040
Federal Sources	-	272,715	-	272,715
Total Revenues Collected	<u>522,142</u>	<u>502,258</u>	<u>415,902</u>	<u>1,440,302</u>
Expenditures paid:				
Instructional Services	82,850	-	399,292	482,142
Support Services	25,000	-	16,762	41,762
Non-Instructional Services	-	543,943	-	543,943
Capital outlay	409,418	-	-	409,418
Other Outlays	361,486	2,455	-	363,941
Total expenditures paid	<u>878,754</u>	<u>546,398</u>	<u>416,054</u>	<u>1,841,206</u>
Excess of revenues collected over (under) expenditures paid	<u>(356,612)</u>	<u>(44,140)</u>	<u>(152)</u>	<u>(400,904)</u>
Cash fund balances, beginning of year	<u>1,489,811</u>	<u>206,200</u>	<u>152,074</u>	<u>1,848,085</u>
Cash fund balances, end of year	<u>\$ 1,133,199</u>	<u>\$ 162,060</u>	<u>\$ 151,922</u>	<u>\$ 1,447,181</u>

**Plainview School District I-27**  
**Carter County, Oklahoma**  
**Supplementary Schedule**  
**Combining Statement of Revenues Collected, Expenditures Paid and**  
**Changes in Cash Fund Balances – Budget and Actual – Regulatory Basis**  
**Building and Child Nutrition Funds**  
**For the Year Ended June 30, 2020**

	Building Fund			Child Nutrition Fund			Total		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
Beginning cash fund balances - Budgetary basis	\$ 1,489,811	\$ 1,489,811	\$ 1,489,811	\$ 206,231	\$ 206,231	\$ 206,200	\$ 1,696,042	\$ 1,696,042	\$ 1,696,011
Revenues collected:									
Local sources	543,311	543,311	521,152	174,500	174,500	155,493	717,811	717,811	676,645
State sources	800	800	990	76,000	76,000	74,050	76,800	76,800	75,040
Federal sources	-	-	-	263,000	263,000	272,715	263,000	263,000	272,715
Total Revenues Collected	<u>544,111</u>	<u>544,111</u>	<u>522,142</u>	<u>513,500</u>	<u>513,500</u>	<u>502,258</u>	<u>1,057,611</u>	<u>1,057,611</u>	<u>1,024,400</u>
Expenditures paid:									
Instructional Services	40,000	40,000	82,850	-	-	-	40,000	40,000	82,850
Support Services	75,000	75,000	25,000	-	-	-	75,000	75,000	25,000
Non-Instructional Services	-	-	-	596,210	596,210	543,943	596,210	596,210	543,943
Capital outlay	812,699	812,699	409,418	-	-	-	812,699	812,699	409,418
Other outlays	-	-	361,486	123,521	123,521	2,455	123,521	123,521	363,941
Total expenditures paid	<u>927,699</u>	<u>927,699</u>	<u>878,754</u>	<u>719,731</u>	<u>719,731</u>	<u>546,398</u>	<u>1,647,430</u>	<u>1,647,430</u>	<u>1,425,152</u>
Excess of revenues collected over (under) expenditures paid	<u>(383,588)</u>	<u>(383,588)</u>	<u>(356,612)</u>	<u>(206,231)</u>	<u>(206,231)</u>	<u>(44,140)</u>	<u>(589,819)</u>	<u>(589,819)</u>	<u>(400,752)</u>
Ending cash balances	<u>\$ -</u>	<u>-</u>	<u>\$ 1,133,199</u>	<u>\$ -</u>	<u>-</u>	<u>\$ 162,060</u>	<u>\$ -</u>	<u>-</u>	<u>\$ 1,295,259</u>

**Plainview School District I-27  
Carter County, Oklahoma  
Supplementary Schedule  
Combining Statement of Revenues Collected, Expenditures Paid and  
Changes in Cash Fund Balances – Regulatory Basis  
All Capital Project Funds  
For the Year Ended June 30, 2020**

	<u>Bond Fund 35</u>	<u>Bond Fund 33</u>	<u>Bond Fund 34</u>	<u>Bond Fund 37</u>	<u>Total Capital Project Funds</u>
<u>ASSETS</u>					
Cash	\$ -	\$ 3,750	\$ 19,432	\$ 1,365,900	\$ 1,389,082
Total Assets	<u>\$ -</u>	<u>\$ 3,750</u>	<u>\$ 19,432</u>	<u>\$ 1,365,900</u>	<u>\$ 1,389,082</u>
 <u>LIABILITIES AND FUND EQUITY</u>					
Liabilities:					
Warrants payable	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
Fund Equity:					
Unreserved:					
Designated for capital projects	-	3,750	19,432	1,365,900	\$ 1,389,082
Total Cash Fund Balances	<u>-</u>	<u>3,750</u>	<u>19,432</u>	<u>1,365,900</u>	<u>\$ 1,389,082</u>
Total Liabilities and Fund Equity	<u>\$ -</u>	<u>\$ 3,750</u>	<u>\$ 19,432</u>	<u>\$ 1,365,900</u>	<u>\$ 1,389,082</u>

**Plainview School District I-27**  
**Carter County, Oklahoma**  
**Supplementary Schedule**  
**Combining Statement of Revenues Collected, Expenditures Paid and**  
**Changes in Cash Fund Balances – Regulatory Basis**  
**All Capital Project Funds**  
**For the Year Ended June 30, 2020**

	<u>Bond Fund 35</u>	<u>Bond Fund 33</u>	<u>Bond Fund 34</u>	<u>Bond Fund 37</u>	<u>Total Capital Project Funds</u>
Revenues collected:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues Collected	-	-	-	-	-
Expenditures paid:					
Support services	-	-	-	19,100	19,100
Capital outlay	<u>936,150</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>936,150</u>
Total expenditures paid	<u>936,150</u>	<u>-</u>	<u>-</u>	<u>19,100</u>	<u>955,250</u>
Excess of expenditures paid over revenues collected	(936,150)	-	-	(19,100)	(955,250)
Other financing sources:					
Bond sales proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,385,000</u>	<u>1,385,000</u>
Excess of revenues collected and other sources over (under) expenditures paid and other uses	(936,150)	-	-	1,365,900	429,750
Cash fund balances, beginning of year	<u>936,150</u>	<u>3,750</u>	<u>19,432</u>	<u>-</u>	<u>959,332</u>
Cash fund balances, end of year	<u>\$ -</u>	<u>\$ 3,750</u>	<u>\$ 19,432</u>	<u>\$ 1,365,900</u>	<u>\$ 1,389,082</u>

**Plainview School District I-27**  
**Carter County, Oklahoma**  
**Supplementary Schedule**  
**Combining Statement of Changes in Cash Balances – Regulatory Basis**  
**Activity Funds**  
**For the Year Ended June 30, 2020**

	BEGINNING BALANCE	RECEIPTS	CHECKS	ENDING BALANCE
High School Yearbook	\$ 30,111	\$ 14,170	\$ 15,600	\$ 28,681
Athletics	40,179	158,531	142,836	55,874
Band	770	9,525	5,349	4,946
HS National Honor Society	3,635	1,200	3,810	1,025
National Junior High Honor Society	3,040	1,120	936	3,224
High School Cheerleaders	5,770	10,548	13,115	3,203
Middle School Cheerleaders	4,130	1,296	5,404	22
Elementary Art	140	-	-	140
FCCLA	3,605	12,305	9,823	6,087
Elementary P.T.O	18,431	26,317	27,564	17,184
Elementary PE	23,959	14,976	12,558	26,377
Intermediate Elementary	10,297	16,581	17,838	9,040
Elementary Library	7,311	12,902	10,510	9,703
Primary Elementary	15,461	13,822	11,062	18,221
High School Parking Lot	1,792	1,970	464	3,298
Class of 2019 (Juniors)	1,405	-	1,405	-
High School	1,533	3,818	3,717	1,634
First Grade	41	5,414	5,415	40
Second Grade	-	4,933	4,933	-
Plainview Band Boosters	17,506	17,007	8,917	25,596
Middle School	8,143	2,560	7,825	2,878
Class of 2020 (Juniors)	3,974	1,540	5,514	-
High School Student Council	5,766	6,325	7,637	4,454
Scholarship	10,625	4,000	5,525	9,100
High School Art Department	105	1,360	1,361	104
Middle School Art Department	266	1,985	2,080	171
Middle School Yearbook	8,604	2,687	2,994	8,297
Middle School Student Council	3,104	1,040	1,147	2,997
Middle School Library	132	-	-	132
High School Library	159	-	-	159
Elementary Music	989	1,354	1,911	432
High School Vocal Music	5,116	8,920	10,122	3,914
Primary Technology	20,185	21,736	21,620	20,301
Lake Country Academic Conf.	761	-	-	761
Basketball Program	6,357	21,263	19,930	7,690
Discovery Club	377	-	-	377
Robotics Club	-	3,700	2,504	1,196
Envirothon Club	-	115	-	115
Interest	572	424	365	630

**Plainview School District I-27**  
**Carter County, Oklahoma**  
**Supplementary Schedule**  
**Combining Statement of Changes in Cash Balances – Regulatory Basis**  
**Activity Funds**  
**For the Year Ended June 30, 2020**

	BEGINNING BALANCE	RECEIPTS	CHECKS	ENDING BALANCE
Transportation / Maintenance	750	37	250	537
Donations	3,479	902	30	4,351
Four Year Old Program	11	2,948	2,948	11
Daycare	203,767	72,612	66,062	210,317
Football / Weight Room	3,127	4,475	6,799	803
FCA	2,920	15	-	2,935
High School Examination Account	1,212	289	289	1,212
Plainview Academic Team	3,028	795	2,536	1,287
Class of 2021 (Juniors)	-	29,274	18,638	10,636
Golf Program	1,904	2,015	2,325	1,594
Kindergarten Program	-	5,858	5,858	-
Middle School Science	3,531	-	427	3,104
Elementary Yearbook / Enrichment	4	-	4	-
Spanish Club	661	-	-	661
Staff & Faculty	409	1,884	2,252	41
Clearing Account	31	30,221	30,252	-
Baseball Program	2,449	15,335	13,004	4,780
Swim Program	-	1,526	768	758
Special Olympics	778	-	-	778
Softball Program	11,082	4,330	11,071	4,341
Wrestling Program	1,233	2,870	3,577	526
Environmental Science	1,251	-	-	1,251
Advanced Placement Program	1,020	2,780	2,477	1,323
Coaches' Resource Account	1,130	37	43	1,124
Middle School PIA	4,407	2,465	2,455	4,417
	<u>\$ 537,635</u>	<u>\$ 586,112</u>	<u>\$ 588,848</u>	<u>\$ 534,899</u>

**Plainview School District I-27**  
**Carter County, Oklahoma**  
**Supplementary Schedule**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2020**

<b>Federal Grant / Pass-Through Grantor / Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass - Through Grantor's Project Number</b>	<b>Balance 6/30/2019</b>	<b>Federal Grant Receipts</b>	<b>Federal Grant Expenditures</b>	<b>Balance 6/30/2020</b>
<b>U.S. Department of Interior</b>						
<i>Passed Through Chickasaw Nation:</i>						
Johnson O'Malley	15.130	563	\$ (5,028)	\$ 16,054	\$ 12,078	\$ (1,052)
<b>U.S. Dept. of Education</b>						
<i>Direct Program:</i>						
Title VII - Indian Education	84.060A	561	814	51,825	51,825	814
<i>Passed Through State Department of Education:</i>						
Title I, Grants to Local Education Agencies	84.010	511	(50,921)	197,280	164,252	(17,893)
Special Education - Flow-Through	84.027	621	-	287,107	287,107	-
Special Education - Preschool	84.173	641	-	6,525	6,525	-
Special Education Cluster			-	293,632	293,632	-
Title IV A Student Support & Academic Enrichment Form Grant	84.424A	552	-	15,108	15,108	-
Title II - Part D (a) - Education Technology	84.318	546	-	-	-	-
Title VI - Part B Rural Education	84.358	587	(6,886)	31,063	32,879	(8,702)
Title II - Part A - Improving Teacher Quality	84.367	541	(961)	25,152	24,191	-
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	788	-	17,571	17,571	-
<i>Passed Through Vocational Education:</i>						
Career and Technical Education - Basic Grant to States (Perkins IV)	84.048	421	2,220	-	-	2,220

**Plainview School District I-27  
Carter County, Oklahoma  
Supplementary Schedule  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2020**

<b>Federal Grant / Pass-Through Grantor / Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass - Through Grantor's Project Number</b>	<b>Balance 6/30/2019</b>	<b>Federal Grant Receipts</b>	<b>Federal Grant Expenditures</b>	<b>Balance 6/30/2020</b>
<b>U.S. Dept. of Education - continued</b>						
<i>Passed Through OK State Department of Rehabilitation</i>						
Job Training Vocation	84.126	456	(952)	-	-	(952)
Total U.S. Department of Education			\$ (56,686)	\$ 631,631	\$ 599,458	\$ (24,513)
<b>U.S. Department of Agriculture:</b>						
<i>Passed Through State Department of Education:</i>						
Cash Assistance:						
National School Lunch Program	10.555	763	25,431	202,292	227,723	-
School Breakfast Program	10.553	764	48,718	70,423	119,141	-
Cash Assistance Subtotal:			74,149	272,715	346,864	-
<i>Passed Through State Department of Human Services:</i>						
Non-Cash Assistance (Commodities)						
National School Lunch Program	10.555		-	44,217	44,217	-
Non-Cash Assistance Subtotal:			-	44,217	44,217	-
Child Nutrition Cluster			74,149	316,932	391,081	-
Total U.S. Department of Agriculture			\$ 74,149	\$ 316,932	\$ 391,081	\$ -
Total Expenditures of Federal Awards			\$ 12,435	\$ 964,617	\$ 1,002,617	\$ (25,565)



**Plainview School District I-27**  
**Carter County, Oklahoma**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2020**

**Note A: Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Plainview School District I-27 Carter County, Oklahoma under programs of the federal government for the year ended June 30, 2020. 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 Plainview School District I-27 Carter County, Oklahoma, it is not intended to and does not present the basic financial statements as listed in the table of contents, of Plainview School District I-27 Carter County, Oklahoma.

**Note B: Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on using the cash basis of accounting. Some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, where certain types of expenditures are not allowable or are limited as to reimbursement. Nonmonetary assistance is reported in the schedule at the fair market value of commodities received.

**Note C: Indirect Cost Rate**

Plainview School District I-27 Carter County, Oklahoma has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**Note D: Subrecipients**

Plainview School District I-27 Carter County, Oklahoma did not have any awards that have been passed through to subrecipients.

**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  
Plainview School District I-27  
Ardmore, Oklahoma 73401

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller of the United States, the accompanying fund type and account group financial statements of Plainview School District I-27, Carter County Oklahoma, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Plainview School District I-27, Carter County Oklahoma's regulatory financial statements and have issued our report thereon dated March 2, 2021. Our report included an adverse opinion on U.S. Generally Accepted Accounting Principles and a qualified opinion due to the omission of the general fixed asset account group.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Plainview School District I-27 Carter 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 effectiveness Plainview School District I-27 Carter County, Oklahoma's internal control. Accordingly, we do not express an opinion on the effectiveness of Plainview School District I-27 Carter County, Oklahoma'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 purposes 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 the internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Plainview School District I-27, Carter County Oklahoma's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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*.

### **Plainview School District I-27, Carter County Oklahoma's Response to Findings**

Plainview School District I-27, Carter County Oklahoma's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Plainview School District I-27, Carter County Oklahoma's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



Ardmore, Oklahoma  
March 2, 2021

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

The Honorable Board of Education  
Plainview School District I-27  
Ardmore, Oklahoma 73401

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

We have audited Plainview School District I-27, Carter County, Oklahoma's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Plainview School District I-27, Carter County, Oklahoma's major federal programs for the year ended June 30, 2020. Plainview School District I-27, Carter County, Oklahoma's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Plainview School District I-27, Carter County, Oklahoma's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Plainview School District I-27, Carter County, Oklahoma's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Plainview School District I-27, Carter County, Oklahoma's compliance.

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

In our opinion, Plainview School District I-27, Carter County, Oklahoma, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

### **Report on Internal Control Over Compliance**

Management of Plainview School District I-27, Carter County, Oklahoma, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Plainview School District I-27, Carter County, Oklahoma's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Plainview School District I-27, Carter County, Oklahoma's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Mary E Johnson & Associates PLLC*

Ardmore, Oklahoma

March 2, 2021

**Plainview School District I-27  
Carter County, Oklahoma  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2020**

***Section I – Summary of Auditor’s Results***

**Financial Statements:**

Type of audit report:	Qualified Opinion Regulatory Basis
Internal control over financial reporting:	
Material weakness(es) identified?	_____ Yes <u>  X  </u> No
Significant Deficiency(ies) identified that are not considered to be material weaknesses?	<u>  X  </u> Yes _____ No
Noncompliance material to financial statement	_____ Yes <u>  X  </u> No

**Federal Awards:**

Internal control over major program:	
Material weakness(es) identified?	_____ Yes <u>  X  </u> No
Significant Deficiency(ies) identified that are not considered to be material weaknesses?	_____ Yes <u>  X  </u> No
Type of auditors' report issued on compliance for major programs:	Unmodified Opinion
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	_____ Yes <u>  X  </u> No

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of federal Program or Cluster</u>
84.389	Title I, Part A
84.173 & 84.027	Special Education Cluster (IDEA)

Dollar threshold used to distinguish between Type A and Type B	\$ 750,000
Auditee qualified as a low-risk auditee?	_____ Yes <u>  X  </u> No

**Plainview School District I-27**  
**Carter County, Oklahoma**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2020**

**Section II – Financial Statement Findings**

**2020-001 Financial Reporting**

*Condition:* The District does not have a financial reporting system in place to ensure that all financial information is disclosed in the appropriate accounting period and in accordance with the regulatory basis of accounting and State Department of Education guidelines. In addition, the District does not report a general fixed asset account group as required by the State Department of Education guidelines.

*Criteria:* The responsibility for the financial statements remains with management even when the preparation of the financial statements is transferred to a service provider. An individual with sufficient awareness of disclosure requirements should be designated to oversee the preparation of the financial statements.

*Cause:* The internal control structure of the District focuses primarily on daily operations. The District does have a system of financial reporting that determines the trial balances used in financial statement preparation are final. The District does not currently have a system in place to determine appropriate financial statement disclosures. The District also does not have a system for accounting for general fixed assets.

*Effect:* Potential that financial statement disclosures will be incomplete. Scope limitation on the audit for the general fixed asset account group.

*Recommendation:* We recommend that the District evaluate the costs of providing for the additional assistance needed for the year-end financial reporting process to determine it is in accordance with accounting and regulatory requirements.

*Views of Responsible Officials  
and Planned Corrective*

*Action:* The District's current budget constraints do not allow for the addition of an outside consultant to assist in the year-end financial reporting process. Management reviews disclosures as presented to determine that they are accurate.



**Plainview School District I-27  
Carter County, Oklahoma  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2020**

*Section III – Federal Award Findings and Questioned Costs*

None noted

Plainview School District I-27  
**Carter County, Oklahoma**  
**Summary of Prior Year Findings**  
**For the Year Ended June 30, 2020**

***Financial Statement Findings***

2019-001     *Condition:* The District does not have a financial reporting system in place to ensure that all financial information is disclosed in the appropriate accounting period and in accordance with the regulatory basis of accounting and State Department of Education guidelines. In addition, the District does not report a general fixed asset account group as required by the State Department of Education guidelines.

*Recommendation:* The auditor recommended the District evaluate the costs of providing for the additional assistance needed for the year-end financial reporting process to determine it is in accordance with accounting and regulatory requirements.

*Status:* Condition still exists. See 2020-001

2019-002     *Condition:* District overpaid retirement.

*Recommendation:* The auditor recommended monthly reconciliation process be implemented for retirement computations and remittance.

*Status:* Condition has been resolved

***Federal Award Findings and Questioned Costs***

None

**Plainview School District I-27**  
**Carter County, Oklahoma**  
**Statement of Statutory Fidelity, and Honesty Bonds (unaudited)**  
**For the Year Ended June 30, 2020**

The District has a Public Official Position Schedule Bond with Western Surety Company. The bond number is 70750218. It covers all employees for the penal sum of \$100,000 and is for the term July 1, 2019 to June 30, 2020.

The treasurer is bonded by Western Surety Company, bond number 106574128, for the penal sum of \$100,000 for the term June 30, 2019 to June 30, 2020.

**Plainview School District I-27  
Carter County, Oklahoma  
Schedule of Accountant's Professional Liability Insurance Affidavit (unaudited)  
For the Year Ended June 30, 2020**

State of Oklahoma )

County of Carter )

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 Plainview School District I-27 for the audit year 2019-2020.

MARY E. JOHNSON & ASSOCIATES, PLLC

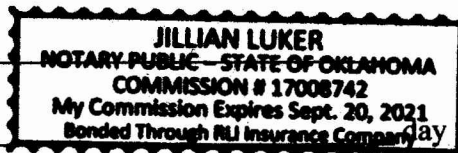
*Mary E. Johnson*

BY: \_\_\_\_\_  
Authorized Agent

Subscribed and sworn to before me on this 4<sup>th</sup> day of, March, 2021

*Jillian Luker*  
\_\_\_\_\_  
Notary Public

Commission Number: \_\_\_\_\_



My commission expires on: \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.