

DOVE VIRTUAL ACADEMY NO. Z-007
Oklahoma City, Oklahoma

FINANCIAL STATEMENTS – REGULATORY BASIS
AND REPORTS OF INDEPENDENT AUDITOR

For the Year Ended June 30, 2024

DOVE VIRTUAL ACADEMY NO. Z-007

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Board of Education of
Dove Virtual Academy No. Z-007
Oklahoma City, Oklahoma

Opinions

We have audited the accompanying financial statements of Dove Virtual Academy, No. Z-007 (the "District"), which comprise the statement of assets, liabilities and fund balance – regulatory basis as of and for the year ended June 30, 2024, and the related statement of revenues, expenditures, and changes in fund balances —regulatory basis for the year then ended, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balance of the District as of June 30, 2024, and its revenue, expenditures and change in fund balance for the year then ended, in accordance with the accounting practices prescribed or permitted by Oklahoma State Department of Education as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" section of our report, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2024, or the changes in its net assets for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the comptroller general of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District 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 unmodified audit opinion on the regulatory basis of accounting and our adverse opinion on U.S. generally accepted accounting principles.

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

As described in Note 1, the financial statements are prepared by the District in accordance with the accounting practices prescribed or permitted by the Oklahoma State Department of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Oklahoma State Department of Education. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting practices prescribed or permitted by the Oklahoma State Department of Education. 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's basic financial statements as a whole. The changes in assets and fund balance regulatory basis – all activity funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the budgetary information and the statement of statutory fidelity and honesty bonds but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. Management has omitted the management discussion and analysis that Oklahoma Department of Education requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financials statements, is required by the Oklahoma Department of Education who considers it to be an essential part of the financial reporting for placing the basic financial statements in appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.



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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Arlidge & Associates PC

Oklahoma City, Oklahoma
March 7, 2025



DOVE VIRTUAL ACADEMY NO. Z-007
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE
ALL FUND TYPES AND ACCOUNT GROUPS - REGULATORY BASIS
June 30, 2024

	General Fund	School Activity Fund	Total (Memo Only)
ASSETS			
Cash	\$ 475,806	\$ 948	\$ 476,754
Total assets	<u>475,806</u>	<u>948</u>	<u>476,754</u>
 LIABILITIES			
Warrants outstanding	71,607	-	71,607
Encumbrances	12,384	-	12,384
Total liabilities	<u>83,991</u>	<u>-</u>	<u>83,991</u>
 FUND BALANCES			
Unassigned	391,815	-	391,815
Committed	-	948	948
Total Fund Balances	<u>391,815</u>	<u>948</u>	<u>392,763</u>
 TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 475,806</u>	<u>\$ 948</u>	<u>\$ 476,754</u>

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

DOVE VIRTUAL ACADEMY NO. Z-007
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES - REGULATORY BASIS
For the year ended June 30, 2024

	General	School Activity	Total
Revenues			
Local sources	\$ 1,652	\$ -	\$ 1,652
State sources	1,387,641	-	1,387,641
Federal sources	145,858	-	145,858
Other sources	-	948	948
Total Revenues	<u>1,535,151</u>	<u>948</u>	<u>1,536,099</u>
Expenditures			
Current			
Instruction	571,571	-	571,571
Support services	704,781	-	704,781
Total Expenditures	<u>1,276,352</u>	<u>-</u>	<u>1,276,352</u>
Excess of Revenues Over (Under) Expenditures	258,799	948	259,747
Other Financing Sources (Uses)			
Adjustments to prior year encumbrances	1,140	-	1,140
Total Other Financing Sources (Uses)	<u>1,140</u>	<u>-</u>	<u>1,140</u>
Fund Balance, beginning of year	<u>131,876</u>	<u>-</u>	<u>131,876</u>
Fund Balance, end of year	<u><u>\$ 391,815</u></u>	<u><u>\$ 948</u></u>	<u><u>\$ 392,763</u></u>

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of Dove Virtual Academy, No. Z-007 (the “District”) have been prepared in conformity with another comprehensive basis of accounting prescribed by the Oklahoma State Department of Education as authorized by Oklahoma Statutes. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with the accounting principles generally accepted in the United States of America. The District's accounting policies are described in the following notes that are an integral part of the District's financial statements.

A. Reporting Entity

Effective date July 14, 2022, the District changed their name from Oklahoma Information & Technology School to Dove Virtual Academy in an effort to remain consistent across the entire school district.

Dove Virtual Academy's first year of operation was the 2020-21 fiscal year. Dove Schools, Inc., is a not-for-profit corporation in the State of Oklahoma filed with the secretary of state of Oklahoma. The District is recognized by the Internal Revenue Service as an exempt organization under section 501(C)(3) of the Internal Revenue Service Code for the benefit of Dove Virtual Academy.

Although Dove Schools, Inc., is a not-for-profit entity that would normally follow the presentation requirements of the Financial Accounting Standards Board (FASB) Accounting Standards No. 958-205, the District is considered a quasi-governmental entity subject to the reporting requirements of the Oklahoma State Department of Education. The District is part of the public school system of Oklahoma under the general direction and control of the State Board of Education and is financially dependent on the state of Oklahoma support. The general operating authority for the District is the Oklahoma School Code, the Oklahoma Charter Schools Act and the Statewide Virtual Charter School Board as set forth in Title 70 O.S. § 3-130 and 145.1.

The governing body of the District is the Board of Education composed of appointed members. The appointed Head of Schools 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.

NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE PERIOD ENDED JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *cont'd*

B. Measurement Focus – *cont'd*

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

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

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

Governmental Fund Types

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

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

Co-op Fund — The co-op fund is established when the boards of education of two or more school districts enter into cooperative agreements and maintain joint programs. The revenues necessary to operate a cooperative program can come from federal, state, or local sources, including the individual contributions of participating school districts. The expenditures for this fund would consist of those necessary to operate and maintain the joint programs.

Special Revenue Funds — Special revenue funds account for revenue sources that are restricted to expenditures for specific purposes. The special revenue funds typically include the building, co-op and child nutrition funds. The District did not maintain any special revenue funds during the 2023-24 fiscal year.

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 district 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.

NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE PERIOD ENDED JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *cont'd*

B. Measurement Focus – *cont'd*

Child Nutrition Fund — The child nutrition fund consists of monies derived from federal and state financial assistance and food sales. This fund is used to account for the various nutrition programs provided to students.

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. The District did not maintain this fund during the 2023-24 fiscal year.

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 (including judgments) debt principal, interest and related costs. The primary revenue sources are local property taxes levied specifically for debt service and interest earnings from temporary investments. The District did not maintain this fund during the 2023-24 fiscal year.

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

Fiduciary Fund Types

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District. The terms "non-expendable" and "expendable" refer to whether or not the District is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the District holds on behalf of others as their agent and do not involve measurement of results of operation.

Expendable Trust Funds — Expendable trust funds typically include the gifts and endowments fund. The District did not maintain any expendable trust funds during the 2023-24 fiscal year.

Gifts and Endowments Fund — The gifts and endowments fund receives its assets by way of philanthropic foundations, individuals, or private organizations for which no repayment or special service to the contributor is expected. This fund is used to promote the general welfare of the District.

Account Groups

An account group is not a fund and consists of a self-balancing set of accounts used only to establish accounting control over long-term debt and fixed assets.

General Long-Term Debt Account Group — This account group is established to account for all the long-term debt of the District, which is offset by the amount available in the debt service fund and the amount to be provided in future years to complete retirement of the debt principal. It is also used to account for other liabilities (judgments and lease purchases) which are to be paid from funds provided in future years.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE PERIOD ENDED JUNE 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — *cont'd*

B. Measurement Focus – *cont'd*

General Fixed Assets Account Group — This account group is used by governments to account for the property, plant and equipment of the school district. The District does not have any fixed assets to include in this group in its financial statements.

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 with certain modifications. This format differs significantly from that required by GASB 34.

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

- Encumbrances represented by purchase orders, contracts, and other commitments for the expenditure of monies are recorded as expenditures when approved.
- Investments are recorded as assets when purchased.
- Inventories of school supplies are recorded as expenditures and not as inventory assets.
- Warrants/checks payable are recorded as liabilities when issued.
- Long-term debt is recorded in the General Long-Term Debt Account Group and not in the basic financial statements.
- Compensated absences are recorded as expenditures when paid and not recorded as a liability.
- 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.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. 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 basis of accounting. Revenues are recognized when they are received rather than earned and expenditures are generally recognized when encumbered/reserved rather than at the time the related fund liability is incurred. These practices differ from accounting principles generally accepted in the United States.

D. Budgets and Budgetary Accounting

The District is required by state law to prepare an annual budget. The Board of Education must request an initial temporary appropriations budget from their County Excise Board before June 30. The District uses the temporary appropriation amounts as their legal expenditure limit until the annual Estimate of Needs is completed.

NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE PERIOD ENDED JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — *cont'd*

D. Budgets and Budgetary Accounting — *cont'd*

A budget is legally adopted by the Board of Education for all funds (with the exception of the trust and agency funds) that includes revenues and expenditures. No later than October 1, each Board of Education shall prepare a financial statement and Estimate of Needs to be filed with the applicable County Clerk and the State Department of Education.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting — under which purchase orders and other commitments of resources are recorded as expenditures of the applicable fund — is utilized in all governmental funds of the District. Unencumbered appropriations lapse at the end of each fiscal year. The Debt Service Fund is a governmental fund and the board can exercise no control of the revenue sources for this fund (except interest earnings), and no control over its expenditures.

E. Assets, Liabilities and Fund Balances

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

Investments — The District considers investments of direct obligations of the United States government and agencies, certificates of deposits, savings accounts or savings certificates with maturities of greater than three months. All investments are recorded at cost, which approximates market value.

Inventories — The value of consumable inventories at June 30, 2024 is not material to the combined financial statements.

Fixed Assets and Property, Plant, and Equipment — The District has not obtained any fixed assets, and, accordingly, a General Fixed Assets Account Group required by the regulatory basis of accounting prescribed by the Oklahoma State Department of Education is not included in the financial statements. General fixed assets purchased are recorded as expenditures in the various funds at the time of purchase.

Warrants/Checks Payable — Warrants/checks are issued to meet the obligations for goods and services provided to the District. The District recognizes a liability for the amount of outstanding warrants/checks that have yet to be redeemed by the District's bank.

Encumbrances — Encumbrances represent commitments related to purchase orders, contracts, other commitments for expenditures or resources, and goods or services received by the District for which a warrant has not been issued. An expenditure is recorded and a liability is recognized for outstanding encumbrances at year end in accordance with the regulatory basis of accounting. While the regulatory basis that is used for the Debt Service Fund approximates full accrual accounting, the accruals recorded are reported to meet regulatory requirements, as opposed to the requirements of generally accepted accounting principles.

Compensated Absences — The District provides vacation and sick leave benefits in accordance with Title 70 of the Oklahoma Statutes, Article 6-104, which provides for annual sick leave and personal business days. District policy allows certified employees to accumulate such days to a maximum number of days. Vested or accumulated vacation leave that is expected to be liquidated with expendable available

NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE PERIOD ENDED JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — *cont'd*

E. Assets, Liabilities and Fund Balances — *cont'd*

financial resources had not been reported as an expenditure of the governmental fund that will pay it since the financial statements have been prepared on the regulatory basis of accounting. This practice differs from generally accepted accounting principles.

School Activity Funds — Funds held for school organizations represent the funds received or collected from students or other cocurricular and extracurricular activities conducted in the District, control over which is exercised by the board of education. These funds are credited to the account maintained for the benefit of each particular activity within the school activity fund.

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

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

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

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

Committed fund balance represents amounts that are useable only for specific purposes by formal action of the government's highest level of decision-making authority. Such amounts are not subject to legal enforceability (like restricted amounts) but cannot be used for any other purpose unless the government removes or changes the limitation by taking action similar to that which imposed the commitment. The District has classified school program activities as being committed because the Board of Education imposes their use regarding the use of expenditures.

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

NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE PERIOD ENDED JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — *cont'd*

E. Assets, Liabilities and Fund Balances — *cont'd*

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

F. Revenues and Expenditures

Local Revenues — Revenue from local sources is the money generated from within the boundaries of the School and available to the School for its use. Local sources of revenues include tuition, fees, donation from local sources, rentals, disposals, commissions and reimbursements.

State Revenues — Revenues from state sources for current operations are primarily governed by the state aid formula under the provisions of Article XVIII, Title 70, Oklahoma Statutes. The State Board of Education administers the allocation of state aid funds to school districts based on information accumulated from the Districts.

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

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

Federal Revenues — Federal revenues consist of revenues from the federal government in the form of operating grants or entitlements. An operating grant is a contribution to be used for a specific purpose, activity or facility. A grant may be received either directly from the federal government or indirectly as a passthrough from another government, such as the state. Entitlement is the amount of payment to which the District is entitled pursuant to an allocation formula contained in applicable statutes. All federal revenues received by the District are apportioned to the general fund.

Interest Earnings — Represent compensation for the use of financial sources over a period of time.

Non-Revenue Receipts — Non-revenue receipts represent receipts deposited into a fund that are not new revenues to the District, but the return of assets.

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 cocurricular activities. It may also be provided through some other approved medium, such as television, radio, telephone and correspondence. 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.

NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE PERIOD ENDED JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — *cont'd*

F. Revenues and Expenditures — *cont'd*

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 objectives of instruction, community services and enterprise programs, rather than as entities within themselves.

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

Facilities Acquisition and Construction Services Expenditures — Consists 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 improvements 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 overpayment, non-qualified expenditures and other refunds to be repaid from District funds.

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 nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers. There were no interfund transfers during the 2023-24 fiscal year.

2. CASH AND INVESTMENTS

Custodial Credit Risk — Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to the District. The District's cash deposits and investments at June 30, 2024 were \$476,754 at financial institutions, and \$250,000 of that amount were insured or collateralized by federal depository insurance, direct obligations of the U.S. Government, or securities held by the District or by its agent in the District's name and \$226,754 of the total cash deposits and investments were not insured or collateralized as of June 30, 2024.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE PERIOD ENDED JUNE 30, 2024**

2. CASH AND INVESTMENTS – *cont'd*

Investment Interest Rate Risk — Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. Due to the required liquidity for those investments, these funds have no defined maturity dates. The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses from increasing interest rates.

Investment Credit Risk — Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The District does not have a formal policy limiting its investment choices, other than the limitation of state law as follows:

- Direct obligations of the U.S. Government, its agencies and instrument to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
- With certain limitation, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper and repurchase agreements with certain limitations.
- County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.
- Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
- Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous bullet items.

Concentration of Investment Credit Risk — The District places no limit on the amount it may invest in any one issuer.

3. INTERFUND RECEIVABLES AND PAYABLES

There were no interfund receivables or payables at June 30, 2024.

4. EMPLOYEE RETIREMENT SYSTEM

The District has chosen not to participate in the Oklahoma Teacher's Retirement System.

The District offered a 401K plan to its employees. Under the plan, the employer will match contributions dollar for dollar, not to exceed 6% of compensation. The District's total contributions (employee and employer) in the 2023-2024 fiscal year was \$27,435.

5. LONG TERM DEBT

The District did not maintain any long-term debt as of June 30, 2024.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE PERIOD ENDED JUNE 30, 2024**

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 risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

7. CONTINGENCIES

Federal Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

Litigation

School officials are not aware of any pending or threatened litigation, claims or assessments or unasserted claims or assessments against the District.

8. COMMITMENTS

Management Agreement — The District has entered into a school sponsorship agreement with Oklahoma Statewide Virtual Charter School Board (sponsor) to operate a statewide virtual charter in accordance with the contract agreed upon as well as any other applicable statutes or regulations pertaining to charter schools. Management shall comply with the same state and federal regulations related to the reporting and audit requirements that govern Oklahoma Public Schools. Under this charter, the District has agreed to pay its sponsor an annual administrative fee equal to 3% of State Aid revenue. The current charter contract is effective until June 30, 2025.

Building Lease — On February 3, 2023, the District entered into a sublease agreement with the Dove Charter Public School Foundation (DCPSF) for the property located at 1955 W. 33rd Street, Suite 100 Edmond, Oklahoma 73013. The sublease was initially effective through June 30, 2024, with an optional extension period ending on December 31, 2024. The District exercised the extension option, extending the lease term through December 31, 2024. As of June 30, 2024, total payments made to DCPSF amounted to \$21,540.

9. SUBSEQUENT EVENTS

Management has evaluated subsequent events and transactions through the date of the audit report, which is the date the financial statements were available to be issued.

DOVE VIRTUAL ACADEMY NO. Z-007
COMBINED STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
REGULATORY BASIS - ALL ACTIVITY FUNDS
For the year ended June 30, 2024

	Balance July 1, 2023	Additions	Net Transfers	Deletions	Balance June 30, 2024
Assets					
Cash	\$ -	\$ 948	\$ -	\$ -	\$ 948
Fund Balance					
Fund 60:					
General Activity	\$ -	\$ 948	\$ -	\$ -	\$ 948
Total Fund 60	-	948	-	-	948
Total Fund Balance	\$ -	\$ 948	\$ -	\$ -	\$ 948

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*

To the Honorable Board of Education of
Dove Virtual Academy No. Z-007
Oklahoma City, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements, which comprise the statement of assets, liabilities, and fund balance – regulatory basis and the related statement of revenues, expenditures, and changes in fund balance – regulatory basis of Dove Virtual Academy No. Z-007 (“the District”), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated March 7, 2024.

Our report was adverse with respect to the presentation of 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.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. 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 or significant deficiencies may exist that were not identified.

Compliance and Other Matters

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

Purpose of this Report

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

Arledge & Associates PC

Oklahoma City, Oklahoma
March 7, 2025



DOVE VIRTUAL ACADEMY NO. G-007
SCHEDULE OF FEDERAL AWARDS REPORTS
AND SUPPLEMENTARY SCHEDULES
JUNE 30, 2024

DOVE VIRTUAL ACADEMY NO. Z-007
Schedule of Expenditures of Federal Awards By Grant - Regulatory Basis
For the Year Ended June 30, 2024

Federal Grantor/Pass Through Grantor/Program Title	Federal Award Listing Number	Pass-through Grantor's Project Number	Program or Award Amount	Beginning Balance 7/1/2023	Revenue Collected	Total Expenditures	Ending Balance 6/30/2024
<u>Passed Through State Department of Education</u>							
Title I-Part A, Improving Basic Programs	84.01	511	\$ 33,458	\$ -	\$ 32,730	\$ 32,730	\$ -
Title II-Part A, Teacher & Principal Training	84.367	541	4,438	-	4,438	4,438	-
Title IV-SSAE Grant	84.424A	552	10,130	-	10,130	10,130	-
Education Stabilization Funds							
ARP/ESSER III	84.425U	795	53,903	-	53,903	53,903	-
Subtotal - Education Stabilization Funds			53,903	-	53,903	53,903	-
Special Education Cluster							
IDEA-B Flowthrough	84.027	621	44,657	-	44,657	44,657	-
Subtotal - Special Education Program (Cluster)			44,657	-	44,657	44,657	-
Subtotal - Passed Through State Dept of Education			146,586	-	145,858	145,858	-
Total Federal Assistance			\$ 146,586	\$ -	\$ 145,858	\$ 145,858	\$ -

The accompanying notes are an integral part of this schedule.

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2024**

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (“SEFA”) includes the federal award activity of Dove Virtual Academy No. G-007 (the “District”) under programs of the federal government for the year ended June 30, 2024. The information in this SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the SEFA are reported on the basis of the financial reporting provisions of Oklahoma State Department of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of Oklahoma State Department of Education. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE C – SUBRECIPIENTS

During the year ended June 30, 2024, District did not provide federal awards to subrecipients.

NOTE D – SUBSEQUENT EVENTS

The District has evaluated the effects of all subsequent events through the date the SEFA was available to be issued, for potential recognition or disclosures in the SEFA. The District is not aware of any subsequent events which would require recognition or disclosure in the SEFA.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024

Section II--Findings Required to be Reported in Accordance with *Government Auditing Standards*:

A. Internal Control

None to report for the audit period

B. Compliance Findings

None to report for the audit period

Section III--Findings Required to be Reported in Accordance with the Uniform Guidance:

A. Internal Control

None to report for the audit period

B. Compliance Findings

None to report for the audit period

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024**

Section II--Findings Required to be Reported in Accordance with *Government Auditing Standards*:

A. Internal Control

None to report for the prior audit period

B. Compliance Findings

None to report for the prior audit period

Section III--Findings Required to be Reported in Accordance with the Uniform Guidance:

A. Internal Control

None to report for the prior audit period

B. Compliance Findings

None to report for the prior audit period

DOVE VIRTUAL ACADEMY NO. Z-007
COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND CHANGES
IN CASH FUND BALANCES - BUDGETED GOVERNMENTAL FUND TYPES - REGULATORY BASIS
For the year ended June 30, 2024

	General Fund		Prior Year (Memo Only)
	Budget	Actual	
Revenue			
Local sources	\$ 1,500	\$ 1,652	\$ 4,294
State sources	1,195,574	1,387,641	580,468
Federal sources	153,308	145,858	250,778
Total Revenues	1,350,382	1,535,151	835,540
Expenditures			
Current			
Instruction	776,465	571,571	313,174
Support services	703,921	704,781	318,153
Non-instruction services	-	-	89,685
Total Expenditures	\$ 1,480,386	\$ 1,276,352	\$ 721,012
Excess of Revenues Over (Under) Expenditures		258,799	114,528
Other Financing Sources (Uses)			
Deobligation of prior year funds		1,140	1,778
Total Other Financing Sources (Uses)		1,140	1,778
Fund Balance, beginning of year		131,876	15,570
Fund Balance, end of year		\$ 391,815	\$ 131,876

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

DOVE VIRTUAL ACADEMY NO. Z-007
STATEMENT OF STATUTORY, FIDELITY, AND HONESTY BONDS
For the year ended June 30, 2024

<u>BONDING COMPANY</u>	<u>POSITION COVERED</u>	<u>BOND NUMBER</u>	<u>COVERAGE AMOUNT</u>	<u>EFFECTIVE DATES</u>
Merchants Bonding Co.	Superintendent	OK5630626	\$ 100,000	7/31/2023-7/31/2024
	Treasurer	OK5334980	\$ 100,000	7/31/2023-7/31/2024
	Encumbrance Clerk	OK5336322	\$ 2,000	7/31/2023-7/31/2024
	Activities Fund Clerk	100361305	\$ 100,000	7/1/2023-7/1/2024
	Fund Custodian			
	Minutes Clerk	OK6149466	\$ 1,000	7/31/2023-7/31/2024

DOVE VIRTUAL ACADEMY NO. Z-007
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE AFFIDAVIT
JULY 1, 2023 TO JUNE 30, 2024

State of Oklahoma)
County of Oklahoma)

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 Dove Virtual Academy No. Z-007 for the audit year July 1, 2023 to June 30, 2024.

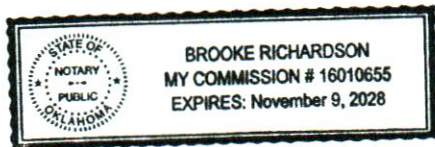
Arledge & Associates, P.C.
Auditing Firm

By 
Authorized Agent

Subscribed and sworn to before me on this

6 day of March, 2025


NOTARY PUBLIC



My commission expires on:

9 day of November, 2028