

# McCloud Public Schools District Audits (2014-2025)

## *Integrity of the Game vs Economic Impact (Politics); The Oklahoma Business Plan*

This briefing document summarizes the main themes and important facts identified in the provided excerpts from the State Audit reports for McCloud Public Schools District No. I-1, covering the fiscal years 2013-2014 through 2024-2025. These reports include the Estimate of Needs and Financial Statements for each year.

### **Overall Theme:**

The consistent theme across these audit reports is the presentation of the district's financial standing, including its assets, liabilities, revenues, and expenditures for each fiscal year. The reports aim to provide transparency and accountability regarding the district's financial management. They are prepared by independent auditors and submitted to the State Auditor & Inspector and the County Excise Board for approval of the district's financial needs and tax levies.

### **Key Components of the Reports (Consistent Across Years):**

**Estimate of Needs:** This section outlines the district's anticipated financial requirements for the upcoming fiscal year. It includes detailed breakdowns of appropriations for various educational and operational functions.

**Financial Statements:** These statements present the district's actual financial performance for the past fiscal year, including:

**General Fund:** Accounts for the primary operations of the school district.

**Building Fund:** Used for capital projects and maintenance of school facilities.

**Child Nutrition Fund:** Accounts for the school's food service program.

**Sinking Fund:** Used for the repayment of long-term debt, such as bonds.

Other funds (e.g., Co-op Fund, Special Revenue Funds, Capital Projects Funds, Enterprise Funds, Activity Funds, Trust Funds).

**Auditor's Compilation Letter:** This letter, signed by the independent accounting firm (Sanders, Bledsoe & Hewett CPAs in early years, later Jenkins & Kemper, CPAs P.C.), states that they have compiled the financial statements and estimate of needs based on information provided by the school district. The letter explicitly notes that the compilation does not express an opinion or any other form of assurance on the financial statements. For example, the 2014-2015 audit states, "Our compilation was limited to presenting information in the form prescribed by the Oklahoma

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State Department of Education that is the representation of management. We have not audited or reviewed the financial statements and supporting information referred to above and, accordingly, do not express an opinion or any other form of assurance on them."

**School District Information:** Each report identifies the school district name, number (I-1), county (Pottawatomie), and state (Oklahoma). It also lists the members of the School Board and their respective roles.

**Certification by the Board of Education:** The reports include a certification signed by the President and Clerk of the Board of Education, attesting to the accuracy of the presented information and compliance with legal requirements.

### **Important Ideas and Facts (General Observations Across the Years):**

**Detailed Appropriation Schedules:** The reports consistently provide detailed schedules of appropriations (Exhibit "A" for General Fund, Exhibit "B" for Building Fund, Exhibit "C" for Child Nutrition Fund, etc.) for various line items within each fund. These line items cover areas such as instruction, support services (students, instructional staff, general administration, school administration, business, plant operations), non-instructional services, facilities acquisition and construction services, other outlays, and debt service.

**Presentation of Assets, Liabilities, and Fund Balances:** The reports clearly present the assets, liabilities, and fund balances for each fund at the end of the fiscal year (e.g., Exhibit "B", Schedule 1 - Current Balance Sheet). This provides a snapshot of the district's financial position.

**Revenue and Requirements Schedules:** Schedules outlining the revenue sources and financial requirements for each fund are consistently included (e.g., Exhibit "B", Schedule 2 - Revenue and Requirements). Revenue sources typically include cash balance carried forward, local taxes, state aid, and other miscellaneous revenues. Requirements cover expenditures and reserve allocations.

**Sinking Fund Management:** The reports dedicate specific sections (Exhibit "E") to the Sinking Fund, detailing information about outstanding bond issues, including their maturity dates, interest rates, and annual accruals. This highlights the district's management of its long-term debt obligations.

## McLoud Public Schools District Audits (2014-2025)

### *Integrity of the Game vs Economic Impact (Politics); The Oklahoma Business Plan*

**Ad Valorem Tax Information:** Schedules related to the ad valorem tax (property tax) levied in support of the school district are included (Exhibit "F"), showing the assessed valuation of homesteads and other property, as well as the tax rates applied.

**Budgetary Basis:** The financial statements are prepared on a budgetary basis, as prescribed by the Oklahoma State Department of Education.

**Audit Scope Limitation:** As noted in the Auditor's Compilation Letter, the audits provided are compilations, meaning they rely on the information provided by the district and do not involve the rigorous verification procedures of a full audit. Therefore, the auditors do not offer an opinion on the fairness of the presentation.

### **Quotes Illustrating Key Points:**

**Scope of Compilation (2015-2016 Audit, Page 5):** "We have compiled the 2015-2016 estimate of needs (S.A.&I. Form 2661R06) and Publication Sheet (S.A.&I. Form 2662R06) for District No. I-1, Pottawatomie County, included in the accompanying prescribed form. We have not audited or reviewed the financial statements, estimate of needs and publication sheet forms referred to above, and accordingly, do not express an opinion or provide any assurance about whether the prescribed financial statements, estimate of needs and publication sheet forms are in accordance with the accounting prescribed by the Office of the Oklahoma State Auditor and Inspector."

**Purpose of Financial Statements (2014-2015 Audit, Page 5):** "These financial statements and supporting information are presented in accordance with the requirements of the Oklahoma State Department of Education, which differ from generally accepted accounting principles. Accordingly, these financial statements and supporting information are not designed for those who are not informed about such difference."

**Certification by School Board (2017-2018 Audit, Page 3):** "We, the undersigned duly elected, qualified and acting officers of the Board of Education of the aforesaid School District No. I-1, County and State aforesaid, do hereby certify that at a regular session begun at the time provided by law, we carefully considered the statements and estimate of needs heretofore prepared for the purpose of ascertaining any additional or emergency levy necessary for the ensuing fiscal year and revised, corrected or added to the same to disclose the true fiscal condition as of June 30, 2017, and to provide for the needs of the School District for the ensuing fiscal year as now shown; that after due consideration more fully set forth in the proceedings of said Board at its regular adjourned meeting, we find that the Estimate of Income to be derived from sources other than ad valorem taxation does not exceed the lawfully authorized ratio of the actual collections from such sources during the previous fiscal year."

## McLoud Public Schools District Audits (2014-2025)

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### **In Conclusion:**

The provided audit excerpts offer a consistent format for presenting the financial needs and performance of McLoud Public Schools District No. I-1 over a multi-year period. They provide detailed information on the district's budgetary appropriations, assets, liabilities, revenues, and expenditures across various funds. It is crucial to note that these are compilation reports, and therefore do not represent a full audit opinion on the accuracy of the financial information. The reports serve as a key document for the district, the County Excise Board, and the State Auditor & Inspector in the financial oversight and approval processes for the school district.