OKLAHOMA Education

Audit Acknowledgement

Audit Year: 2024-2025

District Name Chouteau-Mazie School District **District Number** I-32

County Name Mayes **County Code** 46

The annual independent audit was presented to the Board of Education in a meeting conducted in accordance with the Open Meeting Act 25 O.S. Section 301-314 on January 13, 2026 (Date of Meeting).

The audit was presented by Patten & Odom, CPAs, PLLC (Independent Auditor) Patten & Odom, CPAs (Independent Auditor's Signature)

The School Board acknowledges that as the governing body of the district, responsible for the district's financial and compliance operations, the audit findings and exceptions have been presented to them.

A copy of the audit, including this acknowledgement form, will be sent to the State Board of Education and the State Auditor and Inspector within 30 days from its presentation, as stated in 70 O.S. § 22-108:

> "The district board of education shall forward a copy of the auditor's opinions and related financial statements to the State Board of Education and the State Auditor and Inspector within thirty (30) days after receipt of the audit."

Signature of the Board of Education:

Superintendent

Board of Education Vice President

Board of Education President

Board of Education Member

Board of Education Member

Board of Education Member

Board of Education Member

Subscribed and sworn before me on 1/13/2026 My Commission expires 9/25/2027

(Notary Public)

KELLY GROSSMAN NOTARY PUBLIC IN AND FOR STATE OF OKLAHOMA EXPIRES 9-25-2027 COMMISSION #99013569

Updated 7/2025

Patten & Odom, CPAs, PLLC

2101 N. Willow Ave.
Broken Arrow, OK 74012
Phone Number 918.250.8838
FAX Number 918.250.9853

January 12, 2026

Chouteau-Mazie Public Schools
P.O. Box 969
Chouteau, OK 74337-0969
Josh Gwartney, Supt.

Dear Administrator:

Please find enclosed the school's copies of the fiscal year 2024-25 audit report. We will take care of forwarding the required number of copies to state and federal agencies to satisfy your audit report filing requirements.

Section 454 of "Oklahoma School Laws" requires that you have a final exit conference so that we may meet with your school board to discuss this audit report and to assist you in the final resolution of your audit objectives. We have communicated with you in arranging for one of our staff to attend a future board meeting and will present the audit results on January 13, 2026.

Thank you for the opportunity for us to provide you with these services. We truly appreciate your business.

Sincerely,

Patten & Odom, CPAs

Patten & Odom, CPAs, PLLC

ADMINISTRATION

Josh Gwartney
Superintendent

CENTRAL OFFICE STAFF

Kelly Grossman Treasurer/ED Business Manager
Mary Guinn Executive Assistant/Minutes Clerk
Kristen Maddoux HR/Payroll Specialist
Karrie Kendrick Activity Accounts Clerk
Donna Harvey Encumbrance Clerk

CHOUTEAU MAZIE PUBLIC SCHOOLS

CHOUTEAU-MAZIE PUBLIC SCHOOLS
115 S Railroad St
PO Box 969
Chouteau, Oklahoma 74337
Phone (918) 476-8376 Fax (918) 476-8538

BOARD OF EDUCATION

Amber Rice President
Tina Van Horn Vice President
Charlie Coblentz Clerk
Victor Markiewicz Member
Lindsey Yoder Member

Management Representation Letter

January 9, 2026

Patten & Odom, CPAs, PLLC
2101 N. Willow Ave.
Broken Arrow, OK 74012

This representation letter is provided in connection with your audit of the financial statements of Chouteau-Mazie School District No. I-32 which comprise respective combined fund type and account group financial statements-regulatory basis of the Chouteau-Mazie School District No. I-32 in conformity with the Oklahoma Regulatory Basis of Accounting.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or judgement of accounting information that, in light of surrounding circumstances, makes it probable that the judgement of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of January 9, 2026, the following representations made to you during your audit.

Financial Statements

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated March 4, 2025, including our responsibility for the preparation and fair presentation of the financial statements in accordance with the Oklahoma Regulatory Basis of Accounting and for preparation of the supplementary information in accordance with the applicable criteria.
2) The financial statements referred to above are fairly presented in conformity with the Oklahoma Regulatory Basis of Accounting.
3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair representation of financial statements that are free from material misstatement, whether due to fraud or error.
4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5) Significant assumptions we used in making accounting estimates are reasonable.
6) Related party relationships and transaction, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the Oklahoma Regulatory Basis of Accounting.

7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements (or in the schedule of findings and questioned costs).
8) The effects of uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements, if any, is attached to the representation letter.
9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with Oklahoma Regulatory Basis of Accounting.
10) Guarantees, whether written or oral, under which the Chouteau-Mazie School District No. I-32 is contingently liable, if any have been properly recorded or disclosed.

Information Provided

11) We have provided you with:
    a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters (and all audit or relevant monitoring reports, if any received from funding sources).
    b) Additional information that you have requested from us for the purpose of the audit.
    c) Unrestricted access to persons within the Chouteau-Mazie School District No. I-32 from whom you determined it necessary to obtain audit evidence.
    d) Minutes of the meetings of Chouteau-Mazie School District No. I-32 or summaries of action of recent meetings for which minutes have not yet been prepared.
12) All material transactions have been recorded in the accounting records and are reflected in the financial statements (and the schedule of expenditures of federal awards)
13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
14) We have no knowledge of any fraud or suspected fraud that affects the Chouteau-Mazie School District No. I-32 and involves –
    - Management,
    - Employees who have significant roles in internal control or,
    - Others where fraud could have a material effect on the financial statements.
15) We have no knowledge of any allegations of fraud or suspected fraud affecting the Chouteau-Mazie School District No. I-32's financial statements communicated by employees, former employees, regulators, or others.
16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
18) We have disclosed to you the identity of the Chouteau-Mazie School District No. I-32's related parties and all the related party relationships and transactions of which we are aware.

Government--specific

19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
20) We have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that you have reported to us, if applicable.
21) We have a process to track the status of audit findings and recommendations, if applicable.
22) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

23) We have provided our views on reported findings, conclusions, and recommendations, as well as our placed corrective actions, for the report, if applicable.
24) The Chouteau-Mazie School District No. I-32 has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
25) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
26) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
27) We have identified and disclosed to you all the instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
28) We have identified and disclosed to you all the instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
29) There are no violations or possible violations of budget ordinances, law and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
30) As part of your audit, you assisted with preparation of the financial statements and related notes (and schedule of expenditures of federal awards). We acknowledge our responsibility as it relates to those non audit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes (and schedule of expenditures of federal awards).
31) The Chouteau-Mazie School District No. I-32 has satisfactory title to all owned assets, and there are not any liens or encumbrances on such assets, or any asset pledged as collateral has been disclosed.
32) The Chouteau-Mazie School District No. I-32 has compiled all the aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
33) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
34) Investments are properly valued.
35) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
36) With respect to the combining statements:
    a) We acknowledge our responsibility for presenting the combining statements in accordance with Oklahoma regulatory basis of accounting and we believe the combing statements, including its form and content, is fairly presented in accordance with the Oklahoma regulatory basis of accounting.
37) With respect to federal award programs –
    a) We are responsible for understanding and complying with and have complied with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards.

b) We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) in accordance with the requirements of Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.

c) We have identified and disclosed to you all of our Federal government programs and related activities subject to Guidance Compliance, and have included in the SEFA, expenditures made during the audit period for all awards provided be federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.

d) We are responsible for understanding and complying with, and have complied with, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major program.

e) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.

f) We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.

g) We have received no requests from a federal agency to audit one or more specific programs as a major program,

h) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards.

i) We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.

j) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.

k) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.*

l) We have disclosed to you our interpretation of compliance that may have varying interpretations.

m) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.

n) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.

o) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.

p) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective actions we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the date as of which compliance was audited.

q) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.

r) The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.

s) We are responsible for and have accurately prepared the summary schedule of prior audit finding to include all findings required to be included by Uniform Guidance and we have provided you with all information on the status of the follow-up on prior audit findings by federal agencies and pass-through entities, including all management decisions.

t) We have charged costs to federal awards in accordance with applicable cost principles.

u) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by Uniform Guidance.

v) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.

w) We are responsible for preparing and implementing a corrective action plan for each audit finding.

Signature: Kelly Rossman

Title: Treasurer

Date: 1/12/2026

Signature:

Title: Superintendent

Date: 1/12/26

ANNUAL FINANCIAL REPORT

CHOUTEAU-MAZIE SCHOOL DISTRICT NO. I-32

MAYES COUNTY, OKLAHOMA

JULY 1, 2024 TO JUNE 30, 2025

AUDITED BY

Patten & Odom, CPAs, PLLC

CHOUTEAU-MAZIE SCHOOL DISTRICT NO. I-32
MAYES COUNTY, OKLAHOMA
SCHOOL DISTRICT OFFICIALS
JUNE 30, 2025

Board of Education

President	RJ Wishard
Vice-President	Amber Rice
Clerk	Charlie Coblentz
Member	Tina Van Horn
Member	Victor Markiewicz

Superintendent of Schools

Lori Helton

School District Treasurer

Debbie Shanks

CHOUTEAU-MAZIE SCHOOL DISTRICT NO. I-32
MAYES COUNTY, OKLAHOMA
JUNE 30, 2025

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(continued)

CHOUTEAU-MAZIE SCHOOL DISTRICT NO. I-32
MAYES COUNTY, OKLAHOMA
JUNE 30, 2025

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Patten & Odom, CPAs, PLLC

2101 N. Willow Ave.
Broken Arrow, OK 74012
Phone Number 918.250.8838
FAX Number 918.250.9853

INDEPENDENT AUDITOR'S REPORT

January 12, 2026

The Honorable Board of Education
Chouteau-Mazie School District No. I-32
Mayes County, Oklahoma

Opinions

We have audited the accompanying combined fund type and account group financial statements – regulatory basis of Chouteau-Mazie School District No. I-32, Mayes County, Oklahoma, as of and for the year ended June 30, 2025, and the related notes to the 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 in the first paragraph present fairly, in all material respects, the assets, liabilities, and fund balances arising from regulatory basis transactions of each fund type and account group of Chouteau-Mazie School District No. I-32, Mayes County, Oklahoma, as of June 30, 2025, and the revenues collected and expenditures paid and encumbered for the year then ended on the regulatory basis of accounting described in the Note 1 (C).

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 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 Chouteau-Mazie School District No. I-32, Mayes County Oklahoma as of June 30, 2025, or the revenues, expenses, and changes in financial position 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 responsibility under those standards is 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 the Chouteau-Mazie School District No. I-32, Mayes 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

The financial statements referred to in the first paragraph do not include the general fixed asset account group, which is a departure from the regulatory basis of accounting prescribed or permitted by the Oklahoma State Department of Education. 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 discussed in Note 1 (C) to the financial statements, the financial statements are prepared by the Chouteau-Mazie School District No. I-32, Mayes County, Oklahoma, on the basis of the financial reporting provisions of the Oklahoma State Department of Education, which a basis of accounting other than accounting principles generally accepted in the United States of America to comply with 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 (C) 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 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 objective is 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 opinion. 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 *Governmental 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 include 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 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 misstatement 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 Chouteau-Mazie School District No. I-32, Mayes County, 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 Chouteau-Mazie School District No. I-32, Mayes County, Oklahoma'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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the fund type and account group financial statements within the combined financial statements. The combining fund statements-regulatory basis, and other schedules as listed in the table of contents, under supplementary information, are presented for purposes of additional analysis and are not a required part of the combined financial statements of the District. 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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and is also not a required part of the basic financial statements.

The combining financial statements-regulatory basis, and other schedules as listed in the table of contents, under supplementary information and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting records used to prepare the combined financial statements. Such information has been subjected to the auditing procedures applied in the audit of the fund type and account group financial statements within the combined financial statements, and other additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information including the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the combined financial statements taken as a whole on the regulatory basis of accounting described in Note 1 (C).

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2026, on our consideration of Chouteau-Mazie School District No. I-32, Mayes County, Oklahoma, 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 District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Patten & Odom, CPAs

Patten & Odom, CPAs, PLLC
Broken Arrow, OK

COMBINED FINANCIAL STATEMENTS

CHOUTEAU-MAZIE SCHOOL DISTRICT NO. I-32
COMBINED STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
ALL FUND TYPES AND ACCOUNT GROUPS - REGULATORY BASIS
JUNE 30, 2025

	Governmental Fund Types				Fiduciary Fund Types	Account Groups	Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency	General Long-term Debt	June 30, 2025
ASSETS							
Cash	$ 2,162,482.43	$ 629,359.97	$ 346,762.95	$ 1,094,602.55	$ 328,992.39	$ -	$ 4,562,200.29
Investments	-	-	-	-	-	-	-
Amounts available in debt service fund	-	-	-	-	-	346,762.95	346,762.95
Amounts to be provided for retirement of general long-term debt	-	-	-	-	-	12,521,082.62	12,521,082.62
Total assets	$ 2,162,482.43	$ 629,359.97	$ 346,762.95	$ 1,094,602.55	$ 328,992.39	$ 12,867,845.57	$ 17,430,045.86
LIABILITIES AND FUND BALANCES							
Liabilities:							
Outstanding warrants	$ 335,583.02	$ 4,733.76	$ -	$ 12,150.00	$ 18,583.54	$ -	$ 371,050.32
Encumbrances	-	-	-	-	-	-	-
Long-term debt:							
Capitalized lease obligations payable	-	-	-	-	-	10,282,845.57	10,282,845.57
Bonds payable	-	-	-	-	-	2,585,000.00	2,585,000.00
Total liabilities	$ 335,583.02	$ 4,733.76	$ -	$ 12,150.00	$ 18,583.54	$ 12,867,845.57	$ 13,238,895.89
Fund Balances							
Designated for capital projects	$ -	$ -	$ -	$ 1,082,452.55	$ -	$ -	$ 1,082,452.55
Designated for debt service	-	-	346,762.95	-	-	-	346,762.95
Cash fund balances	1,826,899.41	624,626.21	-	-	310,408.85	-	2,761,934.47
Total fund balances	$ 1,826,899.41	$ 624,626.21	$ 346,762.95	$ 1,082,452.55	$ 310,408.85	$ -	$ 4,191,149.97
Total liabilities and fund balances	$ 2,162,482.43	$ 629,359.97	$ 346,762.95	$ 1,094,602.55	$ 328,992.39	$ 12,867,845.57	$ 17,430,045.86

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

CHOUTEAU-MAZIE SCHOOL DISTRICT NO.I-32
COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2025

	Governmental Fund Types				Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	June 30, 2025
Revenues collected:					
Local sources	$ 2,570,522.51	$ 354,118.16	$ 1,224,549.25	$ 18,196.84	$ 4,167,386.76
Intermediate sources	558,951.99	-	-	-	558,951.99
State sources	9,099,320.40	50,317.50	-	-	9,149,637.90
Federal sources	1,006,667.81	581,911.81	-	-	1,588,579.62
Non-Revenue sources	24,553.37	-	-	-	24,553.37
Total revenues collected	$ 13,260,016.08	$ 986,347.47	$ 1,224,549.25	$ 18,196.84	$ 15,489,109.64
Expenditures paid:					
Instruction	$ 7,599,255.68	$ -	$ -	$ -	$ 7,599,255.68
Support services	4,937,306.70	79,455.85	-	-	5,016,762.55
Non-instructional services	99,122.92	635,889.80	-	-	735,012.72
Capital outlay	-	-	-	671,874.61	671,874.61
Other outlays	23,553.37	-	-	-	23,553.37
Other uses	-	-	-	-	-
Repayments	-	-	-	-	-
Debt service:					
Principal retirement	18,245.40	211,208.94	1,980,000.00	-	2,209,454.34
Interest	2,528.76	35,087.90	85,515.00	-	123,131.66
Total expenditures paid	$ 12,680,012.83	$ 961,642.49	$ 2,065,515.00	$ 671,874.61	$ 16,379,044.93
Excess of revenues collected over (under) expenditures paid before adjustments to prior year encumbrances	$ 580,003.25	$ 24,704.98	$ (840,965.75)	$ (653,677.77)	$ (889,935.29)
Adjustments to prior year encumbrances	$ 776.95	$ -	$ -	$ -	$ 776.95
Other financing sources (uses):					
Bond sale proceeds	$ -	$ -	$ -	$ 1,698,274.93	$ 1,698,274.93
Operating transfers in/(out)	-	-	-	-	-
Bank charges	-	-	-	-	-
Total other financing sources (uses)	$ -	$ -	$ -	$ 1,698,274.93	$ 1,698,274.93
Excess of revenues collected over (under) expenditures paid and other financing sources (uses)	$ 580,780.20	$ 24,704.98	$ (840,965.75)	$ 1,044,597.16	$ 809,116.59
Fund balances, beginning of year	$ 1,246,119.21	$ 599,921.23	$ 1,187,728.70	$ 37,855.39	$ 3,071,624.53
Fund balances, end of year	$ 1,826,899.41	$ 624,626.21	$ 346,762.95	$ 1,082,452.55	$ 3,880,741.12

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

CHOUTEAU-MAZIE SCHOOL DISTRICT NO. I-32
COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
BUDGETED GOVERNMENTAL FUND TYPES - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund			Special Revenue Fund		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
Revenues collected:						
Local sources	$ 2,200,028.45	$ 2,200,028.45	$ 2,570,522.51	$ 326,839.01	$ 326,839.01	$ 354,118.16
Intermediate sources	540,173.09	540,173.09	558,951.99	-	-	-
State sources	8,473,298.36	8,473,298.36	9,099,320.40	28,674.65	28,674.65	50,317.50
Federal sources	938,473.09	938,473.09	1,006,667.81	467,317.54	600,851.39	581,911.81
Non-Revenue sources	-	-	24,553.37	-	-	-
Total revenues collected	$ 12,151,972.99	$ 12,151,972.99	$ 13,260,016.08	$ 822,831.20	$ 956,365.05	$ 986,347.47
Expenditures paid:						
Instruction	$ 8,317,335.05	$ 8,317,335.05	$ 7,599,255.68	$ -	$ -	$ -
Support services	4,958,080.86	4,958,080.86	4,937,306.70	908,531.28	908,531.28	79,455.85
Non-instructional services	99,122.92	99,122.92	99,122.92	514,221.15	647,755.00	635,889.80
Capital outlay	-	-	-	-	-	-
Other outlays	23,553.37	23,553.37	23,553.37	-	-	-
Other Uses	-	-	-	-	-	-
Repayment	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	18,245.40	-	-	211,208.94
Interest	-	-	2,528.76	-	-	35,087.90
Total expenditures paid	$ 13,398,092.20	$ 13,398,092.20	$ 12,680,012.83	$ 1,422,752.43	$ 1,556,286.28	$ 961,642.49
Excess of revenues collected over (under) expenditures paid before adjustments to prior year encumbrances	$ (1,246,119.21)	$ (1,246,119.21)	$ 580,003.25	$ (599,921.23)	$ (599,921.23)	$ 24,704.98
Adjustments to prior year encumbrances	$ -	$ -	$ 776.95	$ -	$ -	$ -
Other financing sources (uses):						
Operating transfers in/out	$ -	$ -	$ -	$ -	$ -	$ -
Bank Charges	-	-	-	-	-	-
Total other financing sources (uses)	$ -	$ -	$ -	$ -	$ -	$ -
Excess of revenues collected over (under) expenditures paid and other financing sources (uses)	$ (1,246,119.21)	$ (1,246,119.21)	$ 580,780.20	$ (599,921.23)	$ (599,921.23)	$ 24,704.98
Fund balance, beginning of year	$ 1,246,119.21	$ 1,246,119.21	$ 1,246,119.21	$ 599,921.23	$ 599,921.23	$ 599,921.23
Fund balance, end of year	$ -	$ -	$ 1,826,899.41	$ -	$ -	$ 624,626.21

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

NOTES TO THE FINANCIAL STATEMENTS

CHOUTEAU-MAZIE SCHOOL DISTRICT NO. I-32
MAYES COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2025

1. Summary of Significant Accounting Policies

The accompanying financial statements of the Chouteau-Mazie School District No. I-32 (the "District") conform to the regulatory basis of accounting, which is another comprehensive basis of accounting prescribed by the Oklahoma State Department of Education and conforms to the system of accounting authorized by the State of Oklahoma. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America. The District's accounting policies are described in the following notes and are an integral part of the District's financial statements.

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. 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. These statements present only the activities of the District.

B. Measurement Focus

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 an independent accounting entity with a self-balancing set of accounts. The account groups are financial reporting devices designed to provide accountability for certain assets and liabilities that are not recorded directly in the funds.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types." The District has the following fund types and account groups:

Governmental Funds

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 project funds), and the servicing of general long-term debt (debt service funds). Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental type funds are accounted for using the Regulatory (Statutory) basis of accounting. All revenues from all sources, including property taxes, entitlements, grants, and shared revenues are recognized when they are received, rather than earned. Expenditures are generally recognized when encumbered or reserved, rather than at the time the related liability is incurred. Unmatured interest for debt service is recognized when due and certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable, available financial resources. Fiduciary type funds are accounted for using the regulatory basis of accounting. These practices differ from accounting principles generally accepted in the United States of America.

Summary of Significant Accounting Policies (continued)

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 local property taxes and federal and state funding. 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 funds are used for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Building Fund – The building fund consists mainly of monies derived from property taxes levied for the purpose of erecting, remodeling, repairing or maintaining school buildings and for purchasing furniture, equipment and computer software to be used on or for school property, for paying energy and utility costs, for purchasing telecommunications services, for paying fire and casualty insurance premiums for school facilities, for purchasing security systems, and for paying salaries of security personnel.

Child Nutrition Fund – The child nutrition fund consists of revenues from local collections, state, and federal sources used to benefit the food service program.

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 and interest. 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 fund and is used to account for the proceeds of bond sales to be used exclusively for acquiring school sites, constructing and equipping new school facilities, renovating existing facilities, and acquiring transportation equipment.

Fiduciary Funds

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 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.

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, for 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.

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 have the information necessary to include this group in its combined financial statements.

Summary of Significant Accounting Policies (continued)

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.
- Compensated absences are recorded as an expenditure when the obligation is paid.
- Fixed assets are recorded in the General Fixed Asset Account group and not in the basic financial statements. Fixed assets are not depreciated.

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.

D. Budgets and Budgetary Accounting

Prior to July 1 each year, the governing board of the school district prepares a verified application showing the needs of the school district and submits the application to the County Excise Board, who makes temporary appropriations for lawful current expenses of the school district. The temporary appropriations are merged with the annual appropriations when the annual budget for the school district is finally approved.

Prior to October 1 each year, the school Board of Education must make a financial statement, showing the true fiscal condition of the school as of the close of the previous fiscal year ended June 30, along with an itemized statement of estimated needs and probable income from all sources for the fiscal year.

A budget is legally adopted by the Board of Education for the general fund and special revenue fund(s) of the school district.

Encumbrances represent commitments to unperformed contracts for goods or services. Encumbrance accounting – under which purchase orders and other commitments of resources are recorded as expenditures of the applicable fund – is utilized in all governmental funds of the District. Under Oklahoma Law, unencumbered appropriations lapse at the end of the year.

E. Assets, Liabilities and Fund Equity

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 on the aggregation of this data.

Cash – Cash consists of currency and checks on hand, and demand deposit accounts with banks and other financial institutions.

Summary of Significant Accounting Policies (continued)

Investments – State statutes govern the District's investment policy. Permissible investments include direct obligations of the United States Government and Agencies; certificates of deposit of savings and loan associations, and bank and trust companies; and savings accounts or savings certificates of savings and loan associations, and trust companies. Collateral is required for demand deposits and certificates of deposit for all amounts not covered by federal deposit insurance. Investments are stated at cost.

Inventories – Inventories consist of minimal amounts of expendable supplies held for consumption. The value of consumable inventories at year-end is not material to the District's financial statements. The costs of inventories are recorded as expenditures when encumbered and purchased, rather than when consumed.

Compensated Absences – Vested or accumulated vacation leave that is expected to be liquidated with expendable, available financial resources are reported as 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 non-vesting accumulating rights to receive such pay benefits.

Fixed Assets – The District has not maintained a record of its general fixed assets, and, accordingly, a General Fixed Asset Account Group is not included in the financial statements. General fixed assets purchased are recorded as expenditures in the various funds at the time of purchase.

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 are 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.

Cash Fund Balance – Cash fund balance represents the funds not encumbered by purchase order, legal contracts, and outstanding warrants.

F. Revenues, Expenses and Expenditures

Local Revenues – Revenue from local sources is revenue produced within the school district, which includes ad valorem taxes. It is available for current educational expenses and for other purposes authorized by the school board.

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 the tax is due prior to January 1. The second half is due prior to April 1.

If the first payment is not made timely, the entire tax becomes due and payable on January 2. Second half taxes become delinquent on April 1 of the year following the year of assessment. If taxes are delinquent and unpaid for a period of three years or more the real estate may be sold for such taxes.

Intermediate Revenues – Revenue from intermediate sources is revenue from funds collected by an intermediate administrative unit or political sub-division, such as a county or municipality, and redistributed to the school district.

State Revenues – Revenue 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.

Summary of Significant Accounting Policies (continued)

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. 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.

Federal Revenues – Revenue from Federal sources is money originating from the Federal government and made available to the school district either as direct grants or under various programs passed-through the State Department of Education or other state agencies.

The Federal government also makes payments to school districts whose revenues are adversely affected by the presence of Federal activities. Although these payments are made in consideration of lost property tax revenue, the Oklahoma State Department of Education advocates classifying such amounts as revenue from Federal sources.

Instruction Expenditures – Instruction expenditures include the activities dealing directly with the interaction between teachers and students. Teaching may be provided for students in a school classroom, in another location, such as a home or hospital, and in other learning situations, such as those involving co-curricular activities. It may also be provided through some other approved medium, such as television, radio, telephone and correspondence. Examples of expenditures that might be included here are the activities of teacher assistants of any type (clerks, graders, teaching machines, etc.), which assist in the instructional process. The activities of tutors, translators, and interpreters would be recorded here. Department chairpersons who teach for any portion of time are included here. Tuition/transfer fees paid to other LEAs would be included here.

Support Services Expenditures – Support services expenditures provide administrative, technical (such as guidance and health) and logistical support to facilitate and enhance instruction. These services exist as adjuncts for fulfilling the objective of instruction, community services and enterprise programs, rather than as entitles within them.

Operation of Non-Instructional Services Expenditures – Activities concerned with providing non-instructional services to students, staff, and the community.

Facilities Acquisition and Construction Services Expenditures – Consist of activities involved with the acquisition of land and buildings; remodeling buildings; the construction of buildings and additions to buildings; initial installation or extension of service systems and other built-in equipment; and improvement to sites.

Other Outlays Expenditures – A number of outlays of governmental funds are not properly classified as expenditures, but still require budgetary or accounting control. These are classified as Other Outlays. These include debt service payments (principal and interest).

Other Uses Expenditures – This includes scholarships provided by private gifts and endowments; student aid and staff awards supported by outside revenue sources (i.e., foundations). Also, expenditures for self-funded employee benefit programs administered either by the District or a third party administrator.

Repayment Expenditures – Repayment expenditures represent checks/warrants issued to outside agencies for refund or restricted revenue previously received for overpayments, non-qualified expenditures, and other refunds to be repaid from District funds.

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 and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers.

Budgetary Information

Under current Oklahoma Statutes, a formal Estimate of Needs (Budget) is required for all General and Special Revenue 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. The annual Estimate of Needs, when approved by the Board and subsequently filed with the County Clerk and approved by the County Excise Board, becomes the legal budget. Supplemental appropriations, if required, were made during the year and are reflected on the budget vs. actual presentations shown included in supporting schedules.

2. Deposit Categories of Credit Risk

Collateral is required for demand deposits and certificates of deposit for all amounts not covered by federal deposit insurance. The District's investment policies are governed by state statute. Permissible investments include:

1. Direct obligations of the United States Government to the payment of which the full faith and credit of the government is pledged.

2. Obligations to the payment of which the full faith and credit of the state is pledged.

3. Certificates of deposits of banks when such certificates of deposits are secured by acceptable collateral as in the deposit of other public monies.

4. Savings accounts or savings certificates of savings and loan associations to the extent that such accounts or certificates are fully insured by the Federal Savings and Loan Insurance Corporation.

5. Repurchase agreements that have underlying collateral consisting of those items specified in paragraphs 1 and 2 of this section including obligations of the United States, its agencies and instrumentalities, and where collateral has been deposited with a trustee of custodian bank in an irrevocable trust or escrow account established for such purposes.

6. County, municipal or school district direct debt obligations for which an ad valorem tax may be levied or bond and revenue anticipation notes, money judgments against such county, municipality or school district ordered by a court of record or bonds or bond and revenue anticipation notes issued by a public trust for which such county, municipality or school district is a beneficiary thereof. All collateral pledged to secure public funds shall be valued at no more than market value.

7. Money market mutual funds regulated by the Securities and Exchange Commission and which investments consist of obligations of the United States, its agencies and instrumentalities, and investments in those items listed above.

Deposit Categories of Credit Risk (continued)

8. Warrants, bonds or judgments of the school district

9. Qualified pooled investment programs, the investments of which consist of those items specified above, as well as obligations of the United States agencies and instrumentalities, regardless of the size of the district's budget. To be qualified, a pooled investment program for school funds must be governed through an Interlocal cooperative agreement formed pursuant to Title 70 Section 5-117b, and the program must competitively select its investment advisors and other professionals. Any pooled investment program must be approved by the Board of Education.

The District's investment policy instructs the treasurer to minimize risks by diversifying the investment portfolio, structuring investments so that securities mature in time to meet cash requirements, and by investing the full amount of all accounts of the District.

Custodial Credit Risk:

Deposits and Investments - The District's demand deposits are required by law to be collateralized by the amount that is not federally insured.

Securities pledged as collateral are held by a third party or Federal Reserve Bank. Joint custody safekeeping receipts are held in the name of the depositing institution but are pledged to the District. The security cannot be released, substituted, or sold without the School Treasurer's approval and release of the security.

Certificates of deposit are collateralized at least by the amount not federally insured. As of June 30, 2025, the District had no deposits exposed to custodial credit risk.

Interest Rate Risk:

Investments are made based upon prevailing market conditions at the time of the transaction with the intent to hold the instrument until maturity. However, the District has no formal written policy addressing interest rate risk.

Credit Risk:

The District has no formal written policy addressing credit risk.

At June 30, 2025, the District has no investments.

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 payable. Debt service requirements for bonds are payable solely from fund balance and future revenues of the debt service fund. Capital lease payments are made from the District's General, Building, and Capital Project Funds.

General Obligation Bonds

A brief description of the outstanding general obligation bond issues at June 30, 2025, is set forth below:

		Amount Outstanding
School District No. I-32 Building Bonds, Series 2020, original issue $1,950,000.00, interest rate of 2.00% first installment of $240,000.00 due on February 1, 2022, annual installments of $285,000.00 due thereafter, and final payment of $285,000.00 due on February 1, 2028.	$	855,000.00
School District No. I-32 Building Bonds, Series 2024, original issue $1,730,000.00, average interest rate of 5.275% first installment of $815,000.00 due July 1, 2026, final payment of $915,000.00 due July 1, 2027.		1,730,000.00
Total Bonds Outstanding	$	2,585,000.00

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

Year ending June 30,	Principal	Interest	Total
2026	$ 285,000.00	$ 108,132.50	$ 393,132.50
2027	1,100,000.00	102,432.50	1,202,432.50
2028	1,200,000.00	51,907.50	1,251,907.50
Total	$ 2,585,000.00	$ 262,472.50	$ 2,847,472.50

General Long-Term Debt (continued)

The District's lease-purchase commitments include property financed through a technique referred to as "conduit financing". Conduit financing involves the use of a public trust, which issues conduit debt obligations (limited-obligations revenue bonds, certificates of participation, or similar debt instruments) for the express purpose of providing capital financing for a specific third party (The School District) that is not part of the issuer's financial reporting entity. The public trust has no obligation for such debt beyond the resources provided by a lease or loan with the third party (School District) on whose behalf the debt is issued.

The District entered into a Ground Lease Agreement with Chouteau Educational Facilities Authority on September 1, 2024 for certain real property owned by the District. The Ground Lease Agreement extends to September 1, 2034, and rent was prepaid in an amount equal to ten dollars ($10) and other equitable considerations. The Ground Lease Agreement was made to facilitate the issuance of $9,395,000 in revenue bonds by the Authority to provide funds to construct and equip buildings.

The District entered into a Lease Purchase Agreement with Chouteau Educational Facilities Authority on September 1, 2024, wherein the real property subject to the Ground Lease mentioned in the previous paragraph is subleased to the District to enable the District to utilize proceeds of the $9,395,000 revenue bonds issued by the Authority for the construction of the real property and to provide a method for the District to obtain title to the property.

The proceeds of the revenue bonds were deposited into an escrow fund with Bank of Oklahoma for the benefit of the Chouteau Educational Facilities Authority subject to disbursement in accordance with the agreement. The School District submits written requisitions to the escrow agent for disbursement of funds and the escrow agent disburses funds directly to vendors or contractors as permitted under the Bond Indenture.

At June 30, 2025, the escrow agent held the following amounts on behalf of the Chouteau-Mazie Public School:

2024 Improvement Fund	$8,655,954.53
2024 Debt Service Fund	$ 404,237.87
2024 Working Capital Fund	$ 3,606.45

The following schedule reflects future principal and interest payments required under the lease-purchase agreement:

Year ending June 30,	Principal	Interest	Total
2026	$ -	$ 371,624.00	$ 371,624.00
2027	1,735,000.00	375,800.00	2,110,800.00
2028	-	306,400.00	306,400.00
2029	1,885,000.00	306,400.00	2,191,400.00
2030	-	231,000.00	231,000.00
2031	2,050,000.00	231,000.00	2,281,000.00
2032	-	149,000.00	149,000.00
2033	2,230,000.00	149,000.00	2,379,000.00
2034	-	59,800.00	59,800.00
2035	1,495,000.00	59,800.00	1,554,800.00
Totals	$ 9,395,000.00	$ 2,239,824.00	$ 11,634,824.00

General Long-Term Debt (continued)

The District has other lease-purchase agreements for athletic lighting, an ag truck and real property outstanding at June 30, 2025. The following schedule reflects future lease-purchase payments due under those agreements:

Year ending June 30,	Principal	Interest	Total
2026	$ 288,981.72	$ 41,940.88	$ 330,922.60
2027	291,986.86	28,961.00	320,947.86
2028	149,863.96	16,368.73	166,232.69
2029	96,334.34	8,394.12	104,728.46
2030	60,678.69	3,172.91	63,851.60
Total	$ 887,845.57	$ 98,837.64	$ 986,683.21

The above leases contain a clause that gives the District the ability to terminate the lease agreements at the end of each fiscal year. The District has recorded the liability for future lease payments in the General Long-Term Account Group. The lease payments are appropriated annually from school district funds.

The following is a summary of the long-term debt transactions of the District for the year ended June 30, 2025:

	Bonds Payable	Lease Payable	Total
Balance, July 1, 2024	$ 2,835,000.00	$ 842,618.43	$ 3,677,618.43
Additions	1,730,000.00	9,669,681.48	11,399,681.48
Retirements	1,980,000.00	229,454.34	2,209,454.34
Balance, June 30, 2025	$ 2,585,000.00	$ 10,282,845.57	$ 12,867,845.57

The School District also has operating leases for copy machines and buses. Neither the buses nor the copiers become the property of the District.

4. Employee Retirement System

Description of Plan

The District participates in the state-administered Oklahoma Teachers' Retirement System, which is a cost sharing, multiple-employer defined benefit public employee retirement system (PERS), which is administered by the Board of Trustees of the Oklahoma Teachers' Retirement System (the "System"). The System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Title 70 Section 17 of the Oklahoma Statutes establishes benefit provisions and may be amended only through legislative action.

The Oklahoma Teachers' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Oklahoma Teachers' Retirement System, P.O. Box 53624, Oklahoma District, OK 73152 or by calling 405-521- 2387.

Basis of Accounting

The System's financial statements are prepared using the cash basis of accounting, except for accruals of interest income. Plan member contributions are recognized in the period in which the contributions are made. Benefits and refunds are recognized when paid. The pension benefit obligation is a standardized disclosure measure of the present value of pension benefits. This pension valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of employee services performed to date and is adjusted for the effect of projected salary increases. There are no actuarial valuations performed on individual school districts. The System has an under-funded pension benefit obligation as determined as part of the latest actuarial valuation.

Funding Policy

The District, the State of Oklahoma, and the participating employees make contributions. The contribution rates for the District and its employees are established by and may be amended by Oklahoma Statutes. The rates are not actuarially determined. The rates are applied to the employee's earnings plus employer-paid fringe benefits. The required contribution for the participating members is 7.0% of compensation. Additionally, OTRS receives "federal matching contributions" for positions whose funding comes from federal sources or certain grants. The District and State are required to contribute 14.0% of applicable compensation. Contributions received by the System from the State of Oklahoma are from 3.54% of its revenues from sales tax use taxes, corporate income taxes and individual income taxes. The District contributed 9.5% and the State of Oklahoma plus the federal contribution contributed the remaining 4.5% during this year. The District is allowed by the Oklahoma Teachers' Retirement System to make the required contributions on behalf of the participating members. The school is required to pay 16.5% for any compensated retired teachers already receiving retirement benefits.

Annual Pension Cost

The District's total contribution for 2025, 2024, and 2023 were $1,072,481.62, $1,087,519.95, and $1,002,254.42, respectively. The District's total payroll for fiscal year 2024-2025 amounted to $7,481,495.28.

GASB Statement 68 became effective for fiscal years beginning after June 15, 2014, and significantly changes pension accounting and financial reporting for governmental employers who participate in a pension plan, such as the System, and who prepare published financial statements on an accrual basis using Generally Accepted Accounting Principles. Since the District does not prepare and present their financial statements on an accrual basis, the net pension amount is not required to be presented on the audited financial statements.

5. Litigation

The District is contingently liable for lawsuits and other claims in the ordinary course of its operations. The settlement of such contingencies under the budgetary process would require appropriation of revenues yet to be realized, and would not materially affect the financial position of the District at June 30, 2025.

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 officials liability. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

The School also participates in a risk pool for Workers' Compensation coverage in which there is 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 for three years, it is returned to them with no interest.

The District participates in the Oklahoma Public Schools Unemployment Compensation Account under the sponsorship of the Oklahoma State School Boards Association and the cooperative council for Oklahoma School Administration. The account was established to let school districts self-insure unemployment benefits for school employees. The funds are held in the name of each school district as reserves to pay unemployment claims. Each school district is individually liable for that portion of the benefits paid from the fund attributable to wages paid by the school district in the same manner as if no group account had been established. The reserve funds may be withdrawn from the account upon request of the school district. At June 30, 2025, the Chouteau-Mazie School District had reserves on deposit with the Oklahoma Public Schools Unemployment Compensation Accounting totaling $9,779.75. This amount has not been included in the District's balance sheet at June 30, 2025.

7. Surety Bonds

The District has a Public Official Schedule Bond with Old Republic Surety Company. The bond number is POB2102970, for the penal sums of $100,000.00 for the treasurer, $100,000.00 for the Superintendent and $1,000.00 each for several positions including: activity fund custodian, encumbrance clerk, cafeteria manager, elementary principal and minutes clerk. The term begins November 12, 2024, through November 12, 2025. This is a renewal of a continuous bond.

SUPPLEMENTARY INFORMATION

CHOUTEAU-MAZIE SCHOOL DISTRICT NO. I-32
COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
ALL SPECIAL REVENUE FUNDS - REGULATORY BASIS
JUNE 30, 2025

	Building Fund	Child Nutrition Fund	Total June 30, 2025
ASSETS:			
Cash	$ 630,004.53	$ (644.56)	$ 629,359.97
Investments	-	-	-
Total assets	$ 630,004.53	$ (644.56)	$ 629,359.97
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Outstanding warrants	$ 850.00	$ 3,883.76	$ 4,733.76
Encumbrances	-	-	-
Total liabilities	$ 850.00	$ 3,883.76	$ 4,733.76
Fund balances:			
Cash fund balances	$ 629,154.53	$ (4,528.32)	$ 624,626.21
Total fund balances	$ 629,154.53	$ (4,528.32)	$ 624,626.21
Total liabilities and fund balances	$ 630,004.53	$ (644.56)	$ 629,359.97

CHOUTEAU-MAZIE SCHOOL DISTRICT NO. I-32
COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2025

	Building Fund	Child Nutrition Fund	Total June 30, 2025
Revenues collected:			
Local sources	$ 342,108.20	$ 12,009.96	$ 354,118.16
Intermediate sources	-	-	-
State sources	18,383.33	31,934.17	50,317.50
Federal sources	-	581,911.81	581,911.81
Non-Revenue Receipts	-	-	-
Total revenue collected	$ 360,491.53	$ 625,855.94	$ 986,347.47
Expenditures paid:			
Instruction	$ -	$ -	$ -
Support services	79,455.85	-	79,455.85
Non-instructional services	-	635,889.80	635,889.80
Capital outlay	-	-	-
Other outlays	-	-	-
Other uses	-	-	-
Repayments	-	-	-
Debt service:			
Principal retirement	211,208.94	-	211,208.94
Interest	35,087.90	-	35,087.90
Total expenditures paid	$ 325,752.69	$ 635,889.80	$ 961,642.49
Excess of revenues collected over (under) expenditures paid before adjustments to prior year encumbrances	$ 34,738.84	$ (10,033.86)	$ 24,704.98
Adjustments to prior year encumbrances	$ -	$ -	$ -
Other financing sources (uses):			
Operating transfers in/(out)	$ -	$ -	$ -
Bank charges	-	-	-
Total other financing sources (uses)	$ -	$ -	$ -
Excess of revenues collected over (under) expenditures and other financing sources (uses)	$ 34,738.84	$ (10,033.86)	$ 24,704.98
Fund balances, beginning of year	$ 594,415.69	$ 5,505.54	$ 599,921.23
Fund balances, end of year	$ 629,154.53	$ (4,528.32)	$ 624,626.21

CHOUTEAU-MAZIE SCHOOL DISTRICT NO. I-32
COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
CAPITAL PROJECT FUNDS - REGULATORY BASIS
JUNE 30, 2025

	Bond Fund 36	Bond Fund 38	Bond Fund 39	Total
ASSETS				
Assets:				
Cash	$ -	$ -	$ 1,094,602.55	$ 1,094,602.55
Investments	-	-	-	-
Total assets	$ -	$ -	$ 1,094,602.55	$ 1,094,602.55
LIABILITIES AND FUND BALANCES				
Liabilities:				
Outstanding warrants	$ -	$ -	$ 12,150.00	$ 12,150.00
Encumbrances	-	-	-	-
Total liabilities	$ -	$ -	$ 12,150.00	$ 12,150.00
Fund balances:				
Designated for capital projects	$ -	$ -	$ 1,082,452.55	$ 1,082,452.55
Undesignated	-	-	-	-
Total fund balances	$ -	$ -	$ 1,082,452.55	$ 1,082,452.55
Total liabilities and fund balances	$ -	$ -	$ 1,094,602.55	$ 1,094,602.55

CHOUTEAU-MAZIE SCHOOL DISTRICT NO. I-32
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECT FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2025

	Bond 36	Bond 38	Bond 39	Total
Revenues collected:				
Local sources	$ -	$ -	$ 18,196.84	$ 18,196.84
Intermediate sources	-	-	-	-
State sources	-	-	-	-
Federal sources	-	-	-	-
Non-Revenue sources	-	-	-	-
Total revenues collected	$ -	$ -	$ 18,196.84	$ 18,196.84
Expenditures paid:				
Instruction	$ -	$ -	$ -	$ -
Support services	-	-	-	-
Non-instructional services	-	-	-	-
Capital outlays	460.00	2,781.15	668,633.46	671,874.61
Other outlays	-	-	-	-
Repayments	-	-	-	-
Debt Service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Total expenditures paid	$ 460.00	$ 2,781.15	$ 668,633.46	$ 671,874.61
Excess of revenues collected over (under) expenditures	$ (460.00)	$ (2,781.15)	$ (650,436.62)	$ (653,677.77)
Adjustments to prior year encumbrances	$ -	$ -	$ -	$ -
Other financing sources (uses):				
Bond sale proceeds	$ -	$ -	$ 1,698,274.93	$ 1,698,274.93
Operating transfers in/(out)	-	-	-	-
Bank charges	-	-	-	-
Total other financing sources (uses)	$ -	$ -	$ 1,698,274.93	$ 1,698,274.93
Excess of revenues collected over (under) expenditures and other financing sources (uses)	$ (460.00)	$ (2,781.15)	$ 1,047,838.31	$ 1,044,597.16
Fund balances, beginning of year	$ 460.00	$ 2,781.15	$ 34,614.24	$ 37,855.39
Fund balances, end of year	$ -	$ -	$ 1,082,452.55	$ 1,082,452.55

CHOUTEAU-MAZIE SCHOOL DISTRICT NO. I-32
COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
FIDUCIARY FUND - REGULATORY BASIS
JUNE 30, 2025

	Agency Fund
	Activity Fund
ASSETS:	
Cash	$ 328,992.39
Investments	-
Total assets	$ 328,992.39
LIABILITIES AND FUND BALANCES:	
Liabilities:	
Outstanding warrants	$ 18,583.54
Encumbrances	-
Total liabilities	$ 18,583.54
Fund balances:	
Cash fund balances	$ 310,408.85
Total fund balances	$ 310,408.85
Total liabilities and fund balances	$ 328,992.39

CHOUTEAU-MAZIE SCHOOL DISTRICT NO. I-32
BUDGETARY COMPARISON SCHEDULE - REGULATORY BASIS
BUILDING FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues collected:				
Local sources	$ 314,115.59	$ 314,115.59	$ 342,108.20	$ 27,992.61
Intermediate sources	-	-	-	-
State sources	-	-	18,383.33	18,383.33
Federal sources	-	-	-	-
Total revenues collected	$ 314,115.59	$ 314,115.59	$ 360,491.53	$ 46,375.94
Expenditures paid:				
Instruction	$ -	$ -	$ -	$ -
Support services	908,531.28	908,531.28	79,455.85	829,075.43
Non-instructional services	-	-	-	-
Capital outlay	-	-	-	-
Other Outlays	-	-	-	-
Other Uses	-	-	-	-
Repayment				
Principal	-	-	211,208.94	(211,208.94)
Interest	-	-	35,087.90	(35,087.90)
Total expenditures	$ 908,531.28	$ 908,531.28	$ 325,752.69	$ 582,778.59
Excess of revenues collected over (under) expenditures paid before adjustments to prior year encumbrances	$ (594,415.69)	$ (594,415.69)	$ 34,738.84	$ 629,154.53
Adjustments to prior year encumbrances	$ -	$ -	$ -	$ -
Other financing sources (uses):				
Operating transfers in/out	$ -	$ -	$ -	$ -
Bank charges	-	-	-	-
Total other financing sources (uses)	$ -	$ -	$ -	$ -
Excess of revenues collected over (under) expenditures paid and other financing sources (uses)	$ (594,415.69)	$ (594,415.69)	$ 34,738.84	$ 629,154.53
Fund balances, beginning of year	$ 594,415.69	$ 594,415.69	$ 594,415.69	$ -
Fund balance, end of year	$ -	$ -	$ 629,154.53	$ 629,154.53

CHOUTEAU-MAZIE SCHOOL DISTRICT NO. I-32
BUDGETARY COMPARISON SCHEDULE - REGULATORY BASIS
CHILD NUTRITION FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues collected:				
Local sources	$ 12,723.42	$ 12,723.42	$ 12,009.96	$ (713.46)
Intermediate sources	-	-	-	-
State sources	28,674.65	28,674.65	31,934.17	3,259.52
Federal sources	467,317.54	600,851.39	581,911.81	(18,939.58)
Total revenues collected	$ 508,715.61	$ 642,249.46	$ 625,855.94	$ (16,393.52)
Expenditures paid:				
Instruction	$ -	$ -	$ -	$ -
Support services	-	-	-	-
Non-instructional services	514,221.15	647,755.00	635,889.80	11,865.20
Capital outlay	-	-	-	-
Other Outlays	-	-	-	-
Other Uses	-	-	-	-
Repayment	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Total expenditures	$ 514,221.15	$ 647,755.00	$ 635,889.80	$ 11,865.20
Excess of revenues collected over (under) expenditures paid before adjustments to prior year encumbrances	$ (5,505.54)	$ (5,505.54)	$ (10,033.86)	$ (4,528.32)
Adjustments to prior year encumbrances	$ -	$ -	$ -	$ -
Other financing sources (uses):				
Operating transfers in/out	$ -	$ -	$ -	$ -
Bank charges	-	-	-	-
Total other financing sources (uses)	$ -	$ -	$ -	$ -
Excess of revenues collected over (under) expenditures paid and other financing sources (uses)	$ (5,505.54)	$ (5,505.54)	$ (10,033.86)	$ (4,528.32)
Fund balances, beginning of year	$ 5,505.54	$ 5,505.54	$ 5,505.54	$ -
Fund balance, end of year	$ -	$ -	$ (4,528.32)	$ (4,528.32)

CHOUTEAU-MAZIE SCHOOL DISTRICT NO. I-32
SCHEDULE OF FEDERAL AWARDS EXPENDED
FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Grantor's Number	Balance at July 1, 2024	Receipts	Transfers	Expenditures	Balance at June 30, 2025
U.S. Department of Education							
Direct Programs:							
Title VI-Indian Education	84.060A	S060A242242	$ -	$ 72,427.00	$ -	$ 72,427.00	$ -
US Dept. of Education Direct Subtotal			$ -	$ 72,427.00	$ -	$ 72,427.00	$ -
Passed-Through State Department of Education:							
Title I, Basic	84.010	N/A	$ -	$ 376,770.77	$ 45,728.91	$ 443,576.21	$ (21,076.53)
Title II, Part A Teacher & Principal Training	84.367	N/A	-	45,728.91	(45,728.91)	-	-
Title IV Student Support	84.424A	N/A	-	16,201.57	-	16,201.57	-
Title V. Rural and Low Income	84.358	N/A	-	20,718.98	-	20,718.98	-
Tital IX Homeless Children	84.196	N/A	(4,516.90)	22,778.31	-	30,515.06	(12,253.65)
* ESSER III American Rescue Plan	84.425U	N/A	(24,482.94)	231,284.91	-	206,801.97	-
* ESSER III American Rescue Plan-Homeless	84.425U	N/A	-	17,544.69	-	17,544.69	-
Subtotal			$ (28,999.84)	$ 731,028.14	$ -	$ 735,358.48	$ (33,330.18)
Special Education Cluster							
IDEA-B Flow Through	84.027	N/A	$ -	$ 186,432.82	$ -	$ 186,432.82	$ -
Preschool	84.173	N/A	-	3,927.40	-	3,927.40	-
Special Education Cluster Subtotal			$ -	$ 190,360.22	$ -	$ 190,360.22	$ -
Subtotal Passed Through State Department of Education			$ (28,999.84)	$ 921,388.36	$ -	$ 925,718.70	$ (33,330.18)
U. S. Department of Health and Human Services							
Passed-Through Department of Rehabilitation							
OJT - Rehabilitation	84.126	N/A	$ -	$ 6,505.07	$ -	$ 6,505.07	$ -
Subtotal Pass through State Department of Health & Human Services			$ -	$ 6,505.07	$ -	$ 6,505.07	$ -

(continued)

The accompanying notes are an integral part of this schedule

CHOUTEAU-MAZIE SCHOOL DISTRICT NO. I-32
SCHEDULE OF FEDERAL AWARDS EXPENDED
FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Grantor's Number	Balance at July 1, 2024	Receipts	Transfers	Expenditures	Balance at June 30, 2025
U. S. Department of Agriculture							
Passed-Through State Department of Education:							
* *Child Nutrition Cluster*							
Non-Cash Assistance (Commodities):							
National School Lunch Program	10.555	N/A	$ -	$ 45,697.61	$ -	$ 45,697.61	$ -
Non-Cash Assistance Subtotal			$ -	$ 45,697.61	$ -	$ 45,697.61	$ -
National School Lunch Program	10.555	N/A	$ 180,475.94	$ 384,697.68	$ -	$ 384,599.76	$ 180,573.86
School Breakfast Program	10.553	N/A	30,304.21	197,312.05	-	197,311.95	30,304.31
Subtotal Child Nutrition Cluster			$ 210,780.15	$ 627,707.34	$ -	$ 627,609.32	$ 210,878.17
Subtotal Passed Through the State Department of Education			$ 210,780.15	$ 627,707.34	$ -	$ 627,609.32	$ 210,878.17
Other Federal Assistance							
Passed Through The Cherokee Nation							
Johnson O'Malley	15.130	N/A	$ (3,961.34)	$ 3,961.34	$ -	$ 4,076.87	$ (4,076.87)
Subtotal			$ (3,961.34)	$ 3,961.34	$ -	$ 4,076.87	$ (4,076.87)
Passed Through The Mayes County							
Flood Control	12.112	N/A	$ 1,644.86	$ 2,288.12	$ -	$ 2,288.12	$ 1,644.86
Subtotal Pass through Mayes County			$ 1,644.86	$ 2,288.12	$ -	$ 2,288.12	$ 1,644.86
TOTAL FEDERAL ASSISTANCE			$ 179,463.83	$ 1,634,277.23	$ -	$ 1,638,625.08	$ 175,115.98

* Major program

The accompanying notes are an integral part of this schedule

CHOUTEAU-MAZIE SCHOOL DISTRICT NO. I-32
MAYES COUNTY, OKLAHOMA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

A. 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, 2025. The information in this Schedule is presented in accordance with the requirements of The Oklahoma State Department of Education. 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 assets, or cash flows of the school.

B. Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the regulatory basis of accounting consistent with the preparation of the combined financial states except for non-monetary assistance noted in Note C. The School has elected not to use the 10% de minimis indirect cost rate. None of the federal programs include any loan programs.

C. Food Distribution

Non-monetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed.

CHOUTEAU-MAZIE SCHOOL DISTRICT NO. I-32
SCHOOL ACTIVITY FUND
RECEIPTS, TRANSFERS, DISBURSEMENTS AND SUB-ACCOUNT BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

Activities	Balance 7-1-24	Deposited	Net Transfers/ Adjustments	Disbursed	Balance 6-30-25
District Quiz Bowl	$ 80.00	$ -	$ -	$ -	$ 80.00
Yearbook	13,109.11	7,734.26	-	13,327.30	7,516.07
Athletics	7,046.10	66,097.44	-	59,471.61	13,671.93
Band	207.00	-	-	151.73	55.27
Junior Class	4,267.01	5,384.01	-	2,595.90	7,055.12
Liggins Scholarship	5,262.74	-	-	-	5,262.74
H.L. Burton Scholarship	498.22	-	-	-	498.22
Elementary	5,079.64	7,822.27	-	5,926.56	6,975.35
FFA	84,532.30	83,142.48	-	116,590.68	51,084.10
Administration Activity	6,428.23	7,913.68	-	3,332.30	11,009.61
High School Art	1,474.80	-	-	-	1,474.80
HS Library	1,010.19	75.00	-	677.05	408.14
Mazie	6,131.36	20,042.52	-	24,178.41	1,995.47
Middle School	690.08	1,520.74	-	1,870.97	339.85
Vocal Music	364.22	-	-	-	364.22
Middle School Student Council	2,838.81	8,134.58	-	8,364.05	2,609.34
High School	752.49	2,577.82	-	2,165.61	1,164.70
MS Stem Lab	1,308.12	2,052.25	-	1,325.78	2,034.59
Spanish Club	3,574.01	-	-	-	3,574.01
Wildcat Food Program	1.57	4,577.60	-	1,765.28	2,813.89
HS Student Council	494.98	79.08	-	58.95	515.11
FCA	21.69	-	-	-	21.69
Elementary Library	4,219.08	2,796.36	-	3,419.03	3,596.41
ECC Library	1,496.53	1,596.52	-	1,596.52	1,496.53
Early Childhood Activity	21,745.30	14,202.81	-	21,442.35	14,505.76
Flower Account	765.83	498.00	-	155.00	1,108.83
HS National Honor Society	789.26	60.00	-	421.99	427.27
Athletic Booster Club	21,110.28	70,704.02	-	78,554.00	13,260.30
Band/Music Booster Club	2,126.95	29,817.62	-	28,068.87	3,875.70
Senior Class	865.20	3,281.00	-	2,707.50	1,438.70
Chouteau PTO	487.86	-	-	-	487.86
Class Grants	1,380.30	11,216.17	-	11,589.31	1,007.16
Outdoor Education	33,024.16	47,992.00	-	40,749.59	40,266.57
Special Olympics	5,262.87	-	-	-	5,262.87
Football	6,627.72	7,273.13	-	8,073.25	5,827.60
Boys Basketball	1,488.23	9,821.05	-	7,165.50	4,143.78

(continued)

CHOUTEAU-MAZIE SCHOOL DISTRICT NO. I-32
SCHOOL ACTIVITY FUND
RECEIPTS, TRANSFERS, DISBURSEMENTS AND SUB-ACCOUNT BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

Activities	Balance 7-1-24	Deposited	Net Transfers/ Adjustments	Disbursed	Balance 6-30-25
Girls Basketball	3,587.10	20,023.50	-	18,383.78	5,226.82
Little League Football	90.49	-	-	-	90.49
MS Library	157.13	3,656.81	-	3,723.76	90.18
Boys Baseball	1,963.91	4,960.90	-	3,918.89	3,005.92
HS Cheerleading	624.47	1,405.00	-	1,706.50	322.97
MS Cheerleading	865.21	2,879.48	-	3,323.83	420.86
Boys Track	259.27	-	-	-	259.27
Girls Track	859.70	3,276.25	-	2,582.29	1,553.66
Volleyball	1,661.72	9,837.25	-	9,752.09	1,746.88
Fastpitch Softball	2,425.42	3,923.50	-	3,646.00	2,702.92
FFA Booster Club	11,345.19	-	-	-	11,345.19
Colorgaurd	26.04	-	-	-	26.04
Basketball Florida Trip	200.53	-	-	-	200.53
Coaches VS Cancer	1,025.33	-	-	-	1,025.33
BPA	540.80	401.00	-	304.39	637.41
TSA High School	88.57	20.00	-	-	108.57
Chouteau Little League	28,275.23	26,213.40	-	23,983.44	30,505.19
HS Special Education Program	1,352.43	622.70	-	473.57	1,501.56
Mazie PTO	18,204.17	31,600.84	-	26,226.46	23,578.55
MS Photography	121.01	-	-	-	121.01
Elem Student Leaders	2,442.76	-	-	-	2,442.76
HS Speech & Debate	22.50	-	-	-	22.50
Europe Trip	89.60	-	-	-	89.60
4H Booster Club	157.00	-	-	-	157.00
Drama Account	889.36	-	-	-	889.36
Crosscountry	1,065.95	169.57	-	407.60	827.92
High School Robotics	1,837.08	9,528.65	-	9,005.28	2,360.45
Elementary Sunshine Fund	270.00	-	-	-	270.00
Wildcat Fund	69.04	1,450.00	-	422.69	1,096.35
Food Clean-Up Expense	554.00	-	-	-	554.00
Total	$ 327,633.25	$ 536,381.26	$ -	$ 553,605.66	$ 310,408.85

REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Patten & Odom, CPAs, PLLC

2101 N. Willow Ave.
Broken Arrow, OK 74012
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Board of Education
Chouteau-Mazie School District No. I-32
Mayes 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 Chouteau-Mazie School District No. I-32 , Mayes County, Oklahoma (District), as listed in the Table of Contents, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated January 12, 2026, which 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.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. 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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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*. We noted certain immaterial instances of noncompliance that we have reported to management in the "Schedule of Comments" on pages 38 & 39 of this report.

Purpose of this Report

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.

Patten & Odom, CPAs

Patten & Odom, CPAs, PLLC
Broken Arrow, Oklahoma
January 12, 2026

Patten & Odom, CPAs, PLLC
2101 N. Willow Ave.
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

January 12, 2026

The Honorable Board of Education
Chouteau-Mazie School District No. I-32
Mayes County, Oklahoma

Opinion of Each Major Federal Program

We have audited Chouteau-Mazie School District No. I-32, Mayes County, Oklahoma (District's) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Chouteau-Mazie School District No. I-32, Mayes 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, 2025.

Basis of Opinion on Each Major Federal Program

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). Our responsibilities under those standards and Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Chouteau-Mazie School District No. I-32, Mayes County, Oklahoma and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination Chouteau-Mazie School District No. I-32, Mayes County, Oklahoma's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Chouteau-Mazie School District No. I-32, Mayes County, Oklahoma's federal programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Chouteau-Mazie School District No. I-32, Mayes County, Oklahoma's compliance based on our audit. 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, *Government Auditing Standards,* and the Uniform Guidance will always detect material noncompliance with it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material is there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Chouteau-Mazie School District No. I-32, Mayes County, Oklahoma's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Governmental Auditing Standards,* and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, 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 Chouteau-Mazie School District No. I-32, Mayes County, Oklahoma's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Chouteau-Mazie School District No. I-32, Mayes County, Oklahoma's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Chouteau-Mazie School District No. I-32, Mayes County, Oklahoma's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibility for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Patten & Odom, CPAs

Patten & Odom, CPAs, PLLC
Broken Arrow, Oklahoma
January 12, 2026

CHOUTEAU-MAZIE SCHOOL DISTRICT NO. I-32
MAYES COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an adverse opinion on the combined financial statements in conformity with generally accepted accounting principles and a qualified opinion for the omission of the general fixed asset account group on the combined financial statements in conformity with a regulatory basis of accounting prescribed by the Oklahoma Department of Education.

2. There were no audit findings reported of deficiencies in internal control, which the auditor considers to be "significant deficiencies" as defined in A.I.C.P.A. standards.

3. No instances of noncompliance material to the financial statements of Chouteau-Mazie School District which would be required to be reported in accordance with Government Auditing Standards were disclosed during the audit.

4. There were no audit findings reported of deficiencies in internal control over major programs, which the auditor considers to be "significant deficiencies" as defined by A.I.C.P.A. standards.

5. The auditor's report on compliance for the major federal award programs for Chouteau-Mazie School District expresses an unmodified opinion.

6. There were no audit findings relative to major federal award programs for Chouteau-Maziel School District that were required to be reported by Uniform Guidance.

7. The programs tested as major programs included: ESSER III, AMERICAN RESCUE PLAN & ESSER III American Rescue Plan-Homeless (84.425U); Child Nutrition Cluster (10.553 & 10.555).

8. A threshold for distinguishing Types A and B programs was $750,000.00.

9. Chouteau-Mazie School District did not qualify a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

1. No matters were reported.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

1. No matters were reported

CHOUTEAU-MAZIE SCHOOL DISTRICT NO. I-32
MAYES COUNTY, OKLAHOMA
SUMMARY OF PRIOR AUDIT FINDINGS
JULY 1, 2024, TO JUNE 30, 2025

The summary of prior audit findings is required to report the status of all audit findings reported in the prior audit's schedule of findings and questioned costs relative to federal awards.

The school district had no prior year audit findings relative to federal award programs.

CHOUTEAU-MAZIE SCHOOL DISTRICT NO. I-32
MAYES COUNTY, OKLAHOMA
SCHEDULE OF COMMENTS
JULY 1, 2024, TO JUNE 30, 2025

The following conditions represent areas noted during our review of the school's accounting system in which we feel improvements in the internal control and/or operational efficiency may be attained. We have also noted, as required, any noncompliance with State Department of Education Regulations.

I. **Condition**: The District reimbursed the school principal through accounts payable for professional association dues totaling $1,189.00, consisting of $919.00 for C.O.S.A. dues and $270.00 for N.A.S.S.P. dues as a part of travel reimbursement. Oklahoma school law requires employees professional association dues be processed through payroll deduction or direct payroll-related payment, rather than reimbursed through the accounts payable system. Processing such payments through payroll ensures proper authorization, consistent treatment, and appropriate classification of employee related expenses.

Recommendation: We recommend, in the future, the District consider increasing the payroll contract of the employee and process the dues as a payroll deduction.

II. **Condition**: The District paid $2,520.09 to a body shop for repairs to a personal vehicle (Mustang) owned by a student. The invoice was not adequately itemized and did not clearly identify the specific repairs performed or labor and parts cost.

Criteria: District expenditures must:

- Be for a public purpose that benefits the District as a whole.
- Be adequately documented, including detailed, itemized invoices.
- Not result in the District paying for repairs to privately owned vehicles, absent legal obligation, formal claim processing, or board-approved settlement authority
- Be supported by board approval when settling claims or liabilities.

Recommendation: We recommend the District:

1. Require all claims involving alleged damage to personal property to be reported to the District's insurance carrier.
2. Prohibit payment for repairs to privately owned vehicles unless supported by legal determination, insurance settlement, or formal board-approved action.
3. Require fully itemized invoices for all vendor payments.
4. Ensure any settlement of claims is documented, reviewed, and approved by the board of education.

III. **Condition**: The District reimbursed an employee for the following expenditures that did no comply with District policy and/or applicable travel and purchasing requirements:

- Art Supplies purchased personally by the employee.
- Meal expenses incurred during travel without an overnight stay.
- Fuel expenses paid in lieu of mileage reimbursement.

Criteria: District policy and generally accepted public-sector accounting practices require that:

- District supplies be purchased through approved purchasing procedures, not reimbursed to employees.
- Meal reimbursements are allowed only for approved overnight travel.
- Mileage reimbursement be paid at the approved rate rather than reimbursing fuel purchases.
- All reimbursements be reasonable, necessary, properly authorized, and adequately documented.

Recommendation: We recommend the District:

1. Prohibit reimbursement of employee-purchased supplies, requiring such items to be purchased through the District's purchasing system.
2. Restrict meal reimbursements to approved overnight travel only.
3. Require reimbursement of travel costs using the approved mileage rate, rather than fuel receipts.

(continued)

CHOUTEAU-MAZIE SCHOOL DISTRICT NO. I-32
MAYES COUNTY, OKLAHOMA
SCHEDULE OF COMMENTS
JULY 1, 2024, TO JUNE 30, 2025

IV. **Condition**: For one Activity fund fundraiser examined involving the sale of ice cream bars, the District did not maintain documentation identifying the sales price per item. As a results, we were unable to determine what the total sales revenue should have been or calculate whether the fundraiser resulted in a profit or loss.

Criteria: Activity fund procedures require that Districts:

- Maintain complete and accurate records for each fundraiser.
- Document the sales price, quantity sold, and total receipts.
- Retain documentation sufficient to allow verification of profit and loss.
- Provide adequate records to support accountability over student activity funds.

Recommendation: We recommend the District:

1. Require fundraiser documentation to include sales price per item, quantity sold, and total receipts.
2. Maintain standardized fundraiser forms to ensure consistent documentation.
3. Retain fundraiser records sufficient to determine profit or loss.
4. Provide training to sponsors and activity fund personnel regarding documentation requirements.

X. **Condition**: The District processed an extra-duty compensation claim totaling $1,500 for one employee related to Summer Pride activities, basketball games, and softball events. The claim form listed multiple dates that crossed fiscal years and did not include the number of hours worked or the hourly rate. In addition, there was no evidence of a board-approved rate or formal determination of compensation supporting the payment.

Criteria: Oklahoma school districts are required to ensure that extra-duty compensation:

- Is approved by the board of education, including the rate or method of compensation.
- Is adequately documented, including dates worked, hours or events worked, and applicable rates.
- Is properly allocated to the correct fiscal year.
- Is supported by documentation sufficient to demonstrate reasonableness and allowability of the expenditure.

Recommendation: We recommend the District:

1. Require all extra-duty claim forms include dates worked, hours or events worked, and applicable compensation rates.
2. Ensure all extra-duty compensation rates are formally approved by the board of education.
3. Prohibit combining work performed in multiple fiscal years on a single claim.
4. Retain supporting documentation sufficient to demonstrate compliance with board approval and fiscal year reporting requirements.

Previous Year's Audit Comments

There are no items in the 2023-2024 audit report, which have been repeated in this report.

We would like to express our appreciation for the courtesies and cooperation extended to us by school district administrators and employees during the course of this audit.

CHOUTEAU-MAZIE SCHOOL DISTRICT NO. I-32
MAYES COUNTY, OKLAHOMA
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE AFFIDAVIT
JULY 1, 2024, TO JUNE 30, 2025

State of Oklahoma)
County of Tulsa)

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 Chouteau-Mazie School District for the audit year 2024-2025.

Patten & Odom, CPAs, PLLC
AUDITING FIRM

BY _____
AUTHORIZED AGENT

Subscribed and sworn to before me on this

12th day of January, 2026

_____
NOTARY PUBLIC

My commission expires on:

26th day of September, 2027

ALICIA HAUGHT
Notary Public, State of Oklahoma
Commission # 23013029
My Commission Expires 09-26-2027