

**Notice of Sale and
Official Statement**

New Issue- Book Entry Only

**\$12,000,000
GENERAL OBLIGATION
COMBINED PURPOSE BONDS
OF 2024**

**INDEPENDENT SCHOOL DISTRICT NO. 4
TULSA COUNTY, OKLAHOMA
(Bixby Board of Education)**

Date of Sale

April 25, 2024
11:45 o'clock a.m.

Financial Advisor

Stephen L. Smith Corp.
531 East A Street, Suite 301
Jenks, Oklahoma 74037

This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy within any jurisdiction to any person to whom it is unlawful to make such offer or solicitation within such jurisdiction. In connection with the offering of these Bonds, no dealer, salesman or any other person has been authorized to give any information or to make any representation other than contained herein. If given or made, such information or representation must not be relied upon.

The information contained in the Official Statement, including the cover page hereto, has been obtained from public officials, official records and from other sources which are deemed to be reliable. No representation or warranty is made, however, as to the accuracy or completeness of such information. The delivery of this Official Statement does not at any time imply that information contained herein is correct as of any date subsequent to its date.

Any statements contained in this Official Statement involving matters of opinion, estimation or projection, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement shall not be construed as a contract or agreement between the School District and the purchasers or holders of any of the Bonds.

THE DATE OF THIS OFFICIAL STATEMENT IS MARCH 15, 2024.

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**INDEPENDENT SCHOOL DISTRICT NO. 4
TULSA COUNTY, OKLAHOMA
(Bixby Board of Education)**

Officers and Members of the Board of Education

JUSTIN CHEATHAM, President and Member
TRISTY FRYER, Vice President and Member
JULIE PROX, Clerk and Member
AMANDA STEPHENS, Member
MATT DOTSON, Member

School District Officials

ROB MILLER, Superintendent
SHERRY L. MCINTYRE, Treasurer

Financial Advisor

STEPHEN L. SMITH CORP.
531 East A Street, Suite 301
Jenks, Oklahoma 74037
Telephone: (918) 296-9980

NOTICE OF SALE OF BONDS

In accordance with 62 O.S. 2021, § 354, notice is hereby given that the Board of Education of Independent School District Number 4 of Tulsa County, Oklahoma will receive bids by; sealed bid, facsimile bid, electronic (Parity®) bid or similar secure electronic bid on the 25th day of April, 2024, until 11:45 o'clock a.m., and the Board of Education will award said Bonds at 12:00 o'clock p.m. on the 25th day of April, 2024, at the Administrative Center Lobby, Bixby Public Schools, 109 North Armstrong, Bixby, Oklahoma, for the sale of \$12,000,000 of General Obligation Combined Purpose Bonds of said School District, which Bonds will mature \$2,400,000 annually in two (2) years from their date, and \$2,400,000 annually each year thereafter until paid.

Said Bonds shall be sold to the bidder bidding the lowest rate of interest the Bonds shall bear, and agreeing to pay par and accrued interest for the Bonds. Each bidder shall submit with his bid a sum in cash, cashier's or certified check, electronic (wire) transfer or surety bond payable to the treasurer of the District, equal to two (2%) percent of the amount of his bid. The Board reserves the right to reject all bids.

WITNESS my official hand and seal this 14th day of March, 2024.

/s/ JULIE PROX
Clerk, Board of Education

(SEAL)

CONDITIONS OF THE SALE

**INDEPENDENT SCHOOL DISTRICT NO. 4
TULSA COUNTY, OKLAHOMA
(Bixby Board of Education)**

\$12,000,000 General Obligation Combined Purpose Bonds of 2024

PLACE AND TIME OF THE SALE

The Board of Education of Independent School District No. 4 of Tulsa County, Oklahoma, will receive sealed bids at the Administrative Center Lobby, Bixby Public Schools, 109 North Armstrong, Bixby, Oklahoma, until 11:45 o'clock a.m., and award bid at 12:00 o'clock p.m. local time, Thursday, April 25, 2024, for the sale of the \$12,000,000 General Obligation Combined Purpose Bonds of 2024 ("the Bonds"), more completely described in the "Official Statement" which is a part hereof.

ADDRESS OF BIDS

Sealed bids plainly marked "Bid for Bonds" may be mailed either to "Mr. Rob Miller, Superintendent of Schools, Bixby Public Schools, 109 North Armstrong, Bixby, OK 74008", or to the Financial Advisor at the address set out on the cover page hereof. Sealed bids must be submitted in duplicate on the Official Bid Form furnished herein.

TYPES OF BIDS AND INTEREST RATES

The Bonds will be sold in one block, all or none, and no bid of less than par and accrued interest will be considered. Bidders must specify the rate or rates of interest the Bonds will bear. However, no interest rate in excess of ten percent (10%) will be considered. Bidders shall specify the rate or rates of interest in multiples of one-eighth (1/8) or one-twentieth (1/20) of one percent per annum. Bidders are not restricted as to the number of rates that may be named, provided that the same rate shall be specified for all bonds of the same maturity.

BASIS FOR AWARD

For the purpose of awarding the Bonds, the interest cost of each bid will be computed by determining, at the rate or rates specified therein, the total of all interest on the Bonds from the date thereof to their respective maturities, and deducting therefrom the premium bid, if any. The Bonds, if sold, will be awarded to the bidder whose bid, on the basis of the above computation, produces the lowest interest cost to the School District. THE SCHOOL DISTRICT RESERVES THE RIGHT TO REJECT ALL BIDS AND TO WAIVE ANY MINOR IRREGULARITIES.

ENERGY DISCRIMINATION ELIMINATION ACT OF 2022

All bidders will be required to attest they are in compliance with the requirements of 74 O.S. 2021 § 12001 et seq, The Energy Discrimination Elimination Act of 2022. The Act states a governmental entity shall not enter into a contract for goods and services with another entity that boycotts energy companies, unless certain requirements are met. For more information, please visit:
<https://www.oscn.net/applications/oscn/DeliverDocument.asp?CiteID=492600>.

GOOD FAITH DEPOSIT

Each bid must be accompanied by a good faith deposit in the form of a Certified, Cashier's Check, or wire transfer made payable to the Treasurer of the School District in the amount of two percent (2%) of the par value of the Bonds. The good faith deposit of the successful bidder will be retained by the School District to assure performance of the contract on the part of said bidder. In the event said bidder should fail or refuse to take up and

pay for the Bonds in accordance with his bid, then said check/wire will be cashed as full liquidated damages. Otherwise, said check/wire will be returned to the purchaser upon payment for the Bonds. No interest will be allowed on said check. Checks/wires of unsuccessful bidders will be promptly returned.

BOOK-ENTRY ONLY BONDS

The Bonds are being issued book-entry only and a complete transcript of the legal proceedings had in connection with the issuance of the Bonds will be furnished to the purchaser at no expense.

LEGAL OPINION

Bids may be submitted subject to the opinion of the Attorney General of the State of Oklahoma and Phillips Murrah P.C., which will be provided by the School District without cost to the purchaser.

THE INTERNAL REVENUE CODE OF 1986

The School District anticipates that the aggregate amount of “qualified tax-exempt obligations” as defined in Section 265 (b)(3)(B) of the Internal Revenue Code of 1986 (the “Code”), which will be issued by the School District and all subordinate entities during calendar year 2024 will exceed \$10,000,000. Therefore, **the \$12,000,000 General Obligation Combined Purpose Bonds of 2024 will not be designated as “qualified tax-exempt obligations” (as defined in Section 265(b)(3)(B) of the Code).**

EXEMPTION FROM OKLAHOMA STATE INCOME TAXATION

Pursuant to Title 68, Oklahoma Statutes 2021, Section 2358.4, the Bonds issued by the School District shall be exempt from Oklahoma Income Taxation.

NON-LITIGATION CERTIFICATE

At the time of delivery of the Bonds, the School District will execute and furnish the purchaser with a certificate to the effect that no litigation of any nature has been filed or is then pending to restrain or enjoin the issuance or delivery of the Bonds, or affecting the provisions made for their payment or security, or in any manner questioning the validity of the Bonds.

THE OFFICIAL STATEMENT AND COMPLIANCE WITH SEC RULE 15c2-12

The School District has prepared the accompanying Official Statement, and for the limited purpose of complying with SEC Rule 15c2-12, deems such Official Statement to be final as of its date within the meaning of such Rule for the purpose of review prior to bidding. The School District will furnish to the Purchaser or Purchasers acting through a designated senior representative, in accordance with instructions received from the Purchaser(s), within seven (7) business days from the sale date a maximum of forty (40) copies of the Official Statement including a like number of copies of a supplement reflecting interest rates and other terms relating to the initial reoffering of the Bonds. The cost of any Official Statement and Supplement in excess of the number specified shall be prepared and distributed at the cost of the Purchaser(s). The Purchaser(s) shall be responsible for providing the initial reoffering prices and other terms, if any, to the Financial Advisor by the close of the next business day after the sale. Except as noted above, the School District assumes no responsibility or obligation for the distribution or delivery of any copies of the Official Statement in connection with the offering or reoffering of the Bonds.

RULE 10B-5 STATEMENT

Nothing that has come to our attention has caused us to believe that the Official Statement, as of its date or as of the time and date of delivery of this letter, contained any untrue statement of a material fact or omitted to state a material fact (required to be stated therein or) necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

CONTINUING DISCLOSURE

The School District has covenanted for the benefit of the Bondholders to provide certain financial information and operating data relating to the School District by not later than ten months following the end of its fiscal year (the “Annual Financial Information”), and to provide notices of the occurrence of certain enumerated events. The Annual Financial Information will be filed by the School District with the Municipal Securities Rulemaking Board (the “MSRB”) through its Electronic Municipal Market Access (“EMMA”) system. These covenants have been made in order to assist the Underwriters in complying with SEC Rule 15c2-12(b)(5).

The School District has hired UMB Bank, n.a., to serve as its Dissemination Agent to ensure that the annual audits are submitted within the 10 month time frame following the end of the School District’s fiscal year.

CUSIP NUMBERS

CUSIP identification numbers will be printed on the Bonds if assigned by the CUSIP Service Bureau, but neither the failure to print the numbers nor any error with respect thereto shall constitute cause for refusal by the purchaser to accept delivery of the Bonds. All expenses in relation to the printing of the CUSIP Service Bureau numbers shall be paid by the School District except that the CUSIP Service Bureau charge for the assignment of numbers shall be the responsibility of and paid by the purchaser.

DELIVERY OF BONDS

Delivery of the Bonds shall be made at any bank in Oklahoma City or Tulsa, Oklahoma, designated by the purchaser, against payment of the agreed upon purchase price. Delivery of the Bonds to the purchaser is anticipated on or about June 14, 2024.

ADDITIONAL INFORMATION MAY BE OBTAINED FROM THE FINANCIAL ADVISOR, STEPHEN L. SMITH CORP., 531 EAST A STREET, SUITE 301, JENKS, OKLAHOMA 74037, PHONE: 918-296-9980 FAX: 918-296-9902.

In the opinion of Bond Counsel, interest on the Bonds is excludable from the gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code as amended to date and existing regulations, published rulings and court decisions, except as explained under "Tax Exemption" herein.

NEW ISSUE- BOOK-ENTRY ONLY

Standard & Poor's Rating: "AA/Stable"

Rating: Oklahoma Number: 1

Maximum Rate: 10%

**\$12,000,000 General Obligation Combined Purpose Bonds of 2024
INDEPENDENT SCHOOL DISTRICT NO. 4
TULSA COUNTY, OKLAHOMA
(BIXBY BOARD OF EDUCATION)**

Dated: June 1, 2024

Due: June 1, as shown below

The Bonds are being issued by Independent School District No. 4 of Tulsa County, Oklahoma (the "School District"). The Bonds are dated as of June 1, 2024. Interest on the Bonds is payable on June 1 and December 1 of each year (each an "Interest Payment Date"), commencing June 1, 2025. The Bonds will be initially issued, in fully registered form, in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. Purchases of the Bonds will be made in book-entry form only, through brokers and dealers who are, or who act through DTC participants. Purchases of the Bonds may be made in the denomination of \$5,000 or any integral multiple thereof. **Beneficial owners of the Bonds will not receive physical delivery of Bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Bonds.** So long as DTC or its nominee is the registered owner of the Bonds, payment of the principal and interest on the Bonds will be payable by UMB Bank, N.A., Oklahoma City, Oklahoma, as initial Paying Agent and Registrar (the "Paying Agent and Registrar"), to DTC or its nominee and disbursement of such payments to DTC Participants will be the responsibility of DTC and disbursement of such payments to beneficial owners of the Bonds will be the responsibility of DTC Participants and Indirect Participants. No physical delivery of the Bonds will be made to the owners thereof. (see "The Bonds- Book-Entry-Only System" herein).

The Bonds are not callable prior to their stated maturities.

The proceeds from the Bonds will be used to Construct, equip and furnish the Gymnasium at 9th Grade Campus Site; acquire textbooks district-wide; acquire and install technology equipment district-wide and acquire a new school site for future development and well as acquiring additional school furniture, fixtures and equipment; and acquire student transportation equipment.

The Bonds are direct and general obligations of the School District and are payable as to principal and interest from ad valorem taxes which are required to be levied on all taxable property within the School District, without limitation as to rate or amount.

MATURITY SCHEDULE

<u>Maturity</u>	<u>Amount</u>	<u>Rate</u>	<u>Price or Yield</u>
6/1/2026	\$2,400,000	%	%
6/1/2027	\$2,400,000		
6/1/2028	\$2,400,000		
6/1/2029	\$2,400,000		
6/1/2030	\$2,400,000		

This cover page contains only a brief description of the Bonds and the security therefore. It is not a summary of this issue. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if issued by the School District, and subject to the approving opinion of Bond Counsel as to validity and tax exemption. It is expected that the Bonds will be available for delivery on or about June 20, 2024.

**FINANCIAL ADVISOR
STEPHEN L. SMITH CORP.
Jenks, Oklahoma**

PURPOSE OF THE BOND ISSUE

The proceeds of the General Obligation Combined Purpose Bonds will be used for the following purposes and in the respective amounts shown:

Construct, equip and furnish the Gymnasium at 9 th Grade Campus Site; acquire textbooks district-wide; acquire and install technology equipment district-wide and acquire a new school site for future development and well as acquiring additional school furniture, fixtures and equipment	\$11,500,000.00
Acquire student transportation equipment	<u>\$ 500,000.00</u>
TOTAL:	\$12,000,000.00

AUTHORITY FOR THE ISSUANCE OF BONDS

Political subdivisions in the State of Oklahoma must have authorization from the voters of such political subdivisions in order to become indebted for either a period of time beyond one year or for an amount in excess of the income and revenue provided for such year.

The Bonds were authorized to be issued at a special election held in the School District for such purpose on February 13, 2024. The Bonds are being issued pursuant to the provisions of Article X, Section 26 of the Oklahoma Constitution, as amended, and Title 70, Article 15, Oklahoma Statutes 2021, and laws of the State of Oklahoma supplementary thereto. All existing indebtedness of the School District has been issued pursuant to Article X, Section 26 of the Oklahoma Constitution.

Under Article X, Section 26, political subdivisions issuing bonds under such section may issue obligations in a total amount such that the total aggregate net indebtedness (including judicial judgments) shall not exceed 10% of the net assessed valuation of the taxable property therein; provided that three-fifths of the voters voting in an election held for such purpose shall approve the issuance of such obligations.

PAYMENT OF AND SECURITY FOR THE BONDS

The Bonds, in the opinion of Bond Counsel, will be direct and general obligations of the School District and will be payable from ad valorem taxes which may be levied WITHOUT LIMITATION AS TO RATE OR AMOUNT on all taxable property within the School District to pay the principal of and interest on the Bonds when due.

Ad valorem taxes for the Bonds shall be levied annually beginning in Fiscal Year 2024-2025, shall become delinquent one-half on January 1 and one-half on April 1 of each year, and are required to be collected by the County Treasurer, apportioned and paid over to the School District Treasurer, and then deposited directly and only into the Sinking Fund of the School District. IN NO EVENT MAY SUCH AD VALOREM TAXES BE DEPOSITED INTO THE GENERAL FUND OR ANY FUND OF THE SCHOOL DISTRICT OTHER THAN THE SINKING FUND.

As previously stated, the Bonds are payable from ad valorem taxes on the taxable property within the School District including real, personal and public service property, and any other monies available for such purpose. Real and personal property in the School District is currently assessed at a rate of approximately 11% of estimated full market value. The Oklahoma State Tax Commission determines public service property assessments, and currently the assessment ratio is approximately 22.85% of estimated full market value. Pursuant to Oklahoma statutes, County Assessors are required to reassess property within the County at least once each five years. The School District is required to pay its proportionate share of the cost of such reassessment.

Ad valorem tax rates for Sinking Fund purposes are determined by ascertaining the actual dollars of revenues required for payment of principal and interest on indebtedness, fees to fiscal and paying agents and judicial

judgments. Such total amount may be reduced by any surplus from the prior fiscal year and any contributions made into the Sinking Fund. To the resulting net requirements a reserve for delinquent taxes, in an amount of not less than 5% nor more than 20% of the net required tax collection, shall be added to the required collections. Such final total requirements shall then be divided by the total net assessed valuation of all real, personal and public service property in order to determine the appropriate tax rate for each property owner.

One hundred percent (100%) of the School District's Sinking (Debt Service) Fund revenues come from locally collected ad valorem taxes. None of these ad valorem taxes are collected or disbursed by the State of Oklahoma. Furthermore, as stated above, Sinking Fund taxes are collected by the County Treasurers of the counties in which the School District is located, apportioned by the County Treasurers, and paid over to the School District Treasurer and cannot, by Oklahoma Law, be placed in any fund of the School District other than the Sinking Fund. They may be used only for the payment of principal of and interest on indebtedness of the School District.

TAX LEVY AND COLLECTION PROCEDURES

Oklahoma statutes require that the School District each year make an ad valorem tax levy for a Sinking Fund which shall, with cash and investments in the fund, be sufficient to pay all the bonded indebtedness, interest and one-third of all outstanding judgments coming due in the following fiscal year.

After review and approval by the Board of Education, copies of the Sinking Fund Estimates are submitted to the County Excise Board to determine the ad valorem tax levy and appropriations. This submission is required to be made by July 20 of each year. The estimates are for the purposes of determining the ad valorem tax required to fund general operations and the Sinking Fund. The amounts contained in the Estimate of Needs are verified by the County Excise Board and, upon verification, the levies contained therein are ordered to be certified to the County Assessor in order that the County Assessor may extend said levies upon the tax rolls for the year for which the Estimate of Needs is submitted. The County Excise Board further certifies that the appropriations contained in the Estimate of Needs and the millage rates are within the limitations provided by law. While the County Excise Board may make recommendations with respect to the levy request, it only has the authority to change the reserve for delinquent taxes.

The County Assessor is required to file a tax roll report on or before October 1 of each year with the County Treasurer indicating the net assessed valuation for each municipality within the County. This report includes the assessed valuation for all real, personal and public service property (public service property assessed valuations are determined by the Oklahoma Tax Commission). The County Treasurer has fifteen (15) days after receipt of the tax roll report to start collecting taxes. The first half of taxes is due and payable on November 1 of each year. The second half is due and payable on or before April 1 of each year. However, if the first half is not paid by January 1, both first and second half are declared delinquent as of January 1. If the first half taxes are paid in a timely manner and the second half taxes are not paid on or before April 1, the taxes are considered delinquent. Interest accrues on delinquent taxes at the rate of 1.5% monthly (18% annually), to a maximum of 100% of the taxes due and owing, until such time as the delinquent taxes are paid. In the event taxes and accrued interest are not paid, the property is sold at tax sale on October 1 and the purchaser is issued a certificate of ownership; however, the original owner of the property has two (2) years in which to redeem the property by paying the taxes, interest and penalties owed. If, at the end of two years the original owner has not done so, the purchaser is issued a deed to the property.

GLOBAL HEALTH EMERGENCY

The outbreak of COVID-19 has affected global, national, state and local economic activity. There has been significant volatility in the U.S. and global stock and bond markets that has been attributed to concerns about the spread of COVID-19. In light of those concerns, on January 31, 2020, the Secretary of Health and Human Services declared a public health emergency. On March 13, 2020, the President of the United States proclaimed that starting March 1, 2020, the COVID-19 outbreak in the United States constitutes a national emergency. On March 17, 2020, the Governor of Oklahoma issued Executive Order 2020-7 declaring that a state of emergency caused by the impending threat of COVID-19 to the people of Oklahoma and the public's peace, health and safety

existed in all 77 of Oklahoma's counties. On the same day Executive order 2020-7 was amended to commit the resources of all State Departments and Agencies in areas such as public health, civil emergency preparedness and actions intended to address the spread of COVID-19. The Oklahoma State Department of Health provides information relating to COVID-19 and related developments in the State of Oklahoma on its website, <https://coronavirus.health.ok.gov/>*

The School District is working to assess the economic and social effects of the COVID-19 virus and what impact it will have on the District's finances and service levels. At the present time, the scope of its impact and its materiality are unknown.

COMPLIANCE WITH CONSTITUTIONAL DEBT LIMITATION

(As of June 30, 2023)

The current, abbreviated financial statement of the School District revised from that officially filed with the State of Oklahoma as of June 30, 2023, is shown below:

Estimated Full Market Value:	\$ 6,054,583,441.69
ASSESSED VALUE, Including Homestead Exemptions:	\$ 673,180,341.00
ASSESSED VALUE, Excluding Homestead Exemptions:	\$ 656,483,653.00
Outstanding General Obligation Bonded Indebtedness (including the Bonds)	\$ 54,000,000.00
<u>Less: Current Sinking Fund Balance</u>	<u>\$ 22,301,009.58</u>
Net General Obligation Bonded Indebtedness:	\$ 31,698,990.42
Ratio of Net General Obligation Bonded Indebtedness to Net Assessed Valuation:	4.83%
Approximate Area of the School District:	97 square miles
Approximate Population of the School District:	34,400 people
Per Capita Net Indebtedness:	\$921.48 per person

PAYMENT RECORD

The School District has no default of record.

AUTHORIZED BUT UNISSUED BONDS

There are no other bonds to be issued from this election.

SCHEDULE OF OUTSTANDING INDEBTEDNESS
(Including the Bonds)

Date of Issue	Original Principal Amount	Remaining Maturities	Maturity Date	Total Outstanding
6/1/2024	\$12,000,000	\$ 2,400,000	6/1/2026-2030	\$12,000,000
6/1/2023	\$21,000,000	\$21,000,000	6/1/2025	\$21,000,000
6/1/2022	\$21,000,000	\$21,000,000	6/1/2024	\$21,000,000
Total Outstanding Indebtedness				\$54,000,000

ESTIMATED SCHEDULED PRINCIPAL AND INTEREST PAYMENTS
(Including the Bonds)

Fiscal Year Ending 6-30	Maturing Principal-All Bonds	Interest Due All Bonds*	Total Principal and Interest - All Bonds
2024	\$ 21,000,000.00	\$ 1,102,500.00	\$ 22,102,500.00
2025	\$ 21,000,000.00	\$ 1,440,000.00	\$ 22,440,000.00
2026	\$ 2,400,000.00	\$ 600,000.00	\$ 3,000,000.00
2027	\$ 2,400,000.00	\$ 480,000.00	\$ 2,880,000.00
2028	\$ 2,400,000.00	\$ 360,000.00	\$ 2,760,000.00
2029	\$ 2,400,000.00	\$ 240,000.00	\$ 2,640,000.00
2030	\$ 2,400,000.00	\$ 120,000.00	\$ 2,520,000.00
Totals	\$ 54,000,000.00	\$ 4,342,500.00	\$ 58,342,500.00

*Assumes 5.00% interest on the Bonds.

ESTIMATED SCHEDULED SINKING FUND LEVIES TO RETIRE BONDS
(Including the Bonds)

Fiscal Year Ending 6/30	Principal Levy- All Bonds	Interest Levy All Bonds*°	Total Levy - All Bonds
2024	\$ 20,000,000.00	\$ 1,391,250.00	\$ 21,391,250.00
2025	\$ 22,000,000.00	\$ 1,420,000.00	\$ 23,420,000.00
2026	\$ 2,000,000.00	\$ 590,000.00	\$ 2,590,000.00
2027	\$ 2,000,000.00	\$ 470,000.00	\$ 2,470,000.00
2028	\$ 2,000,000.00	\$ 350,000.00	\$ 2,350,000.00
2029	\$ 2,000,000.00	\$ 230,000.00	\$ 2,230,000.00
2030	\$ 2,000,000.00	\$ 110,000.00	\$ 2,110,000.00
Total	\$ 52,000,000.00	\$ 4,561,250.00	\$ 56,561,250.00
	ADD: SINKING FUND BALANCE		<u>\$ 22,301,009.58</u>
	TOTAL		\$ 78,862,259.58

* Does not include levies for judgments or reserve for uncollected taxes.

° Assumes 5.00% interest on the Bonds.

OVERLAPPING AND UNDERLYING INDEBTEDNESS

Direct, underlying and overlapping indebtedness within the School District includes debt of the District, City of Bixby, Tulsa County, Wagoner County, Tulsa Community College, and Tulsa Vo-Tech #18 as shown.

Municipality	Net Debt	Percent Applicable to School District	Overlapping Debt to School District	Per Capita Debt
Bixby Schools	\$ 31,698,990	100%	\$ 31,698,990	\$ 921.48
Tulsa County*	\$ 2,973,673	8.50%	\$ 252,762	\$ 7.34
Wagoner County*	\$ 0	n/a	\$ 0	\$ 0.00
Tulsa Community College*	\$ 0	n/a	\$ 0	\$ 0.00
Tulsa Vo-Tech #18*	\$ 0	n/a	\$ 0	\$ 0.00
City of Bixby*	<u>\$ 63,761,410</u>	100%	<u>\$ 63,761,410</u>	<u>\$1,853.53</u>
Total	\$ 98,434,073		\$ 95,713,162	\$2,782.35

*As of June 30, 2023.

COMPOSITION AND GROWTH OF THE NET ASSESSED VALUATION

The composition of the Net Assessed Valuation of the School District for the Fiscal Year 2023-2024 is as follows:

Property	Tulsa County	Wagoner County	Total	Percentage to Assessed Valuation
Gross Real Homestead	\$ 598,339,942	\$ 1,620,593	\$ 599,960,535	
	<u>\$ 16,622,627</u>	<u>\$ 74,061</u>	<u>\$ 16,696,688</u>	
Net Real Estate	\$ 581,717,315	\$ 1,546,532	\$ 583,263,847	88.85%
Personal	\$ 59,338,684	\$ 43,543	\$ 59,382,227	9.05%
Public Service	\$ 13,761,155	\$ 76,424	\$ 13,837,579	2.11%
Gross Valuation	\$ 671,439,781	\$ 1,740,560	\$ 673,180,341	
Net Valuation	\$ 654,817,154	\$ 1,666,499	\$ 656,483,653	

The growth of the Net Assessed Valuation for the past ten years has been as follows:

Fiscal Year	Valuation	Fiscal Year	Valuation
2023-2024	\$ 656,483,653	2018-2019	\$ 451,152,891
2022-2023	\$ 592,535,285	2017-2018	\$ 424,107,361
2021-2022	\$ 539,309,554	2016-2017	\$ 398,312,699
2020-2021	\$ 501,006,441	2015-2016	\$ 380,183,546
2019-2020	\$ 476,274,304	2014-2015	\$ 356,660,077

SINKING FUND TAX COLLECTIONS

Fiscal Year	Net Levy	Gross Levy	Net Collections	Gross Collections
2023-2024	\$21,089,298	\$22,143,763	in progress	in progress
2022-2023	\$19,223,656	\$20,184,839	\$20,689,722	\$21,825,608
2021-2022	\$17,219,786	\$18,080,775	\$18,440,859	\$18,915,879
2020-2021	\$16,222,782	\$17,033,921	\$16,661,424	\$17,115,879
2019-2020	\$15,947,409	\$16,744,780	\$17,275,716	\$18,149,630
2018-2019	\$14,851,939	\$15,594,536	\$14,924,943	\$15,144,537
2017-2018	\$13,531,840	\$14,208,432	\$14,603,779	\$14,894,368
2016-2017	\$12,866,602	\$13,509,933	\$13,179,396	\$13,376,071
2015-2016	\$9,818,663	\$10,309,596	\$10,269,218	\$10,477,369
2014-2015	\$9,022,118	\$9,473,224	\$9,260,393	\$ 9,422,162

PERCENTAGE OF TAXES COLLECTED

The ratio of Net and Gross Sinking Fund Tax Collections to the Net Sinking Fund Levy (the levy prior to addition of the reserve for uncollected taxes) is as follow:

Fiscal Year	Ratio of Net Tax Collection to Net Levy	Ratio of Gross Tax Receipts to Net Levy
2022-2023	107.63%	113.54%
2021-2022	107.08%	109.85%
2020-2021	102.70%	105.51%
2019-2020	108.33%	113.81%
2018-2019	100.49%	101.97%
2017-2018	107.92%	110.07%
2016-2017	102.43%	103.96%
2015-2016	104.59%	106.71%
2014-2015	102.64%	104.43%

The ratio of Net and Gross Sinking Fund Tax Collections to the Gross Sinking Fund Levy (the levy after addition of the reserve for uncollected taxes) is as follows:

Fiscal Year	Ratio of Net Tax Collection to Gross Levy	Ratio of Gross Tax Receipts to Gross Levy
2022-2023	102.50%	108.13%
2021-2022	102.00%	104.62%
2020-2021	97.81%	100.48%
2019-2020	103.17%	108.39%
2018-2019	95.71%	97.11%
2017-2018	102.78%	104.83%
2016-2017	97.55%	99.01%
2015-2016	99.61%	101.63%
2014-2015	97.75%	99.46%

TREND OF TAX RATES OF MAJOR TAXING UNITS

Fiscal Year	Bixby School District	City of Bixby	Tulsa County	Vo-Tech District	Tulsa Comm. College	Total Levy
2023-2024	\$ 74.93	\$21.83	\$ 22.60	\$13.33	\$ 7.21	\$139.90
2022-2023	\$ 75.27	\$21.54	\$ 23.16	\$13.33	\$ 7.21	\$140.51
2021-2022	\$ 74.73	\$12.80	\$ 23.26	\$13.33	\$ 7.21	\$131.33
2020-2021	\$ 75.20	\$13.17	\$ 23.25	\$13.33	\$ 7.21	\$132.16
2019-2020	\$ 76.36	\$13.10	\$ 22.66	\$13.33	\$ 7.21	\$132.66
2018-2019	\$ 75.77	\$12.38	\$ 22.74	\$13.33	\$ 7.21	\$131.43
2017-2018	\$ 74.70	\$13.11	\$ 22.24	\$13.33	\$ 7.21	\$130.59
2016-2017	\$ 75.12	\$11.11	\$ 22.24	\$13.33	\$ 7.21	\$129.01
2015-2016	\$ 68.32	\$12.30	\$ 22.22	\$13.33	\$ 7.21	\$123.38
2014-2015	\$ 67.76	\$12.66	\$ 22.23	\$13.33	\$ 7.21	\$123.19

*Expressed in dollars per \$1,000 of net assessed valuation

INDEPENDENT SCHOOL DISTRICT NO. 4 OF TULSA COUNTY, OKLAHOMA

Bixby Public Schools is located in southeast Tulsa County and a portion of western Wagoner County, Oklahoma. The District encompasses 97 square miles primarily overlaying the City of Bixby, Oklahoma, which is located twenty miles southeast of downtown Tulsa, Oklahoma. Population growth in the area has been dramatic over the last thirty years. As a result, the District’s enrollment has increased in conjunction with population growth.

The District employs nearly 920 persons of whom approximate 480 are certified staff and 440 are support staff. All teachers employed by the District have degrees as well as special training in their major field of instruction and are certified by the Oklahoma State Department of Education. All sites in the District are fully accredited by the Oklahoma State Department of Education and the North Central Accreditation Association.

The existing physical facilities of the School District included four elementary schools, four intermediate schools, a middle school, a ninth grade center, and alternative center, and a high school. Elementary schools educate grades pre-kindergarten through third; intermediate schools educate fourth through sixth grades; and theme middle schools serves seventh and eighth graders. The ninth grade center houses all ninth grade students, and grades 10-12 attend the High School. The district operates 52 buses, transporting approximate 44 percent of all students.

Some of the major employers and industries in the District include: Bixby Public Schools; Kimberly Clark; Lowe’s Home Improvement; and the City of Bixby.

STUDENT ENROLLMENT TREND

School Year	Total Enrollment	Percentage Change
2023-24	8,115	2.72%
2022-23	7,900	8.40%
2021-22	7,288	8.11%
2020-21	6,741	1.20%
2019-20	6,661	-0.98%
2018-19	6,726	4.52%
2017-18	6,435	3.89%
2016-17	6,194	2.33%
2015-16	6,053	4.43%
2014-15	5,796	11.83%

ECONOMIC INDICES

Unemployment Rate (Twelve Month Moving Average)

	June 2023	June 2022	June 2021
United States	3.6%	3.6%	5.9%
State of Oklahoma	2.7%	2.9%	3.7%
Tulsa County	3.0%	3.6%	3.9%

Source: US Bureau of Labor Statistics

**Largest Ad Valorem Taxpayers
(Based on Net Assessed Valuation 2023-2024)**

<u>Name</u>	<u>Type of Business</u>	<u>NAV</u>
Residence at Boardwalk	Apartments	\$4,429,403
Timberland Partners	Apartments	\$2,959,561
Links at Bixby	Apartment/Golf Course	\$2,954,883
Bixby Telephone Co.	Phone Utility	\$2,918,809
Public Service Co of OK	Electrical Utility	\$2,668,780
Transformation Group Holdings	Real Estate	\$2,175,407
Bixby Delaware LLC	Apartments	\$2,143,803
Lowes Home Center	Retail	\$2,016,433
Cross Creek Project 1,2,3	Real Estate	\$1,855,447
Prime Storage LLC	Storage Facility	\$1,614,459

Bixby Area Major Employers

<u>Name of Employer</u>	<u>Type of Business</u>	<u>No. of Employees</u>
Regal Plaza	Retail Shops & Restaurants	650
Bixby Public Schools	Education	460
Kimberly Clark	Hygiene Products	400
Lowe's	Building Material Retailer	160
Costco	Retail/Grocery Store	150
Sprouts	Grocery Store	120
Reasor's	Grocery Store	100
City of Bixby	Municipal Government	100
Citizens Security Bank	Banking Institution	100
YMCA	Youth Fitness Education	80
Cobra Manufacturing	Archery Accessories	70
BTC Broadband	Telephone Service Provider	65
Dickenson Theaters	Movie Theater	60
Doc's Country Mart	Convenience Grocery	60

Source: Bixby Chamber of Commerce

Sales Tax Collections

The City levies a 5.10% local sales tax, which together with the State sales tax of four and one-half percent (4.5%) places the total City and State sales tax rate at eight percent (9.60%). Wagoner County levies a 1.30% sales tax, which makes the total sales tax for Bixby overlying Wagoner County 10.90%. Tulsa County levies a 0.37%, bringing the total sales tax rate overlying Tulsa County to 9.97%. Historical sales tax collections for the City are shown below:

<u>Fiscal Year</u>	<u>Total Collections</u>	<u>% Change</u>
2023	19,077,441	5.77%
2022	18,035,982	18.12%
2021	15,269,817	8.94%
2020	14,016,789	13.25%
2019	12,377,268	0.51%
2018	12,314,052	18.80%
2017	10,365,061	21.65%
2016	8,520,453	-17.24%
2015	9,989,515	4.12%

Source: City of Bixby

RECORD DATE

The record date shall be defined as the fifteenth (15th) day preceding any interest payment date.

RATINGS

The 2024 General Obligation Combined Purpose Bonds have been rated “AA/Stable” by Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc. (“S&P”). An explanation of the significance of such ratings may be obtained from the companies furnishing the ratings. The ratings reflect only the respective views of such organizations and the District makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating companies, if in the judgment of the companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

UNDERWRITING

The Bonds have been sold at public sale by the School District to the Underwriters, and the Underwriters have jointly and severally agreed, subject to certain conditions, to purchase the Bonds. The successful proposal for the Bonds was submitted by _____ as representative of the Underwriters.

LITIGATION

There is no litigation pending seeking to restrain or enjoin the issuance or delivery of the Bonds or questioning or affecting the legality of the Bonds or proceedings and authority under which the Bonds are to be issued. There is no litigation pending which in any manner questions the right of the School District to construct or finance the proposed improvements.

APPROVAL OF LEGALITY

All matters incident to the authorization and issuance of the bonds are subject to the approval of the Attorney General of the State of Oklahoma and to the approval of Phillips Murrah P.C., as Bond Counsel. Bond Counsel has not participated in the preparation of the Official Statement. Accordingly, Bond Counsel has no responsibility for the accuracy, sufficiency or completeness of any information furnished in connection with any offer or sale of the Bonds.

TAX EXEMPTION

In the opinion of Bond Counsel, under existing statutes, regulations, published rulings and court decisions, interest on the Bonds is excludable from the gross income of the owners of the Bonds for Federal income tax purposes. In expressing their opinion that interest on the Bonds is excludable from the gross income of the owners of the Bonds, Bond Counsel will rely on the School District's No-Arbitrage Certificate and will assume compliance by the School District with certain covenants of the School District with respect to the use and investment of the proceeds of the Bonds. Failure by the School District to comply with these covenants may cause the interest on the Bonds to become includable in gross income retroactively to the date of issuance of the Bonds. Except as stated above with respect to the exclusion of the interest on the Bonds from gross income, Bond Counsel expresses no opinion as to any other Federal income tax consequences of acquiring, carrying, owning or disposing of the Bonds.

The law upon which Bond Counsel have based their opinion is subject to change by the Congress and Department of the Treasury and to subsequent judicial and administrative interpretation. There can be no assurance that such

law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of ownership of the Bonds.

For taxable years beginning after 1986, a portion of the interest on the Bonds will be includable as an adjustment for book income or adjusted earnings and profits to calculate alternative minimum tax imposed on corporations by Section 55 of the Internal Revenue Code of 1986 (the "Code"), and for purposes of the environmental tax imposed on corporations by Section 59A of the Code. In addition, certain foreign corporations doing business in the United States may be subject to the new "branch profits tax" on their effectively-connected earnings and profits including tax-exempt interest such as interest on the Bonds. Furthermore, in the case of a Subchapter S Corporation, interest on the Bonds is treated as passive investment income which is subject to the tax imposed by Section 1375 of the Code.

The Code includes as an individual and corporate alternative minimum tax preference item, the interest on certain "private activity bonds" issued after August 7, 1986. In the opinion of Bond Counsel, the Bonds are not "private activity bonds" and the interest on the Bonds is not an individual or corporate alternative minimum tax preference item under Section 57(a)(5) of the Code. Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral Federal income tax consequences to financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers falling within any of these categories should consult their own tax advisers as to the applicability of these consequences.

Pursuant to Title 68, Oklahoma Statutes 2011, Section 2358.4, the Bonds issued by the School District shall be exempt from Oklahoma Income Taxation.

QUALIFIED TAX-EXEMPT OBLIGATIONS

Section 265 of the Internal Revenue Code of 1986 provides, in general, that interest expense incurred to acquire or carry tax-exempt obligations is not deductible from the gross income of the holder. For certain holders that are "financial institutions" within the meaning of such section, complete disallowance of such expense would apply to taxable years beginning after December 31, 1986, with respect to tax-exempt obligations acquired after August 7, 1986. Section 265(b) of the Code provides an exception to this rule for interest expense incurred by financial institutions to acquire or carry tax-exempt obligations (other than "private activity bonds") which are designated by an issuer as 'qualified tax-exempt obligations' where not more than \$10 million of tax-exempt obligations are issued by the issuer during the calendar year in which the issue so designated is issued. The School District expects to NOT designate the Bonds as "qualified tax-exempt obligations".

REGISTRATION AND TRANSFER

Bonds presented to the Registrar for transfer after the close of business on a Record Date, defined as the fifteenth (15th) day preceding any interest payment due, and before the close of business on the next subsequent Interest Payment Date will be registered in the name of the transferee but the interest payment will be made to the registered owners shown on the books of the Registrar as of the close of business on the Record Date.

The Bonds will be initially registered in the name of Cede & Co., as nominee of The Depositor Trust Company ("DTC") New York, New York, which will act as securities depository for the Bonds. Principal and interest on the Bonds will be paid by the Paying Agent and Registrar to DTC. Disbursements of such payments to the DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants and the Indirect Participants, as more fully described in the section titled "Book-Entry System."

BOOK-ENTRY-ONLY SYSTEM

The information in this section, “Book-Entry System”, has been furnished by The Depository Trust Company. No representation is made by the School District as to the completeness or accuracy of such information. The School District shall have no responsibility or obligation to DTC Participants, Indirect Participants or the persons for which they act as nominees with respect to the Bonds, or for any principal, premium, if any, or interest payment thereof.

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee). One fully-registered certificate will be issued for each maturity of the Bonds in the aggregate amount of each such maturity, and will be deposited with DTC at the office of the Paying Agent and Registrar on behalf of DTC utilizing the DTC FAST system of registration.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants (“Participants”) deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfer and pledges, in deposited securities through electronic computerized book-entry changes in Participants’ accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, who will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. **Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.**

To facilitate subsequent transfers, all Bonds deposited by Participants with DTC (or the Paying Agent and Registrar on behalf of DTC utilizing the DTC FAST system of registration) are registered in the name of DTC’s partnership nominee, Cede & Co. The deposit of Bonds with DTC (or the Paying Agent and Registrar on behalf of DTC utilizing the DTC FAST system of registration) and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, who may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participant to Beneficial Owners will be governed by arrangements among them, subject to an statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to the Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made by the Paying Agent and Registrar to DTC. DTC's practice is to credit Direct Participants' accounts on payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the Agent, or the issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the issuer or the Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the issuer or the Agent. Under such circumstances, the event that a successor securities depository is not obtained, Bond certificates will be printed and delivered.

The School District may decide to discontinue use of the system of book-entry transfer through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

Use of Certain Terms in other Sections of the Official Statement. In reading this Official Statement it should be understood that while the Bond certificates are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Certificates, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Indenture will be given only to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the School District believes to be reliable, but the School District takes no responsibility for the accuracy thereof.

CONCLUDING STATEMENT

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty and no representation is made that any of these statement have been or will be realized. Information in this Official Statement has been derived by the School District from official and other sources and is believed by the School District to be accurate and reliable. Information other than that obtained from official records of the School District has not been independently confirmed or verified by the School District and its accuracy is not guaranteed.

Neither this Official Statement nor any statement that may have been made orally or in writing in connection herewith is to be construed as or as a part of a contract with the original purchasers or subsequent owners of the Bonds.

INDEPENDENT SCHOOL DISTRICT NUMBER 4
TULSA COUNTY, OKLAHOMA

/s/ JUSTIN CHEATHAM
President, Board of Education

ATTEST:

/s/ JULIE PROX
Clerk, Board of Education

ADDENDUM “A”

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by Independent School District No. 4 of Tulsa County, Oklahoma, (the “Issuer”) in connection with the issuance of \$12,000,000 General Obligation Combined Purpose Bonds of 2024 (the “Bonds”). The Bonds are being issued pursuant to a Resolution dated the 25th day of April, 2024. The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders, including beneficial owners, and in order to assist the Participating Underwriters in complying with SEC Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“**Annual Report**” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“**Audited Financial Statements**” shall mean the School District’s annual financial statements, prepared on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma, which financial statements shall have been audited by such auditor as shall be then required or permitted by the laws of the State. Revenues are recorded as received in cash, except for revenues susceptible to accrual and material revenues that are not received at the normal time of receipt. Expenditures are recorded in the accounting period in which the fund liability is incurred and encumbered.

“**Dissemination Agent**” shall mean the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“**EMMA**” shall mean the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system.

“**Financial Obligation**” (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). The definition excludes municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

“**Material Events**” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“**MSRB**” mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“**National Repository**” shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. Currently, the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (EMMA) system is the National Repository. Annual Reports and notices of material events are to be electronically filed at the EMMA website: www.emma.msrb.org.

The names and addresses of all current NRMSIRs should be verified each time information is delivered pursuant to this Certificate.

“**Participating Underwriter**” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“**Repository**” shall mean each National Repository and each State Repository.

“**Rule**” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“**State**” shall mean the State of Oklahoma.

“**State Repository**” shall mean any public or private repository or entity designated by the State as a state repository for the purpose of the Rule. As of the date of this Disclosure Certificate, there is no State Repository.

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than ten months following the end of the fiscal year (as of the date of this Disclosure Certificate, June 30 is the end of the fiscal year), provide annually to MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than fifteen (15) Business Days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the School District may be submitted separately from the balance of the Annual Report.

(b) If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send a notice of such failure to the MSRB by a date not in excess of 10 business days after the occurrence of such failure.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and each State Repository, if any; and (if the Dissemination Agent is other than the Issuer)

(ii) file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the Repositories to which it was provided.

SECTION 4. Content of Annual Reports. The Issuer’s Annual Report shall contain or incorporate by reference the financial information or operating data with respect to the Issuer of the type included in Appendix A of the final official statement. If Audited Financial Statements are not available by the time the Annual Report must be provided, unaudited financial statements will be provided as part of the Annual Report and Audited Financial Statements will be provided, when and if available, to each Repository.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Issuer shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Significant Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults; if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions or events affecting the tax-exempt status of the security;
7. Modification to rights of security holders;
8. Bond calls; if material

9. Defeasances, release, substitution, or sale of property securing repayment of the securities; if material
10. Rating changes;
11. Tender offers;
12. Bankruptcy, insolvency, receivership or similar event of the obligated person;
13. Merger, consolidation, or acquisition of the obligated person, if material;
14. Appointment of a successor or additional trustee, or the change of name of a trustee, if material
15. Incurrence of a financial obligation of the issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the issuer or obligated person, any of which affect security holders, if material;
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the issuer or obligated person, any of which reflect financial difficulties;

(a) Whenever the Issuer obtains knowledge of the occurrence of a Material Event, the Issuer shall take the actions specified in subsection (c) hereof.

(b) The Issuer, or its dissemination agent, shall within ten (10) business days file a notice of the occurrence of a Material Event with the Municipal Securities Rulemaking Board and each State Repository, if material. Provided, that any event under subsections (a)(8), (9) or (11) will always be material. Notwithstanding the foregoing, notice of Material Events described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds pursuant to the Resolution.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligation under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the Issuer.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of the Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any bondholder, including beneficial owners, may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and Bondholders, including beneficial owners, from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. Previous Undertaking. The Issuer has not defaulted or failed to disclose any continuing disclosure obligations or events on any other undertaking under the SEC Rule 15c2-12(b), except for the following:

The district has hired UMB Bank, n.a., to serve as it's Dissemination Agent to ensure that the annual audits are submitted within the 10 month time frame following the end of the School District's fiscal year.

APPENDIX A

FINANCIAL INFORMATION AND OPERATING DATA

SCHEDULE OF OUTSTANDING INDEBTEDNESS

(Including the Bonds)

Date of Issue	Original Principal Amount	Remaining Maturities	Maturity Date	Total Outstanding
6/1/2024	\$12,000,000	\$ 2,400,000	6/1/2026-2030	\$12,000,000
6/1/2023	\$21,000,000	\$21,000,000	6/1/2025	\$21,000,000
6/1/2022	\$21,000,000	\$21,000,000	6/1/2024	\$21,000,000
Total Outstanding Indebtedness				\$54,000,000

ESTIMATED SCHEDULED PRINCIPAL AND INTEREST PAYMENTS

(Including the Bonds)

Fiscal Year Ending 6-30	Maturing Principal-All Bonds	Interest Due All Bonds*	Total Principal and Interest - All Bonds
2024	\$ 21,000,000.00	\$ 1,102,500.00	\$ 22,102,500.00
2025	\$ 21,000,000.00	\$ 1,440,000.00	\$ 22,440,000.00
2026	\$ 2,400,000.00	\$ 600,000.00	\$ 3,000,000.00
2027	\$ 2,400,000.00	\$ 480,000.00	\$ 2,880,000.00
2028	\$ 2,400,000.00	\$ 360,000.00	\$ 2,760,000.00
2029	\$ 2,400,000.00	\$ 240,000.00	\$ 2,640,000.00
2030	<u>\$ 2,400,000.00</u>	<u>\$ 120,000.00</u>	<u>\$ 2,520,000.00</u>
Totals	\$ 54,000,000.00	\$ 4,342,500.00	\$ 58,342,500.00

*Assumes 5.00% interest on the Bonds.

ESTIMATED SCHEDULED SINKING FUND LEVIES TO RETIRE BONDS
(Including the Bonds)

Fiscal Year Ending 6/30	Principal Levy- All Bonds	Interest Levy All Bonds*°	Total Levy - All Bonds
2024	\$ 20,000,000.00	\$ 1,391,250.00	\$ 21,391,250.00
2025	\$ 22,000,000.00	\$ 1,420,000.00	\$ 23,420,000.00
2026	\$ 2,000,000.00	\$ 590,000.00	\$ 2,590,000.00
2027	\$ 2,000,000.00	\$ 470,000.00	\$ 2,470,000.00
2028	\$ 2,000,000.00	\$ 350,000.00	\$ 2,350,000.00
2029	\$ 2,000,000.00	\$ 230,000.00	\$ 2,230,000.00
2030	\$ 2,000,000.00	\$ 110,000.00	\$ 2,110,000.00
Total	\$ 52,000,000.00	\$ 4,561,250.00	\$ 56,561,250.00
	ADD: SINKING FUND BALANCE		<u>\$ 22,301,009.58</u>
	TOTAL		<u>\$ 78,862,259.58</u>

* Does not include levies for judgments or reserve for uncollected taxes.

° Assumes 5.00% interest on the Bonds.

OVERLAPPING AND UNDERLYING INDEBTEDNESS

Direct, underlying and overlapping indebtedness within the School District includes debt of the District, City of Bixby, Tulsa County, Wagoner County, Tulsa Community College, and Tulsa Vo-Tech #18 as shown.

Municipality	Net Debt	Percent Applicable to School District	Overlapping Debt to School District	Per Capita Debt
Bixby Schools	\$ 31,698,990	100%	\$ 31,698,990	\$ 921.48
Tulsa County*	\$ 2,973,673	8.50%	\$ 252,762	\$ 7.34
Wagoner County*	\$ 0	n/a	\$ 0	\$ 0.00
Tulsa Community College*	\$ 0	n/a	\$ 0	\$ 0.00
Tulsa Vo-Tech #18*	\$ 0	n/a	\$ 0	\$ 0.00
City of Bixby*	<u>\$ 63,761,410</u>	100%	<u>\$ 63,761,410</u>	<u>\$1,853.53</u>
Total	\$ 98,434,073		\$ 95,713,162	\$2,782.35

*As of June 30, 2023.

COMPOSITION AND GROWTH OF THE NET ASSESSED VALUATION

The composition of the Net Assessed Valuation of the School District for the Fiscal Year 2023-2024 is as follows:

Property	Tulsa County	Wagoner County	Total	Percentage to Assessed Valuation
Gross Real Homestead	\$ 598,339,942	\$ 1,620,593	\$ 599,960,535	
	<u>\$ 16,622,627</u>	<u>\$ 74,061</u>	<u>\$ 16,696,688</u>	
Net Real Estate	\$ 581,717,315	\$ 1,546,532	\$ 583,263,847	88.85%
Personal	\$ 59,338,684	\$ 43,543	\$ 59,382,227	9.05%
Public Service	\$ 13,761,155	\$ 76,424	\$ 13,837,579	2.11%
Gross Valuation	\$ 671,439,781	\$ 1,740,560	\$ 673,180,341	
Net Valuation	\$ 654,817,154	\$ 1,666,499	\$ 656,483,653	

The growth of the Net Assessed Valuation for the past ten years has been as follows:

Fiscal Year	Valuation	Fiscal Year	Valuation
2023-2024	\$ 656,483,653	2018-2019	\$ 451,152,891
2022-2023	\$ 592,535,285	2017-2018	\$ 424,107,361
2021-2022	\$ 539,309,554	2016-2017	\$ 398,312,699
2020-2021	\$ 501,006,441	2015-2016	\$ 380,183,546
2019-2020	\$ 476,274,304	2014-2015	\$ 356,660,077

SINKING FUND TAX COLLECTIONS

Fiscal Year	Net Levy	Gross Levy	Net Collections	Gross Collections
2023-2024	\$21,089,298	\$22,143,763	in progress	in progress
2022-2023	\$19,223,656	\$20,184,839	\$20,689,722	\$21,825,608
2021-2022	\$17,219,786	\$18,080,775	\$18,440,859	\$18,915,879
2020-2021	\$16,222,782	\$17,033,921	\$16,661,424	\$17,115,879
2019-2020	\$15,947,409	\$16,744,780	\$17,275,716	\$18,149,630
2018-2019	\$14,851,939	\$15,594,536	\$14,924,943	\$15,144,537
2017-2018	\$13,531,840	\$14,208,432	\$14,603,779	\$14,894,368
2016-2017	\$12,866,602	\$13,509,933	\$13,179,396	\$13,376,071
2015-2016	\$9,818,663	\$10,309,596	\$10,269,218	\$10,477,369
2014-2015	\$9,022,118	\$9,473,224	\$9,260,393	\$ 9,422,162

PERCENTAGE OF TAXES COLLECTED

The ratio of Net and Gross Sinking Fund Tax Collections to the Net Sinking Fund Levy (the levy prior to addition of the reserve for uncollected taxes) is as follow:

Fiscal Year	Ratio of Net Tax Collection to Net Levy	Ratio of Gross Tax Receipts to Net Levy
2022-2023	107.63%	113.54%
2021-2022	107.08%	109.85%
2020-2021	102.70%	105.51%
2019-2020	108.33%	113.81%
2018-2019	100.49%	101.97%
2017-2018	107.92%	110.07%
2016-2017	102.43%	103.96%
2015-2016	104.59%	106.71%
2014-2015	102.64%	104.43%

The ratio of Net and Gross Sinking Fund Tax Collections to the Gross Sinking Fund Levy (the levy after addition of the reserve for uncollected taxes) is as follows:

Fiscal Year	Ratio of Net Tax Collection to Gross Levy	Ratio of Gross Tax Receipts to Gross Levy
2022-2023	102.50%	108.13%
2021-2022	102.00%	104.62%
2020-2021	97.81%	100.48%
2019-2020	103.17%	108.39%
2018-2019	95.71%	97.11%
2017-2018	102.78%	104.83%
2016-2017	97.55%	99.01%
2015-2016	99.61%	101.63%
2014-2015	97.75%	99.46%

TREND OF TAX RATES OF MAJOR TAXING UNITS

Fiscal Year	Bixby School District	City of Bixby	Tulsa County	Vo-Tech District	Tulsa Comm. College	Total Levy
2023-2024	\$ 74.93	\$21.83	\$ 22.60	\$13.33	\$ 7.21	\$139.90
2022-2023	\$ 75.27	\$21.54	\$ 23.16	\$13.33	\$ 7.21	\$140.51
2021-2022	\$ 74.73	\$12.80	\$ 23.26	\$13.33	\$ 7.21	\$131.33
2020-2021	\$ 75.20	\$13.17	\$ 23.25	\$13.33	\$ 7.21	\$132.16
2019-2020	\$ 76.36	\$13.10	\$ 22.66	\$13.33	\$ 7.21	\$132.66
2018-2019	\$ 75.77	\$12.38	\$ 22.74	\$13.33	\$ 7.21	\$131.43
2017-2018	\$ 74.70	\$13.11	\$ 22.24	\$13.33	\$ 7.21	\$130.59
2016-2017	\$ 75.12	\$11.11	\$ 22.24	\$13.33	\$ 7.21	\$129.01
2015-2016	\$ 68.32	\$12.30	\$ 22.22	\$13.33	\$ 7.21	\$123.38
2014-2015	\$ 67.76	\$12.66	\$ 22.23	\$13.33	\$ 7.21	\$123.19

*Expressed in dollars per \$1,000 of net assessed valuation

STUDENT ENROLLMENT TREND

School Year	Total Enrollment	Percentage Change
2023-24	8,115	2.72%
2022-23	7,900	8.40%
2021-22	7,288	8.11%
2020-21	6,741	1.20%
2019-20	6,661	-0.98%
2018-19	6,726	4.52%
2017-18	6,435	3.89%
2016-17	6,194	2.33%
2015-16	6,053	4.43%
2014-15	5,796	11.83%

ECONOMIC INDICES

Unemployment Rate (Twelve Month Moving Average)

	June 2023	June 2022	June 2021
United States	3.6%	3.6%	5.9%
State of Oklahoma	2.7%	2.9%	3.7%
Tulsa County	3.0%	3.6%	3.9%

Source: US Bureau of Labor Statistics

**Largest Ad Valorem Taxpayers
(Based on Net Assessed Valuation 2023-2024)**

<u>Name</u>	<u>Type of Business</u>	<u>NAV</u>
Residence at Boardwalk	Apartments	\$4,429,403
Timberland Partners	Apartments	\$2,959,561
Links at Bixby	Apartment/Golf Course	\$2,954,883
Bixby Telephone Co.	Phone Utility	\$2,918,809
Public Service Co of OK	Electrical Utility	\$2,668,780
Transformation Group Holdings	Real Estate	\$2,175,407
Bixby Delaware LLC	Apartments	\$2,143,803
Lowe's Home Center	Retail	\$2,016,433
Cross Creek Project 1,2,3	Real Estate	\$1,855,447
Prime Storage LLC	Storage Facility	\$1,614,459

Bixby Area Major Employers

<u>Name of Employer</u>	<u>Type of Business</u>	<u>No. of Employees</u>
Regal Plaza	Retail Shops & Restaurants	650
Bixby Public Schools	Education	460
Kimberly Clark	Hygiene Products	400
Lowe's	Building Material Retailer	160
Costco	Retail/Grocery Store	150
Sprouts	Grocery Store	120
Reasor's	Grocery Store	100
City of Bixby	Municipal Government	100
Citizens Security Bank	Banking Institution	100
YMCA	Youth Fitness Education	80
Cobra Manufacturing	Archery Accessories	70
BTC Broadband	Telephone Service Provider	65
Dickenson Theaters	Movie Theater	60
Doc's Country Mart	Convenience Grocery	60

Source: Bixby Chamber of Commerce

Sales Tax Collections

The City levies a 5.10% local sales tax, which together with the State sales tax of four and one-half percent (4.5%) places the total City and State sales tax rate at eight percent (9.60%). Wagoner County levies a 1.30% sales tax, which makes the total sales tax for Bixby overlying Wagoner County 10.90%. Tulsa County levies a 0.37%, bringing the total sales tax rate overlying Tulsa County to 9.97%. Historical sales tax collections for the City are shown below:

<u>Fiscal</u> <u>Year</u>	<u>Total</u> <u>Collections</u>	<u>% Change</u>
2023	19,077,441	5.77%
2022	18,035,982	18.12%
2021	15,269,817	8.94%
2020	14,016,789	13.25%
2019	12,377,268	0.51%
2018	12,314,052	18.80%
2017	10,365,061	21.65%
2016	8,520,453	-17.24%
2015	9,989,515	4.12%

Source: City of Bixby

**AUDITED FINANCIAL STATEMENTS - REGULATORY BASIS
AND REPORTS OF INDEPENDENT AUDITOR**

**BIXBY SCHOOL DISTRICT NO. 1-4,
TULSA COUNTY, OKLAHOMA**

JUNE 30, 2023



JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

**INDEPENDENT SCHOOL DISTRICT NO. I-4
TULSA COUNTY, OKLAHOMA
JUNE 30, 2023**

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**INDEPENDENT SCHOOL DISTRICT NO. 1-4
TULSA COUNTY, OKLAHOMA
JUNE 30, 2023**

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**INDEPENDENT SCHOOL DISTRICT NO. I-4
TULSA COUNTY, OKLAHOMA
SCHOOL DISTRICT OFFICIALS
JUNE 30, 2023**

BOARD OF EDUCATION

President	Justin Cheatham
Vice-President	Tristy Fryer
Clerk	Julie Prox
Member	Amanda Stephens
Member	Matt Dotson

SUPERINTENDENT OF SCHOOLS

Rob Miller

CHIEF FINANCIAL OFFICER

Mike Anthony

SCHOOL DISTRICT TREASURER

Sherry McIntyre



JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

JACK JENKINS, CPA
MICHAEL KEMPER, CPA

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education
Bixby School District No. 1-4
Bixby, Oklahoma 74008

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying combined fund type and account group financial statements-regulatory basis of Bixby School District No. 1-4, Bixby, Oklahoma (the "School District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the following 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 the District as of June 30, 2023, and the revenues collected and expenditures paid and encumbered, of each fund type, for the year then ended, on the regulatory basis of accounting described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because the significance of the matter discussed in the previous paragraph, the basic 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 Bixby School District No. 1-4, Tulsa County, Oklahoma as of June 30, 2023, or the revenues, expenses, and changes in net position and, where applicable, its cash flows for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Bixby School District No. 1-4, Bixby, 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 above do not include the general fixed assets account group, which is a departure from the regulatory basis of accounting prescribed by the Oklahoma State Department of Education. The amount that should be recorded in the general fixed asset account group is not known.

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

As discussed in Note 1, the financial statements are prepared by the Bixby School District No. 1-4, on the basis of the financial reporting provisions of the Oklahoma State Department of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with 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 financial reporting provisions of the Oklahoma State Department of Education as described in Note 1, to meet the 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 School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The combining fund statements, regulatory basis, listed in the accompanying table of contents are presented for purpose 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* (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 statements-regulatory basis and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements-regulatory basis and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole on the regulatory basis of accounting described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated October 9, 2023, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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.

Jenkins & Kemper, CPAs P.C.

Jenkins & Kemper
Certified Public Accountants, P.C.

October 9, 2023

COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS

**INDEPENDENT SCHOOL DISTRICT NO. 1-4, TULSA COUNTY
COMBINED STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES -
REGULATORY BASIS - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2023**

<u>ASSETS</u>	<u>GOVERNMENTAL FUND TYPES</u>				<u>FIDUCIARY FUND TYPES</u>	<u>ACCOUNT GROUP</u>	<u>TOTALS (MEMO ONLY)</u>
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>EXPENDABLE TRUST AND AGENCY FUND</u>	<u>GENERAL LONG-TERM DEBT</u>	
Cash	\$ 9,798,231	4,083,219	3,745,702	26,977,385	2,999,480		47,604,017
Amounts available in debt service						2,601,952	2,601,952
Amounts to be provided for retirement of general long-term debt						176,544,996	176,544,996
Total Assets	<u>9,798,231</u>	<u>4,083,219</u>	<u>3,745,702</u>	<u>26,977,385</u>	<u>2,999,480</u>	<u>179,146,948</u>	<u>226,750,965</u>
 <u>LIABILITIES AND FUND BALANCES</u> 							
Liabilities							
Warrants payable	1,567,702	456,141		213,973			2,237,816
Encumbrances	323,936	387,568		1,347,235			2,058,739
Funds held for school organizations					2,999,480		2,999,480
Long-term debt:							
Bonds payable			1,143,750			42,000,000	43,143,750
Capital leases						137,146,948	137,146,948
Total liabilities	<u>1,891,638</u>	<u>843,709</u>	<u>1,143,750</u>	<u>1,561,208</u>	<u>2,999,480</u>	<u>179,146,948</u>	<u>187,586,733</u>
Fund balances							
Restricted for:							
Capital projects				25,416,177			25,416,177
Debt service			2,601,952				2,601,952
Child nutrition		1,094,498					1,094,498
Building		2,145,012					2,145,012
Unassigned	7,906,593						7,906,593
Total fund balances	<u>7,906,593</u>	<u>3,239,510</u>	<u>2,601,952</u>	<u>25,416,177</u>	<u>-</u>		<u>39,164,232</u>
Total liabilities and fund balances	<u>\$ 9,798,231</u>	<u>4,083,219</u>	<u>3,745,702</u>	<u>26,977,385</u>	<u>2,999,480</u>	<u>179,146,948</u>	<u>226,750,965</u>

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

INDEPENDENT SCHOOL DISTRICT NO. 1-4, TULSA COUNTY
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH
FUND BALANCES REGULATORY BASIS - ALL GOVERNMENTAL FUND TYPES
JUNE 30, 2023

	GOVERNMENTAL FUND TYPES				TOTALS (MEMO ONLY)
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	
Revenues					
Local sources	\$ 23,342,480	6,684,514	21,486,248	482,602	51,995,844
Intermediate sources	2,674,655				2,674,655
State sources	29,065,055	30,071			29,095,126
Federal sources	2,807,139	1,682,459			4,489,598
Non-revenue receipts	1,680,160	6,918	339,360		2,026,438
Total revenues	<u>59,569,489</u>	<u>8,403,962</u>	<u>21,825,608</u>	<u>482,602</u>	<u>90,281,661</u>
Expenditures					
Instruction	35,197,131			328,701	35,525,832
Support services	20,267,437	4,046,591		6,514,809	30,828,837
Operation of non-instructional services	1,414,541	1,954,646		9,431,738	12,800,925
Facilities, acquisition and const. services	1,808	487,269			489,077
Other outlays	105,509	1,306,918			1,412,427
Debt service			20,919,750		20,919,750
Total expenditures	<u>56,986,426</u>	<u>7,795,424</u>	<u>20,919,750</u>	<u>16,275,248</u>	<u>101,976,848</u>
Revenues over (under) expenditures	2,583,063	608,538	905,858	(15,792,646)	(11,695,187)
Other financing sources (uses)					
Lapsed appropriations	38,405	3,643		45,864	87,912
Estopped warrants	4,686	1,385			6,071
Bond proceeds				21,000,000	21,000,000
Total other financing sources (uses)	<u>43,091</u>	<u>5,028</u>		<u>21,045,864</u>	<u>21,093,983</u>
Revenue and other sources over (under) expenditures and other uses	2,626,154	613,566	905,858	5,253,218	9,398,796
Cash fund balance, beginning of year	<u>5,280,439</u>	<u>2,625,944</u>	<u>1,696,094</u>	<u>20,162,959</u>	<u>29,765,436</u>
Cash fund balance, end of year	<u>\$ 7,906,593</u>	<u>3,239,510</u>	<u>2,601,952</u>	<u>25,416,177</u>	<u>39,164,232</u>

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

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
REGULATORY BASIS - BUDGETED GENERAL FUND
JUNE 30, 2023**

	GENERAL FUND		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Revenues			
Local sources	\$ 21,215,650	21,215,650	23,342,480
Intermediate sources	2,520,000	2,520,000	2,674,655
State sources	26,818,610	26,818,610	29,065,055
Federal sources	3,140,150	3,140,150	2,807,139
Non-revenue receipts	1,450,000	1,450,000	1,680,160
Total revenues	<u>55,144,410</u>	<u>55,144,410</u>	<u>59,569,489</u>
Expenditures			
Instruction			35,197,131
Support services			20,267,437
Operation of non-instructional services			1,414,541
Facilities, acquisition and const. services			1,808
Other outlays			105,509
Non-categorical	60,424,849	60,424,849	
Total expenditures	<u>60,424,849</u>	<u>60,424,849</u>	<u>56,986,426</u>
Revenues over (under) expenditures	(5,280,439)	(5,280,439)	2,583,063
Other financing sources (uses)			
Lapsed appropriations			38,405
Estopped warrants			4,686
Total other financing sources (uses)			<u>43,091</u>
Revenue and other sources over (under) expenditures and other uses	(5,280,439)	(5,280,439)	2,626,154
Cash fund balance, beginning of year	<u>5,280,439</u>	<u>5,280,439</u>	<u>5,280,439</u>
Cash fund balance, end of year	<u>\$ -</u>	<u>-</u>	<u>7,906,593</u>

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

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
 REGULATORY BASIS - ALL BUDGETED SPECIAL REVENUE FUNDS
 JUNE 30, 2023**

	SPECIAL REVENUE FUNDS		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Revenues			
Local sources	\$ 4,671,575	6,391,575	6,684,514
State sources	24,000	24,000	30,071
Federal sources	800,204	800,204	1,682,459
Non-revenue receipts			6,918
Total revenues	<u>5,495,779</u>	<u>7,215,779</u>	<u>8,403,962</u>
Expenditures			
Support services			4,046,591
Operation of non-instructional services			1,954,646
Facilities, acquisition and const. services			487,269
Other outlays			1,306,918
Non-categorical	8,121,723	9,841,723	
Total expenditures	<u>8,121,723</u>	<u>9,841,723</u>	<u>7,795,424</u>
Revenues over (under) expenditures	(2,625,944)	(2,625,944)	608,538
Other financing sources (uses)			
Lapsed appropriations			3,643
Estopped warrants			1,385
Total other financing sources (uses)			<u>5,028</u>
Revenue and other sources over (under) expenditures and other uses	(2,625,944)	(2,625,944)	613,566
Cash fund balance, beginning of year	<u>2,625,944</u>	<u>2,625,944</u>	<u>2,625,944</u>
Cash fund balance, end of year	<u>\$ -</u>	<u>-</u>	<u>3,239,510</u>

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

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
 REGULATORY BASIS - DEBT SERVICE FUNDS
 JUNE 30, 2023**

	DEBT SERVICE FUND		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Revenues			
Local sources	\$ 19,223,656	19,223,656	21,486,248
Non-revenue receipts			339,360
Total revenues	19,223,656	19,223,656	21,825,608
Expenditures			
Other outlays			
Debt service	20,919,750	20,919,750	20,919,750
Revenues over (under) expenditures	(1,696,094)	(1,696,094)	905,858
Cash fund balance, beginning of year	1,696,094	1,696,094	1,696,094
Cash fund balance, end of year	\$ -	-	2,601,952

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

**NOTES TO COMBINED FINANCIAL STATEMENTS -
REGULATORY BASIS**

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023**

1. Summary of Significant Accounting Policies

The basic financial statements of the Bixby Public Schools Independent District No. I-4 (the "District") have been prepared in conformity with another comprehensive basis of accounting as prescribed by the Oklahoma State Department of Education. The more significant of the District's accounting policies are described below.

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 state of Oklahoma support. The general operating authority for the public-school system is the Oklahoma School Code contained in Title 70, Oklahoma Statutes.

The governing body of the District is the Board of Education composed of elected members. The appointed superintendent is the executive officer of the District.

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the District and/or its citizens, or whether the activity is conducted within the geographic boundaries of the District and is generally available to its patrons. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, there are no potential component units included in the District's reporting entity. The Parent Teacher Association (PTA) is not included in the reporting entity. The District does not appoint any of the board members or exercise any oversight authority over the PTA.

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023**

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

B. Fund Accounting

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

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

Special Revenue Fund - The special revenue funds are the District's building and child nutrition funds.

Building Fund - The building fund consists of monies derived 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 the 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.

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023**

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

B. Fund Accounting - contd.

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. The District did not maintain this fund during the 2022-23 fiscal year.

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.

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.

Capital Projects Funds - 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.

Proprietary Fund Types

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the District (internal service funds). The District has no proprietary fund types.

Fiduciary Fund Types

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District. When these assets are held under a trust agreement, either a nonexpendable trust fund or an expendable trust fund is used depending on whether there is an obligation to maintain trust principal. Agency

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023**

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

B. Fund Accounting - contd.

funds 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.

Expendable Trust Funds - Expendable trust funds include the gifts fund, medical insurance fund, workers compensation fund and the insurance recovery fund.

Gifts Fund - The gifts 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.

Medical Insurance Fund - The medical insurance fund accounts for revenues and expenditures for all types of self-funded medical insurance coverage.

Workers Compensation Fund - The workers compensation fund accounts for revenues and expenditures for workers compensation claims.

Insurance Recovery Fund - The insurance recovery fund accounts for all types of insurance recoveries, major reimbursements and reserves for property repairs and replacements.

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

Account Group

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 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. It is also used to account for other liabilities (judgments and lease purchases), which are to be paid from funds provided in future years.

INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

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

B. *Fund Accounting* - contd.

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

Memorandum Only - Total Column

The total column on the combined financial statements - regulatory basis 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. Inter-fund eliminations have not been made in the aggregation of this data.

C. *Basis of Accounting and Presentation*

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

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

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

This regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, which requires revenues to be recognized when they become

INDEPENDENT SCHOOL DISTRICT NO. 1-4, TULSA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

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

C. Basis of Accounting and Presentation – contd.

available and measurable, or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred for governmental fund types; and, when revenues are earned and liabilities are incurred for proprietary fund types and trust funds.

D. Budgets and Budgetary Accounting

The District is required by state law to prepare an annual budget. A preliminary budget must be submitted to the Board of Education by December 31 for the fiscal year beginning the following July 1. If the preliminary budget requires an additional levy, the District must hold an election on the first Tuesday in February to approve the levy. If the preliminary budget does not require an additional levy, it becomes the legal budget. If an election is held and the taxes are approved, then the preliminary budget becomes the legal budget. If voters reject the additional taxes, the District must adopt a budget within the approved tax rate.

The District may upon approval by a majority of the electors of the District voting on the question make the ad valorem levy for emergency levy and local support levy permanent.

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

E. Assets, Liabilities and Fund Balances

Cash - Cash consists of cash on hand, demand deposit accounts, and interest-bearing checking accounts.

Investments - Investments consist of direct obligations of the United States Government and agencies; certificates of deposit of savings and loan associations, bank and trust companies; savings accounts or savings certificates of savings and loan associations, and trust companies; and warrants, bonds or judgments of the district. All investments are recorded at cost, which approximates market value.

Inventories - The value of consumable inventories at June 30, 2023 is not material to the combined financial statements-regulatory basis.

INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

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

E. Assets, Liabilities and Fund Balances – contd.

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

Warrants Payable - Warrants 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 that have yet to be redeemed by the District's treasurer.

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.

Unmatured Obligations - The unmaturred obligations represent the total of all annual accruals for both principal and interest, based on the lengths of the bonds and/or judgments, less all principal and interest payments through the balance sheet date in accordance with the regulatory basis of accounting.

Funds Held for School Organizations - Funds held for school organizations represent the funds received or collected from students or other co-curricular 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. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

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

INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

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

E. Assets, Liabilities and Fund Balances – contd.

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 special purposes versus availability of appropriations. 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) 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, 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 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 School Board is the highest level of decision-making authority of the School District.
- **Assigned** fund balance represents amounts that are *intended* to be used for specific purposes but are neither restricted nor committed. Intent is expressed by the governing body itself, or a subordinated high-level body or official who the governing body has delegated the authority to assign amounts to be used for specific purposes. Assigned fund balances includes all remaining spendable amounts (except negative balances) that are reported in governmental funds *other than the general fund* that are neither restricted nor committed and amounts in the general fund that are intended to be used for specific purpose in accordance with the provisions of the standard.
- **Unassigned** fund balance is the residual classification for the general fund. It represents the amounts that have not been assigned to other funds, and that have not been restricted, committed, or assigned to specific purposes within the general fund.

INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

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

F. Revenue and Expenditures

Local Revenues - Revenue from local sources is the money generated from within the boundaries of the District and available to the District for its use. 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. These property taxes are distributed to the District's general, building and sinking funds based on the levies approved for each fund. The County Assessor, upon receipt of the certification of tax levies from the county excise board, extends the tax levies on the tax roll for submission to the county treasurer prior to October 1. The county treasurer must commence tax collection within fifteen days of receipt of the tax rolls. The first half of taxes are due prior to January 1. The second half is due prior to April 1.

If the first payment is not made timely, the entire tax becomes due and payable on January 2. Second half taxes become delinquent on April 1 of the year following the year of assessment. If not paid by the following October 1, the property is offered for sale for the amount of taxes due. The owner has two years to redeem the property by paying the taxes and penalty owned. If at the end of two years the owner has not done so, the purchaser is issued a deed to the property.

Other local sources of revenues include interest earnings, tuition, fees, rentals, disposals, commissions and reimbursements.

Intermediate Revenues - Revenue from intermediate sources is the amount of money from funds collected by an intermediate administrative unit, or a political subdivision between the district and the state and distributed to districts in amounts that differ in proportion to those which were collected within such systems.

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 or additions of revenue of the year when the adjustment is made.

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023**

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

F. Revenue and Expenditures- contd.

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 categorical educational program revenues be accounted for in the general fund.

The aforementioned state revenues are apportioned to the District's 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 pass-through from another government, such as the state.

An entitlement is the amount of payment to which the District is entitled pursuant to an allocation formula contained in applicable statutes.

The majority of the federal revenues received by the District are apportioned to the general fund. The District maintains a separate child nutrition fund and the federal revenues received for the child nutrition programs are apportioned there.

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 co-curricular 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. Department chairpersons who teach for any portion of time are included here. Tuition/transfer fees paid to other LEAs would be included here.

INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

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

F. Revenue and Expenditures - contd.

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 improvement to sites.

Other Outlays/Uses 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) when applicable. Other uses include scholarships provided by private gifts and endowments; student aid and staff awards supported by outside revenue sources (i.e., foundations). Also, expenditure 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.

Inter-fund Transactions - Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund or expenditure/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 inter-fund 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. All other inter-fund transfers are reported as operating transfers. There were no operating transfers between funds during the 2022-23 fiscal year.

INDEPENDENT SCHOOL DISTRICT NO. 1-4, TULSA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

2. Deposits and Investments

Custodial Credit Risk

At June 30, 2023, the District held deposits of approximately \$47,604,017 at financial institutions. The District's cash deposits, including interest-bearing certificates of deposit, are entirely covered by Federal Depository Insurance (FDIC) or direct obligation of the U.S. government insured or collateralized with securities held by the District or by its agent in the District's name.

Investment Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Investment Credit Risk

The District has no policy that limits its investment choices other than the limitation of state law as follows:

- a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- b. 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 deposits or savings accounts in out-of-state financial institutions.
- c. With certain limitation, negotiable certificates of deposit, prime bankers' acceptances, prime commercial paper and repurchase agreements with certain limitations.
- d. County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipations notes of public trusts whose beneficiary is a county, municipality or school district.
- e. 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.
- f. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs (a.-d.).

The District did not have any investments at June 30, 2023.

**INDEPENDENT SCHOOL DISTRICT NO. 1-4, TULSA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023**

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 can be 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 of the date of issue.

General long-term debt of the District consists of bonds payable and two (2) capital leases. Debt service requirements for bonds are payable solely from the fund balance and the future revenues of the debt service fund.

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

	Bonds Payable	Capital Leases	Totals
Balance, July 1, 2021	\$ 38,825,000	145,236,532	184,061,532
Additions	21,000,000	-	21,000,000
Retirements	17,825,000	8,089,584	25,914,584
Balance, June 30, 2022	\$ 42,000,000	137,146,948	179,146,948

A brief description of the outstanding long-term debt at June 30, 2023 is set forth below:

	<u>Amount outstanding</u>
<u>General Obligation Bonds</u>	
Comb. Purpose Bonds, Series 2023, original issue \$21,000,000, interest rate of 4.00%, due in one payment of \$21,000,000 due 6-1-25;	\$ 21,000,000
Comb. Purpose Bonds, Series 2022, original issue \$21,000,000, interest rate of 2.50%, due in one payment of \$21,000,000 due 6-1-24;	21,000,000

**INDEPENDENT SCHOOL DISTRICT NO. 1-4, TULSA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023**

3. **General Long-term Debt – contd.**

	<u>Amount Outstanding</u>
<u>Capital Leases</u>	
Lease agreement for building projects, dated 6-1-22 totaling \$102,000,000, interest rate of 3.06%, due in various principal and interest payments beginning 9-1-23, with a final payment on 9-1-32;	\$ 102,000,000
Lease agreement for building projects, dated 5-1-18, totaling \$55,225,000, interest rate of 3.09%, due in various principal and interest payments beginning 9-15-19, with a final payment on 9-15-26;	<u>35,146,948</u>
Totals	<u>\$ 179,146,948</u>

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

Year ending	Principal	Interest	Total
<u>June 30</u>			
2024	\$ 21,000,000	1,365,000	22,365,000
2025	<u>21,000,000</u>	<u>840,000</u>	<u>21,840,000</u>
Total	<u>\$ 42,000,000</u>	<u>2,205,000</u>	<u>44,205,000</u>

There was \$1,951,000 in interest paid on long-term debt incurred during the current year.

The annual debt service requirements for capital lease principal, and interest are as follows:

Year ending	Principal	Interest	Total
<u>June 30</u>			
2024	\$ 14,473,659	3,069,431	17,543,090
2025	15,009,096	3,761,835	18,770,931
2026	16,427,417	3,299,958	19,727,375
2027	17,902,709	2,793,958	20,696,667
2028	19,385,977	2,244,023	21,630,000
2029-2033	<u>53,948,090</u>	<u>5,051,910</u>	<u>59,000,000</u>
Total	<u>\$ 137,146,948</u>	<u>20,221,115</u>	<u>157,368,063</u>

**INDEPENDENT SCHOOL DISTRICT NO. 1-4, TULSA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023**

4. Employee Retirement System

Plan Description

The District participates in the state-administered Oklahoma Teachers' Retirement Plan, 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 Teachers' Retirement System of Oklahoma, P.O. Box 53524, Oklahoma City, 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.

GASB Statement 68 became effective for fiscal years beginning after June 15, 2014, and significantly changes pension accounting and financial reporting for governmental employees 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 liability amount is not required to be presented on the financial statements.

Funding Policy

The District, the State of Oklahoma, and the participating employee 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. Beginning, July 1, 2010, the District and

INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

4. Employee Retirement System – contd.

State were required to contribute 14.5% of applicable compensation. Contributions received by the System are from a percentage of its revenues from sales taxes, use taxes, corporate income taxes and individual income taxes. The District contributed 9.5% beginning January 1, 2010 and the State of Oklahoma contributed the remaining 5.0% during the year. The District is allowed by the Oklahoma Teacher's Retirement System to make the required contributions on behalf of the participating members. In addition, the District is required to match the retirement paid on salaries that are funded with federal funds.

Annual Pension Cost

The District's portion of the total contributions for 2023, 2022 and 2021 were \$3,632,070, \$3,286,739, and \$2,918,078 respectively.

5. Contingencies

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

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; and natural disasters. The District continues to carry commercial insurance for 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.

7. Subsequent Events

Management has evaluated subsequent events through the date of the audit report, which is the date the financial statements were available to be issued and have determined that no additional information needs to be added to the financial statements.

**OTHER SUPPLEMENTARY INFORMATION – REGULATORY
BASIS - COMBINING FINANCIAL STATEMENTS**

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND
 BALANCES - REGULATORY BASIS - ALL SPECIAL REVENUE FUNDS
 JUNE 30, 2023**

<u>ASSETS</u>	<u>BUILDING FUND</u>	<u>CHILD NUTRITION FUND</u>	<u>TOTALS (MEMO ONLY)</u>
Cash	\$ 2,952,793	1,130,426	4,083,219
Total assets	<u>2,952,793</u>	<u>1,130,426</u>	<u>4,083,219</u>
 <u>LIABILITIES AND FUND BALANCES</u> 			
Liabilities			
Warrants payable	435,176	20,965	456,141
Encumbrances	<u>372,605</u>	<u>14,963</u>	<u>387,568</u>
Total liabilities	<u>807,781</u>	<u>35,928</u>	<u>843,709</u>
Fund balances			
Restricted	<u>2,145,012</u>	<u>1,094,498</u>	<u>3,239,510</u>
Total liabilities and fund balances	<u>\$ 2,952,793</u>	<u>1,130,426</u>	<u>4,083,219</u>

INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
CASH FUND BALANCES - REGULATORY BASIS - ALL SPECIAL REVENUE FUNDS
JUNE 30, 2023

	<u>BUILDING FUND</u>	<u>CHILD NUTRITION FUND</u>	<u>TOTALS (MEMO ONLY)</u>
Revenues			
Local sources	\$ 5,027,680	1,656,834	6,684,514
State sources		30,071	30,071
Federal sources		1,682,459	1,682,459
Non-revenue receipts	1,546	5,372	6,918
Total revenues	<u>5,029,226</u>	<u>3,374,736</u>	<u>8,403,962</u>
Expenditures			
Support services	4,046,591		4,046,591
Operation of non-instructional services		1,954,646	1,954,646
Facilities, acquisition and const. services	487,269		487,269
Other outlays	1,546	1,305,372	1,306,918
Total expenditures	<u>4,535,406</u>	<u>3,260,018</u>	<u>7,795,424</u>
Revenues over (under) expenditures	493,820	114,718	608,538
Other financing sources (uses)			
Lapsed appropriations	3,643		3,643
Estopped warrants	980	405	1,385
Total other financing sources (uses)	<u>4,623</u>	<u>405</u>	<u>5,028</u>
Revenue and other sources over (under) expenditures and other uses	498,443	115,123	613,566
Cash fund balance, beginning of year	<u>1,646,569</u>	<u>979,375</u>	<u>2,625,944</u>
Cash fund balance, end of year	<u>\$ 2,145,012</u>	<u>1,094,498</u>	<u>3,239,510</u>

**INDEPENDENT SCHOOL DISTRICT NO. 1-4, TULSA COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
 - REGULATORY BASIS - ALL BUDGETED SPECIAL REVENUE FUNDS
 JUNE 30, 2023**

	BUILDING FUND			CHILD NUTRITION FUND		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Revenues						
Local sources	\$ 2,994,575	4,714,575	5,027,680	1,677,000	1,677,000	1,656,834
State sources				24,000	24,000	30,071
Federal sources				800,204	800,204	1,682,459
Non-revenue receipts			1,546			5,372
Total revenues	<u>2,994,575</u>	<u>4,714,575</u>	<u>5,029,226</u>	<u>2,501,204</u>	<u>2,501,204</u>	<u>3,374,736</u>
Expenditures						
Support services			4,046,591			
Operation of non-instructional services						1,954,646
Facilities, acquisition and const. services			487,269			
Other outlays			1,546			1,305,372
Non-categorical	4,641,144	6,361,144		3,480,579	3,480,579	
Total expenditures	<u>4,641,144</u>	<u>6,361,144</u>	<u>4,535,406</u>	<u>3,480,579</u>	<u>3,480,579</u>	<u>3,260,018</u>
Revenues over (under) expenditures	(1,646,569)	(1,646,569)	493,820	(979,375)	(979,375)	114,718
Other financing sources (uses)						
Lapsed appropriations			3,643			
Estopped warrants			980			405
Total other financing sources (uses)			<u>4,623</u>			<u>405</u>
Revenue and other sources over (under) expenditures and other uses	(1,646,569)	(1,646,569)	498,443	(979,375)	(979,375)	115,123
Cash fund balance, beginning of year	<u>1,646,569</u>	<u>1,646,569</u>	<u>1,646,569</u>	<u>979,375</u>	<u>979,375</u>	<u>979,375</u>
Cash fund balance, end of year	<u>\$ -</u>	<u>-</u>	<u>2,145,012</u>	<u>-</u>	<u>-</u>	<u>1,094,498</u>

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND
BALANCES - REGULATORY BASIS - ALL CAPITAL PROJECTS FUNDS
JUNE 30, 2023**

	<u>31</u> <u>BUILDING</u> <u>BOND FUND</u>	<u>35</u> <u>BUILDING</u> <u>BOND FUND</u>	<u>36</u> <u>BUILDING</u> <u>BOND FUND</u>	<u>37</u> <u>TRANS</u> <u>BOND FUND</u>	<u>38</u> <u>BUILDING</u> <u>BOND FUND</u>	<u>TOTALS</u> <u>(MEMO ONLY)</u>
<u>ASSETS</u>						
Cash	\$ 33,698	5,229,569	592,855	502,809	20,618,454	26,977,385
Total assets	<u>33,698</u>	<u>5,229,569</u>	<u>592,855</u>	<u>502,809</u>	<u>20,618,454</u>	<u>26,977,385</u>
 <u>LIABILITIES AND FUND BALANCES</u>						
Liabilities						
Warrants payable		90,236			123,737	213,973
Encumbrances		<u>777,460</u>	<u>498,568</u>		<u>71,207</u>	<u>1,347,235</u>
Total liabilities		<u>867,696</u>	<u>498,568</u>		<u>194,944</u>	<u>1,561,208</u>
Fund balances						
Restricted	<u>33,698</u>	<u>4,361,873</u>	<u>94,287</u>	<u>502,809</u>	<u>20,423,510</u>	<u>25,416,177</u>
Total liabilities and fund balances	<u>\$ 33,698</u>	<u>5,229,569</u>	<u>592,855</u>	<u>502,809</u>	<u>20,618,454</u>	<u>26,977,385</u>

INDEPENDENT SCHOOL DISTRICT NO. 1-4, TULSA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN CASH FUND BALANCES - REGULATORY BASIS - ALL CAPITAL PROJECTS FUNDS
JUNE 30, 2023

	31 BUILDING BOND FUND	33 TRANS. BOND FUND	34 BUILDING BOND FUND	35 BUILDING BOND FUND	36 BUILDING BOND FUND	37 TRANS. BOND FUND	38 BUILDING BOND FUND	TOTALS (MEMO ONLY)
Revenues								
Local sources	\$ -			321,093	40,246	2,809	118,454	482,602
Total revenues				<u>321,093</u>	<u>40,246</u>	<u>2,809</u>	<u>118,454</u>	<u>482,602</u>
Expenditures								
Instruction				328,701				328,701
Support services	268,247	39,985	33,277	5,031,627	946,729		194,944	6,514,809
Facilities, acquisition and const. services				9,431,738				9,431,738
Total expenditures	<u>268,247</u>	<u>39,985</u>	<u>33,277</u>	<u>14,792,066</u>	<u>946,729</u>	<u>-</u>	<u>194,944</u>	<u>16,275,248</u>
Revenues over (under) expenditures	(268,247)	(39,985)	(33,277)	(14,470,973)	(906,483)	2,809	(76,490)	(15,792,646)
Other financing sources (uses)								
Lapsed appropriations	32,333			13,531				45,864
Bond sales proceeds						500,000	20,500,000	21,000,000
Total other financing sources (uses)	<u>32,333</u>			<u>13,531</u>		<u>500,000</u>	<u>20,500,000</u>	<u>21,045,864</u>
Revenue and other sources over (under) expenditures and other uses	(235,914)	(39,985)	(33,277)	(14,457,442)	(906,483)	502,809	20,423,510	5,253,218
Cash fund balance, beginning of year	<u>269,612</u>	<u>39,985</u>	<u>33,277</u>	<u>18,819,315</u>	<u>1,000,770</u>	<u>-</u>	<u>-</u>	<u>20,162,959</u>
Cash fund balance, end of year	<u>\$ 33,698</u>	<u>-</u>	<u>-</u>	<u>4,361,873</u>	<u>94,287</u>	<u>502,809</u>	<u>20,423,510</u>	<u>25,416,177</u>

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
REGULATORY BASIS - ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	Balance <u>July 1, 2022</u>	<u>Additions</u>	Net <u>Transfers</u>	<u>Deletions</u>	Balance <u>June 30, 2023</u>
Assets					
Cash	\$ 2,954,101	4,680,489	-	4,635,110	2,999,480
Total assets	<u>2,954,101</u>	<u>4,680,489</u>	<u>-</u>	<u>4,635,110</u>	<u>2,999,480</u>
Liabilities					
Funds held for student organizations					
All Sports	\$ 424,696	741,203	58,277	788,584	435,592
Accelerated Reader	1,443	3,733	-	3,042	2,134
Administrative	367,554	208,732	(700)	134,357	441,229
Athletic Clubs/Boosters	282,633	584,634	(44,134)	452,386	370,747
Boosters (Non-Athletic)	126,590	189,637	9,159	186,785	138,601
Clubs	231,582	274,732	3,726	269,829	240,211
Community Education	212,842	306,399	(12,614)	265,635	240,992
Fine Arts	565,551	1,415,705	(3,954)	1,671,592	305,710
Languages	4,124	-	-	126	3,998
Media Center	64,226	94,504	(52)	101,117	57,561
PTA/PTSO	10,169	27,488	-	30,242	7,415
Miscellaneous	465,670	739,280	(9,548)	646,454	548,948
Student Council	67,119	41,620	(160)	50,690	57,889
Special Services	70,178	33,651	-	18,809	85,020
Yearbook	59,724	19,171	-	15,462	63,433
Total Liabilities	<u>\$ 2,954,101</u>	<u>4,680,489</u>	<u>-</u>	<u>4,635,110</u>	<u>2,999,480</u>

**INDEPENDENT SCHOOL DISTRICT NO. 1-4, TULSA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass Through Grantor/Program Title	Federal Award Listing Number	Pass-through Grantor's Project Number	Program or Award Amount	Beginning Balance 7/1/2022	Revenue Collected	Total Expenditures	Ending Balance 6/30/2023
<u>U.S. Department of Education</u>							
<u>Direct Programs:</u>							
Title VI-Part A, Indian Education	84.060	561	\$ 165,707		165,707	165,707	
Title VI-Part A, Indian Education 2021-22	84.060	799		(34,975)	34,975		
Subtotal - Direct Programs			<u>165,707</u>	<u>(34,975)</u>	<u>200,682</u>	<u>165,707</u>	<u>-</u>
<u>Passed Through State Department of Education:</u>							
* Title I Cluster:							
Title I-Part A, Improving Basic Programs	84.010	511	428,216			374,092	(374,092)
Title I-Part A, Improving Basic Programs 2021-22	84.010	799		(350,148)	350,148		
Title I-Part D, Neglected	84.013	518	15,338			6,749	(6,749)
Title I-Part D, Neglected 2021-22	84.013	799		(11,111)	11,111		
Subtotal - Title I Programs (Cluster)			<u>443,554</u>	<u>(361,259)</u>	<u>361,259</u>	<u>380,841</u>	<u>(380,841)</u>
Title II-Part A, Teacher & Principal Training	84.367	541	239,079		40,901	180,990	(140,089)
Title II-Part A 2021-22	84.367	799		(117,750)	117,750		
Title III Program:							
Title III-Part A, Immigrant Education	84.365	571	153,161			115,886	(115,886)
Title III-Part A, Immigrant Education 2021-22	84.365	799		(26,688)	26,688		
Title III-Part A, Eng. Lang. Acq.	84.365	572	45,456			19,587	(19,587)
Title III-Part A, Eng. Lang. Acq. 2021-22	84.365	799		(30,724)	30,724		
Subtotal - Title III Programs			<u>198,617</u>	<u>(57,412)</u>	<u>57,412</u>	<u>135,473</u>	<u>(135,473)</u>
Title IV-SSAE Grant	84.424A	552	29,750			28,332	(28,332)
Title IV-SSAE Grant 2021-22	84.424A	799		(25,502)	25,502		
Title IV-Part F, Oklahoma School Climate Transformation	84.184F	712	15,500		3,607	11,924	(8,317)
* Education Stabilization Funding (Covid19):							
ARP/ESSER School Counselor Grant (Covid19)	84.425U	722	154,458		74,305	135,657	(61,352)
ARP/ESSER School Counselor Grant (Covid19) 2021-22	84.425U	799		(12,374)	12,374		
ARP/ESSER III Student Teacher Stipends (Covid19)	84.425U	725	11,049		8,745	11,049	(2,304)
ARP/ESSER Science of Reading	84.425U	726	1,938		1,938		1,938
ARP/ESSER III (Covid19)	84.425U	795	1,587,493		242,048	622,892	(380,844)
ARP/ESSER III (Covid19) 2021-22	84.425U	799		(231,465)	231,465		
Subtotal - Education Stabilization Funding (Covid19) Cluster			<u>1,754,938</u>	<u>(243,839)</u>	<u>570,875</u>	<u>769,598</u>	<u>(442,562)</u>
* Special Education Cluster:							
IDEA-B Discretionary	84.027	613	8,782			5,690	(5,690)
IDEA-B Discretionary 2021-22	84.027	799		(1,345)	1,345		
IDEA-B Monitoring Assist	84.027	615	8,336			7,836	(7,836)
IDEA-B Monitoring Assist 2021-22	84.027	799		(12,811)	12,811		
IDEA-B Certification Reimbursement	84.027	616	118			118	(118)
IDEA-B Flowthrough	84.027	621	1,513,389			1,316,089	(1,316,089)
IDEA-B Flowthrough 2021-22	84.027	799		(1,060,724)	1,060,724		
ARP/IDEA-B Flowthrough	84.027X	628	181,652			124,310	(124,310)
ARP/IDEA-B Flowthrough 2021-22	84.027X	799		(46,474)	46,474		
IDEA-B Preschool	84.173	641	30,390			17,320	(17,320)
IDEA-B Preschool 2021-22	84.173	799		(17,411)	17,411		
ARP/IDEA-B Preschool	84.027X	643	996			253	(253)
ARP/IDEA-B Preschool 2021-22	84.027X	799		(16,050)	16,050		
Subtotal - Special Education Program (Cluster)			<u>1,743,663</u>	<u>(1,154,815)</u>	<u>1,154,815</u>	<u>1,471,616</u>	<u>(1,471,616)</u>
Subtotal - Passed Through State Dept of Education			<u>\$ 4,425,101</u>	<u>(1,960,577)</u>	<u>2,332,121</u>	<u>2,978,774</u>	<u>(2,607,230)</u>

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass Through Grantor/Program Title	Federal Award Listing Number	Pass-through Grantor's Project Number	Program or Award Amount	Beginning Balance 7/1/2022	Revenue Collected	Total Expenditures	Ending Balance 6/30/2023
<u>Passed Through State Department of Career and Technology Education:</u>							
Carl Perkins Grant	84.048	421	\$ 31,989		17,456	21,818	(4,362)
Subtotal - Passed Through State Dept of Career Tech			<u>31,989</u>	-	<u>17,456</u>	<u>21,818</u>	<u>(4,362)</u>
<u>U.S. Department of Agriculture:</u>							
<u>Passed Through State Department of Education:</u>							
EBT Program	10.649	760		3,063	3,135	6,198	
<u>Child Nutrition Cluster:</u>							
<u>Cash Assistance:</u>							
Supply Chain Assistance	10.555	759		147,750	197,066	344,816	
Emergency Operational Costs Reimbursement	10.555	762		30,204		30,204	
National School Lunch Program	10.555	763		412,938	1,218,711	1,631,649	
School Breakfast Program	10.553	764		272,559	263,548	536,107	
Summer Food Program	10.559	766		4,564		20,351	(15,787)
<i>Cash Assistance Subtotal</i>				<u>868,015</u>	<u>1,679,325</u>	<u>2,563,127</u>	<u>(15,787)</u>
<u>Passed Through State Department of Human Services:</u>							
Non-cash Assistance (Commodities)	10.555	N/A			166,771	166,771	
Subtotal - Child Nutrition Program (Cluster)				<u>868,015</u>	<u>1,846,096</u>	<u>2,729,898</u>	<u>(15,787)</u>
<u>Other Federal Assistance:</u>							
ROTC	12.401	770	83,732		83,732	83,732	
Medicaid	93.778	698			120,891	70,092	50,799
Johnson O'Malley	15.130	563	36,120		25,038	36,117	(11,079)
Johnson O'Malley 2021-22	15.130	799		(9,416)	9,416		
Johnson O'Malley 3-month	15.130	564	15,044		15,044	15,044	
Johnson O'Malley	15.130	565	2,725		2,725	2,725	
Flood Control	12.112	770	33	87	33		120
Subtotal - Other Federal Assistance			<u>137,654</u>	<u>(9,329)</u>	<u>256,879</u>	<u>207,710</u>	<u>39,840</u>
Total Federal Assistance			<u>\$ 4,760,451</u>	<u>(1,133,803)</u>	<u>4,656,369</u>	<u>6,110,105</u>	<u>(2,587,539)</u>

* Major federal programs

Note 1 - Commodities received by the District in the amount of \$166,771 were of a non-monetary nature and therefore the total revenue does not agree with the financial statements by this amount. These commodities are reported at fair market value.

Note 2 - There were no amounts passed to subrecipients.

Note 3 - Grantor provides adequate insurance coverage against loss on assets purchased with Federal Awards.

Note 4 - The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Expenditures are reported on the regulatory basis of accounting consistent with the preparation of the combined financial statements. These expenditures are recognized following the cost principles contained in the Uniform Guidance. The District has also elected to not use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**INDEPENDENT SCHOOL DISTRICT NO. 1-4, TULSA COUNTY
SCHEDULE OF SURETY BONDS
FOR THE YEAR ENDED JUNE 30, 2023**

<u>BONDING COMPANY</u>	<u>POSITION COVERED</u>	<u>BOND NUMBER</u>	<u>COVERAGE AMOUNT</u>	<u>EFFECTIVE DATES</u>
Liberty Mutual	Superintendent	601137250	\$100,000	7/16/22-7/16/23
	Treasurer	LSF041315	\$100,000	7/1/22-7/1/23
	Minutes Clerk	LSF231711	\$10,000	7/20/22-7/20/23
	CFO	601078083	\$100,000	7/1/22-7/1/23
	Dep. Encumbrance Clerk	999044363	\$100,000	4/3/23-4/3/24
	Encumbrance Clerk	LSF041347	\$100,000	7/1/22-7/1/23
	AF Custodian & Assist Treasurer	LSF041313	\$100,000	7/1/22-7/1/23



**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
Bixby School District No. 1-4
Bixby, Oklahoma 74008

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 accompanying fund type and account group financial statements-regulatory basis as listed in the Table of Contents, of Bixby School District No. 1-4, Bixby, Oklahoma, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 9, 2023. This report was adverse with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in the United States because the presentation followed the regulatory basis of accounting for Oklahoma school districts and did not conform to the presentation requirements of the Governmental Accounting Standards Board. However, our report was qualified for the omission of the general fixed asset account group with respect to the presentation of financial statements on the regulatory basis of accounting authorized by the Oklahoma State Board of Education.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 opinion 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 over 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.

Report on 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 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 one (1) instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is included in the schedule of findings and questioned costs as item 23-01. There was also one (1) immaterial observation included in a separate letter to management.

District's Response to Findings

The District's response to the findings identified in our audit is described in the letter following the audit acknowledgement page. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of This Report

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

Jenkins & Kemper, CPAs P.C.

Jenkins & Kemper
Certified Public Accountants, P.C.

October 9, 2023



JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

JACK JENKINS, CPA
MICHAEL KEMPER, CPA

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

The Honorable Board of Education
Bixby School District No. 1-4
Bixby, Oklahoma 74008

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Bixby School District No. 1-4, Bixby, Oklahoma's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023. 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, Bixby School District No. 1-4, Bixby, 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, 2023.

Basis for 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* (The Uniform Guidance). Our responsibilities under those standards and the 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 Bixby School District No. 1-4, Bixby, 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 of the District'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 the District's federal programs.

Auditor's Responsibilities 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 the District'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 when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for 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 if 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 the District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment 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 the District'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 the District'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 the District'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 a 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 Responsibilities 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 consider 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Jenkins & Kemper, CPAs P.C.

Jenkins & Kemper
Certified Public Accountants, P.C.

October 9, 2022

INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JULY 1, 2022 TO JUNE 30, 2023

Summary of Auditor's 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 State Department of Education.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Schedule of Findings and Questioned Costs.
3. No instances of noncompliance material to the financial statements of the District were reported during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the "Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Uniform Guidance"
5. An unqualified opinion report was issued on the compliance of major federal award programs.
6. The audit disclosed no audit findings and questioned costs, which are required to be reported under OMB Uniform Guidance.
7. Identification of Major Programs: Education Stabilization Fund (84.425U), Title I (84.010,84.013), and Special Education (84.027,84.027X,84.173) programs, which were each clustered in the determination.
8. The dollar threshold used to determine between Type A and Type B programs was \$750,000.
9. The District did not qualify to be a low-risk auditee.

INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JULY 1, 2022 TO JUNE 30, 2023

Findings – Financial Statement Audit

23-01 – Activity Fund Deposits

Condition: We observed thirteen of the twenty-seven deposits tested in November 2022 included sponsor/teacher receipts that appeared to have been deposited in an untimely manner. Of the receipts deposited untimely, most were late by three to five days, however some were up to a month late. This appeared to be the result of sponsors/teachers turning in receipts and collections to the Activity Fund Custodian in an untimely manner.

Criteria: Receipts should be deposited on a daily basis once the accumulated balance equals or exceeds one hundred dollars (\$100.00) or at least once a week regardless of how much is on hand.

Effect: Cash or checks relating to receipts that are not deposited timely could get lost or stolen.

Recommendation: That sponsors and teachers turn in copies of receipts and collections to the Activity Fund custodian for deposit on a daily basis unless the daily total does not exceed one hundred dollars (\$100.00), but at least once a week regardless as required by the State Department of Education.

Findings and Questioned Costs – Major Federal Award Programs Audit

None

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
DISPOSITION OF PRIOR YEAR'S SCHEDULE OF FINDINGS
JULY 1, 2022 TO JUNE 30, 2023**

None.

**INDEPENDENT SCHOOL DISTRICT NO. I-4, TULSA COUNTY
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL
LIABILITY INSURANCE AFFIDAVIT
JULY 1, 2022 TO JUNE 30, 2023**

State of Oklahoma)
County of Tulsa)

The undersigned auditing firm representative 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 Bixby School District for the audit year 2022-23.

Jenkins & Kemper, CPAs, P.C.
AUDITING FIRM

BY _____
AUTHORIZED AGENT

Subscribed and sworn to before me on this
_____ day of, _____, 20__

NOTARY PUBLIC



JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

JACK JENKINS, CPA
MICHAEL KEMPER, CPA

October 9, 2023

Bixby Public Schools
Attn: Mr. Rob Miller
109 N Armstrong
Bixby, OK 74008

Dear Mr. Miller:

Listed below are management recommendations from the final audit work we performed for you. Please review them carefully along with the copy of your audit report. We will email a copy of the audit report to the State Department of Education, Oklahoma State Auditor and Inspector's Office and the Federal Clearinghouse within 30 days after the presentation of your audit. If you have questions or desire additional information, please call us so that any discrepancies may be resolved.

The following section contains recommendations relayed to management that are immaterial observations which are not included in the audit report. These comments require a written response from your office to be included in the copy of the audit report that we send to the State Department of Education.

During the audit, we observed that the payroll clerk was not covered by a surety bond during the 2022-23 fiscal year. Although not statutorily required, due to the financial nature of their work, the individual(s) assigned the duty of entering and processing payroll transactions should be covered by a surety bond to prevent the District from incurring any financial losses related to these duties.

We take this opportunity to thank you and your professional staff for the outstanding cooperation and invaluable assistance you gave us during our recent onsite audit work.

Sincerely,

Jenkins & Kemper, CPAs P.C.

Jenkins & Kemper
Certified Public Accountants, P.C.