

This Preliminary Official Statement and the information contained herein is subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 24, 2024

NEW ISSUE – Book-Entry-Only

Oklahoma #1

It is anticipated that prior to delivery of the Bonds, Bond Counsel will render an opinion which states interest on the Bonds is included in gross income for federal income tax purposes, and interest on the Bonds is exempt from State of Oklahoma income tax under existing law. See "TAX MATTERS" herein.

**INDEPENDENT SCHOOL DISTRICT NUMBER 6
CRAIG COUNTY, OKLAHOMA
(Ketchum School District)**

\$1,060,000

General Obligation Combined Purpose Bonds, Taxable Series 2024

Dated: June 1, 2024

Due: June 1, As Shown Below

Interest on the \$1,060,000 Independent School District Number 6, Craig County, Oklahoma, General Obligation Combined Purpose Bonds, Taxable Series 2024 (the "2024 Bonds" or the "Bonds") will accrue from June 1, 2024, (the "Dated Date") and will be payable June 1 and December 1 of each year commencing June 1, 2025, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of the Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the owners thereof. Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "The Bonds – Book Entry System" herein. The initial Paying Agent/Registrar is UMB Bank, n.a. (the "Paying Agent/Registrar").

The 2024 Bonds constitute direct and general obligations of Independent School District No. 6 of Craig County, Oklahoma, payable from ad valorem taxes levied against all taxable property located therein, excepting homestead exemptions, without limitation as to rate or amount. The 2024 Bonds are being issued in accordance with the provisions contained in the Oklahoma Constitution, and laws of the State of Oklahoma supplementary and amendatory thereto.

MATURITY SCHEDULE

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP 224195</u>
6-1-2026	\$265,000			
6-1-2027	\$265,000			
6-1-2028	\$265,000			
6-1-2029	\$265,000			

The 2024 Bonds are offered subject to the approval of legality by the Attorney General of the State of Oklahoma and The Public Finance Law Group PLLC, Oklahoma City, Oklahoma, Oklahoma, Bond Counsel. It is anticipated that the 2024 Bonds in definitive form will be available for delivery on or about June 13, 2024.

**Financial Advisor
BOK Financial Securities, Inc.**

Official Statement Dated May __, 2024

REGARDING USE OF THE OFFICIAL STATEMENT

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 the 2024 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 this Official Statement, including the cover page and exhibits 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 and nothing contained in this Official Statement is or shall be relied upon as a promise or representation by the Financial Advisor. The delivery of this Official Statement does not at any time imply that information contained herein is correct as of any time subsequent to its date.

Any statements, contained in this Official Statement involving matters of opinion, estimations or projections, whether or not expressly so stated, are intended as such and not as representations of facts. This Official Statement shall not be construed as a contract or agreement between the Board of Education of Independent School District No. 6 of Craig County, Oklahoma, (the "School District") and the purchasers, holders or beneficial owners of any of the 2024 Bonds.

THIS PRELIMINARY OFFICIAL STATEMENT IS DEEMED TO BE FINAL (EXCEPT FOR PERMITTED OMISSIONS) BY THE SCHOOL DISTRICT FOR PURPOSES OF COMPLYING WITH RULE 15c2-12 OF THE SECURITIES AND EXCHANGE COMMISSION.

TABLE OF CONTENTS

Introduction	1
The Bonds.....	1
The Ketchum School District.....	7
Financial Information.....	8
Absence of Material Litigation	11
Legal Matters	12
Continuing Disclosure	12
Tax Matters	12
Global Risks	16
Ratings	16
Underwriting	17
Financial Advisor	17
Miscellaneous	17
Financial Statements with Auditor's Report for the Year Ended June 30, 2023.	Exhibit A
Continuing Disclosure Agreement	Exhibit B

OFFICIAL STATEMENT
INDEPENDENT SCHOOL DISTRICT NO. 6
CRAIG COUNTY, OKLAHOMA
(Ketchum School District)

relating to

\$1,060,000 General Obligation Combined Purpose Bonds, Taxable Series 2024

INTRODUCTION

Independent School District No. 6 of Craig County, Oklahoma, also known as the Ketchum School District (the "School District") is issuing its \$1,060,000 General Obligation Combined Purpose Bonds, Taxable Series 2024 (the "2024 Bonds" or the "Bonds") to provide funds for the purpose of acquiring capital improvements and equipment within and for the benefit of the School District. The 2024 Bonds are being issued in accordance with the provisions of the Oklahoma Constitution and laws of the State of Oklahoma supplementary and amendatory thereto. The 2024 Bonds constitute direct and general obligations of the School District payable from ad valorem taxes levied against all taxable property, excepting homestead exemptions, located therein without limitation as to rate or amount.

The School District is located in northeastern Oklahoma, in Craig County, approximately 65 miles northeast of the City of Tulsa, Oklahoma. The School District, encompassing approximately 60 square miles, serves the Town of Ketchum (estimated 2022 population: 502), and the surrounding rural area in Craig, Delaware and Mayes Counties. According to the U.S. Census Bureau, the estimated population of the School District as of 2022 was 3,481 people. The School District employs 52 certified teachers and has an enrollment of approximately 530 (as of April 2024). The School District is fully accredited by the Oklahoma State Department of Education.

The School District has included herein, as Exhibit A, a copy of its Financial Statements as of June 30, 2023 together with Auditor's Report. **Exhibit A should be read in its entirety.**

THE BONDS

Description

The 2024 Bonds shall bear interest at the rates and mature on the dates as shown on the cover of this Official Statement. Interest on the Bonds will accrue from June 1, 2024, and will be payable June 1 and December 1 of each year commencing June 1, 2025, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of the Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the owners thereof. Principal of, premium, if any, and interest on the Bonds will be payable by UMB Bank, n.a., as paying agent and registrar (the "Paying Agent/Registrar") to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "The Bonds – Book Entry System" herein.

Record Date

The record date ("Record Date") for the interest payable on the Bonds on any interest payment date means the close of business on the 15th day preceding any interest payment date.

No Redemption Prior to Maturity

The 2024 Bonds are not subject to redemption prior to maturity.

Registration

The 2024 Bonds will be initially registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository for the 2024 Bonds. Individual purchases may be made in book entry form only, in the principal amount of \$5,000 and integral multiples thereof. Purchasers will not receive certificates representing their interest in the 2024 Bonds purchased. See “Book-Entry System” below.

The 2024 Bonds are transferable by their registered owner(s) in person or by their attorney(ies) duly authorized in writing at the principal office of the Paying Agent/Registrar but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of the Series 2024 Bond(s). Upon such transfer a new Bond or Bonds of the same maturity or maturities, interest rate or rates and of authorized denomination or denominations, for the same aggregate principal amount, will be issued to the transferee in exchange therefor. The School District and the Paying Agent/Registrar may deem and treat the registered owner(s) as the absolute owner(s) (whether or not the Series 2024 Bond(s) shall be overdue) for the purpose of receiving payment thereof and for all other purposes and neither School District nor Registrar shall be affected by any notice to the contrary.

Book-Entry System

The information in this section concerning DTC and DTC’s book-entry system has been obtained from DTC, and none of the School District, the Financial Advisor, the Paying Agent/Registrar or the Underwriters take any responsibility for the accuracy thereof.

DTC will act as securities depository for the 2024 Bonds. The 2024 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2024 Bond certificate will be issued for each maturity of the 2024 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC at the office of the Paying Agent/Registrar on behalf of DTC utilizing the DTC FAST system of registration.

DTC, the world’s largest depository, 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 and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a rating of “AA+” from S&P Global Ratings, a Standard and Poor’s Financial Services LLC business. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 2024 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2024 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2024 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. Beneficial Owners are, however, 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 2024 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2024 Bonds, except in the event that use of the book-entry system for the 2024 Bonds is discontinued.

To facilitate subsequent transfers, all 2024 Bonds deposited by Direct Participants with DTC (or the Paying Agent/Registrar on behalf of DTC utilizing the DTC FAST system of registration) are registered in the name of DTC's partnership nominee, Cede & Co or such other name as may be requested by an authorized representative of DTC. The deposit of 2024 Bonds with DTC (or the Paying Agent/Registrar on behalf of DTC utilizing the DTC FAST system of registration) and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2024 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2024 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect 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 Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all the 2024 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. (nor such other DTC nominee) will consent or vote with respect to the 2024 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the School District 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 2024 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions and dividend payments on the 2024 Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the School District or the Paying Agent/Registrar on the payable date in accordance with their respective holdings shown on DTC's records. 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 Paying Agent/Registrar or the School District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments on the 2024 Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the School District or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the 2024 Bonds at any time by giving reasonable notice to the School District or the Paying Agent/Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2024 Bond certificates are required to be printed and delivered.

The School District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2024 Bond certificates will be printed and delivered to DTC.

The School District, Financial Advisor, Bond Counsel, the Paying Agent/Registrar and the Underwriters cannot and do not give any assurances that the DTC Participants will distribute to the Beneficial Owners of the 2024 Bonds: (i) payments of principal of or interest on the 2024 Bonds; (ii) certificates representing an ownership interest or other confirmation of Beneficial Ownership interests in the 2024 Bonds; or (iii) redemption or other notices sent to DTC or its nominee, as the Registered Owners of the 2024 Bonds; or that they will do so on a timely basis or that DTC or its participants will serve and act in the manner described in this official statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

None of the School District, Financial Advisor, Bond Counsel, the Paying Agent/Registrar or the Underwriters will have any responsibility or obligation to such DTC Participants (Direct or Indirect) or the persons for whom they act as nominees with respect to: (i) the 2024 Bonds; (ii) the accuracy of any records maintained by DTC or any DTC Participant; (iii) the payment by any DTC Participant of any amount due to any Beneficial Owner in respect of the principal amount of or interest on the 2024 Bonds; (iv) the delivery by any DTC Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Bond Indenture to be given to Registered Owners; (v) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the 2024 Bonds; or (vi) any consent given or other action taken by DTC as Registered Owner.

CUSIP numbers have been assigned to the Bonds by CUSIP Global Services, which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence, a part of S&P Global Inc., and are included solely for the convenience of the purchasers of the Bonds. None of the School District, Financial Advisor, Bond Counsel, the Paying Agent/Registrar or the Underwriters shall be responsible for the selection or correctness of the CUSIP numbers. Neither the failure to print such numbers on any Bonds, nor any error in the printing of such numbers shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and payment for any Bonds.

In reading this Official Statement, it should be understood that while the 2024 Bonds are in the Book Entry system, references in other sections of this Official Statement to Registered Owner should be read to include the Beneficial Owners of the 2024 Bonds, but: (i) all rights of ownership must be exercised through DTC and the Book Entry system; and (ii) notices that are to be given to Registered Owners by the School District or the Paying Agent/Registrar will be given only to DTC.

(Remainder of this page intentionally left blank)

Security for the Bonds

The 2024 Bonds are payable from ad valorem taxes levied annually on all taxable property, **without limitation as to rate or amount**, within the School District including real, personal and public service property, and any other monies available for such purpose. Pursuant to Oklahoma statutes, the Assessor is required to reassess the property within the County at least once each five years. The School District is required to pay a portion of the cost of such reassessment. The current assessment ratios for Craig, Mayes, and Delaware Counties are shown below:

	<u>Craig County</u>	<u>Mayes County</u>	<u>Delaware County</u>
Real Estate	11.50%	11.20%	11.50%
Personal	12.00%	11.00%	11.50%
Public Service	22.85%	22.85%	22.85%

* Exceptions: the assessment ratio for Airlines and Railroads is 11.84%, and the assessment ratio for Video Services Providers is 12.00%.

The ad valorem tax rates are set by determining the actual dollars of revenues required for payment of principal and interest payments on indebtedness and judicial judgments. Such total amount may be reduced by any surplus from the prior fiscal year and any contribution 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.

Authority for Issuance and Purpose of Bonds

The Bonds are issued pursuant to the provisions of and in full compliance with the Constitution and Laws of the State of Oklahoma, particularly Article X, Section 26 of the Constitution of the State of Oklahoma and Title 70, Article XV of the Oklahoma Statutes 2011, and laws supplementary and amendatory thereto, and resolutions of the Board of Education to be adopted on May 1, 2024.

Under state law, school districts cannot become indebted beyond one year for an amount in excess of the income and revenue provided in such year without the approval of three-fifths (60 percent) of the voters within the district at an election held for such purpose.

The 2024 Bonds were authorized by a vote of the residents of the School District at a special election on June 30, 2020. The special election authorized the issuance of a total of \$16,400,000. The School District has previously issued \$4,660,000 from this authorization. The 2024 Bonds represent the fifth series of bonds to be issued under this authorization. The District anticipates that it will issue the remaining bonds in separate series annually from 2025 to 2031.

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 year.

After review and approval by the Board of Education of the School District, copies of the Sinking Fund Estimates are submitted to the County Excise Board to determine the ad valorem tax levy appropriations. This submission is required to be made by September 1st of each year. The estimates are for the purposes of determining ad valorem taxes required to fund 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 being submitted. The County Excise Board

further certifies that the appropriations contained in the estimate of needs and the mill rate levies are within the limitations provided by law.

The County Assessor is required to file a tax roll report on or before October 1st 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 must begin collecting taxes with the first half due and payable on or before January 1. The second half becomes due and payable on or before April 1. If the first half is not paid by January 1, it all becomes due and payable on January 2.

Ad valorem taxes not paid on or before April 1 are considered delinquent. If not paid by the following October 1, the property is offered for sale for the amount of taxes due. The purchaser is issued a tax lien; however, the original owner of the property has two (2) years in which to redeem the property by paying the taxes and penalties owed. If at the end of two years he has not done so, the purchaser may then apply for a deed to the property. If there is no purchaser, then the County acquires the same lien and the property is auctioned after approximately two and one-half (2 1/2) years.

(Remainder of this page intentionally left blank)

THE KETCHUM SCHOOL DISTRICT

The School District is located in northeastern Oklahoma, in Craig County, approximately 65 miles northeast of the City of Tulsa, Oklahoma. The School District, encompassing approximately 60 square miles, serves the Town of Ketchum (estimated 2022 population: 502), and the surrounding rural area in Craig, Delaware and Mayes Counties. According to the U.S. Census Bureau, the estimated population of the School District as of 2022 was 3,481 people. The School District employs 52 certified teachers and has an enrollment of approximately 530 (as of April 2024). The School District is fully accredited by the Oklahoma State Department of Education.

Residents of the School District are employed at businesses in the Town of Ketchum and surrounding communities, with those not so employed primarily engaged in farming and ranching. No separate employment figures are available for the School District; however, as of February 2024 the unemployment rate for the counties included in the school district are as follows:

	<u>Unemployment Rate</u>
Craig County	4.2%
Mayes County	3.8%
Delaware County	4.7%
State of Oklahoma	3.6%
United States	3.9%

Note: County data not seasonally adjusted. State and federal data seasonally adjusted.

Source: *Oklahoma Employment Security Commission*

Board of Education and School Administration

The School District is governed by an elected five-member Board of Education. Members of the Board of Education are as follows.

Board of Education

Mike Williams	President & Member
Ryan Rogers	Vice-President & Member
Tiffany McKibben	Clerk & Member
Melanie Adams	Member
- Vacant -	Member

School Administration

Joy Taylor	Superintendent of Schools
Carol Bogle	School District Treasurer

FINANCIAL INFORMATION

Compliance with Constitutional Debt Limitation

2023-24 Estimated Market Value	\$782,782,991
2023-24 Assessed Valuation, including Homestead & Other Exemptions	\$90,365,302
2023-24 Assessed Valuation, excluding Homestead & Other Exemptions	\$88,799,553

The counties indicated below have held an election under Oklahoma Constitution Article X, Section 6(B) approving an exemption of certain household and personal property from ad valorem taxation. Accordingly, said counties have calculated the “millage adjustment factor” to be applied to debt percentage limits under Article 10, Section 26(b), resulting in an adjusted debt limit. The adjusted debt limit is as follows:

<u>County</u>	<u>District Net Assessed Valuation</u>	<u>District Unadjusted Legal Debt Limit¹</u>	<u>Millage Adjustment Factor</u>	<u>District Adjusted Legal Debt Limit²</u>
Craig County	\$11,492,022	\$1,149,202	1.028800	\$1,182,299
Delaware County	\$33,957,292	\$3,395,729	1.049800	\$3,564,837
Mayes County	\$43,350,239	\$4,335,024	1.032900	\$4,477,646
				<u>\$9,224,782</u>

(1) Net Assessed Valuation times 10%.

(2) District Unadjusted Legal Debt Limit times Millage Adjustment Factor.

General Obligation Bonds Outstanding*	\$5,015,000
Less: Estimated Sinking Fund Balance (April 18, 2024)	<u>747,952</u>
Net General Obligation Bonds Outstanding	\$4,267,048
Remaining Legal Debt Margin	\$4,957,734
Ratio of Net G.O. Indebtedness to NAV	4.81%
Ratio of Net G.O. Indebtedness to Estimated Full Market Value	0.55%

* This figure is as of April 18, 2024, and includes the 2024 Bonds.

Source: School District.

Authorized but Unissued Bonds

Upon the issuance of the 2024 Bonds, the District will have \$10,680,000 in authorized but unissued bonds. The District plans to issue the remaining authorized bonds in varying amounts and in separate series annually from 2025 through 2031.

Composition and Growth of the Net Assessed Valuation

The composition of the Net Assessed Valuation of the School District for the Fiscal Year 2023-24 is as follows:

<u>Property</u>	<u>Craig County</u>	<u>Delaware County</u>	<u>Mayes County</u>	<u>Total</u>	<u>Percentage</u>
Real	\$8,587,559	\$32,744,697	\$40,770,715	\$82,102,971	92.46%
Personal	1,538,375	748,646	1,471,959	3,758,980	4.23%
Public Service	1,366,088	463,949	1,107,565	2,937,602	3.31%
TOTAL	<u>\$11,492,022</u>	<u>\$33,957,292</u>	<u>\$43,350,239</u>	<u>\$88,799,553</u>	<u>100.00%</u>

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

<u>Fiscal Year</u>	<u>Valuation</u>	<u>% Change</u>
2023-24	\$88,799,553	10.32%
2022-23	\$80,490,527	6.70%
2021-22	\$75,433,298	4.52%
2020-21	\$72,168,650	4.18%
2019-20	\$69,270,981	5.15%
2018-19	\$65,876,250	4.95%
2017-18	\$62,769,521	4.49%
2016-17	\$60,074,791	5.70%
2015-16	\$56,836,904	5.67%
2014-15	\$53,785,679	

During this period, the Net Assessed Valuation of the School District increased \$35,013,874 or 65.10%.

General Obligation Bonded Debt Outstanding

<u>Date of Issuance</u>	<u>Original Principal Amount</u>	<u>Remaining Maturities</u>	<u>Maturity Dates</u>	<u>Total Outstanding</u>
6/1/2014	\$1,675,000	\$195,000	6/1/2024	\$195,000
10/1/2020	\$1,200,000	\$300,000	10/1/2024-25	\$600,000
6/1/2021	\$1,200,000	\$300,000	6/1/2024-26	\$900,000
6/1/2022	\$1,200,000	\$300,000	6/1/2024-27	\$1,200,000
6/1/2023	\$1,060,000	\$265,000	6/1/2025-28	\$1,060,000
6/1/2024	\$1,060,000	\$265,000	6/1/2026-29	\$1,060,000
TOTAL				\$5,015,000

Note: Figures above include the 2024 Bonds.

Annual Debt Service Requirements of General Obligation Bonded Debt Outstanding (As of April 18, 2024)

<u>Fiscal Year</u>	<u>Existing Bonds¹</u>		<u>2024 Bonds²</u>		<u>Total Debt Service Requirement</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2023-2024	\$795,000.00	\$82,820.00			\$877,820.00
2024-2025	1,165,000.00	95,060.00		\$53,000.00	1,313,060.00
2025-2026	1,165,000.00	65,277.50	\$265,000.00	53,000.00	1,548,277.50
2026-2027	565,000.00	37,397.50	265,000.00	39,750.00	907,147.50
2027-2028	265,000.00	13,250.00	265,000.00	26,500.00	569,750.00
2028-2029			265,000.00	13,250.00	278,250.00
TOTAL	\$3,955,000.00	\$293,805.00	\$1,060,000.00	\$185,500.00	\$5,494,305.00

¹ As of April 18, 2024.

² The average interest rate on the 2024 Bonds is estimated at 5.00%.

Net Direct, Overlapping and Underlying General Obligation Bonded Indebtedness

Municipality	Net Indebtedness	Amount Applying to the District	Ratio to Assessed Value of the District	Estimated Per Capita Debt
Ketchum School District	\$4,267,048	\$4,267,048	4.81%	\$1,225.81
Town of Ketchum	\$0	\$0	0.00%	\$0.00
Craig County	\$0	\$0	0.00%	\$0.00
Delaware County	\$0	\$0	0.00%	\$0.00
Mayes County	\$0	\$0	0.00%	\$0.00
TOTAL	\$4,267,048	\$4,267,048	4.81%	\$1,225.81

Figures for the School District are as of April 18, 2024, and include the 2024 Bonds. Figures for all other entities are as of June 30, 2023.

Source: *Analysis of Sinking Fund Budgets 2023-2024* compiled and published by The Municipal Rating Committee of Oklahoma, Inc.

Sinking Fund Tax Collections

Fiscal Year	Total Tax Levy	Current Tax Collections	Percentage of Levy Collected	Total Tax Collections	Percentage of Total Collected to Total Levy
2022-2023	\$1,040,192	\$1,002,436	96.37%	\$1,017,461	97.81%
2021-2022	753,031	733,268	97.38%	750,185	99.62%
2020-2021	537,969	523,654	97.34%	546,865	101.65%
2019-2020	557,078	535,041	96.04%	557,963	100.16%
2018-2019	572,772	550,111	96.04%	567,383	99.06%
2017-2018	579,976	556,631	95.97%	570,775	98.41%
2016-2017	589,307	569,639	96.66%	583,764	99.06%
2015-2016	481,866	435,374	90.35%	480,468	99.71%
2014-2015	492,586	474,925	96.41%	486,571	98.78%
2013-2014	305,155	292,235	95.77%	306,112	100.31%

Source: School District Administration and Budgets.

Trend of Tax Rates: Major Taxing Units*

Fiscal Year	Ketchum School District	City of Ketchum	Craig County	Career Tech	Total Levy
2014-2015	50.31	0.00	17.27	11.37	78.95
2015-2016	49.63	0.00	17.11	11.37	78.11
2016-2017	50.96	0.00	17.11	11.37	79.44
2017-2018	50.39	0.00	17.11	11.37	78.87
2018-2019	49.84	0.00	17.11	11.37	78.32
2019-2020	49.19	0.00	17.11	11.37	77.67
2020-2021	48.60	0.00	17.11	11.37	77.08
2021-2022	51.13	0.00	17.11	11.37	79.61
2022-2023	54.07	0.00	17.11	11.37	82.55
2023-2024	55.96	0.00	17.11	11.37	84.44

Source: County Assessors.

Largest Taxpayers (Craig County Only)

Name of Taxpayer	Type of Business	Net Assessed Valuation
Vyve Broadband A LLC	Telecommunications	\$719,850
Chen, Qiwei	Private/Undisclosed	\$617,723
Public Service Co #1	Electric Utility	\$424,217
Phillips 66 Carrier LLC	Pipeline	\$356,450
Northeast Rural Services	Vegetation Management	\$250,251
Explorer Pipeline Co #1	Pipeline	\$144,736
JHSGL, LLC	Unknown	\$132,464
Ketchum Boat and RV Storage LLC	Boat/RV Storage	\$118,490
Summerside	Bed & Breakfast	\$105,825
McLenithan Living Trust	Private/Undisclosed	\$104,292
Total Net Assessed Valuation of Top Ten Taxpayers		\$2,974,298
Percentage of School District's Net Assessed Valuation		3.35%

Source: Craig County Assessor.

Retail Sales

<u>Year</u>	<u>Town of Ketchum</u>
2022-23	\$9,384,144
2021-22	\$9,761,425
2020-21	\$8,577,328
2019-20	\$6,407,116
2018-19	\$5,807,469
2017-18	\$5,627,730
2016-17	\$5,647,075
2015-16	\$5,758,795

Source: Oklahoma Tax Commission.

Population

	<u>Year</u>	<u>Town of Ketchum</u>
Actual	1990	263
	2000	286
	2010	442
	2020	498
Estimate	2022	502

Source: U.S. Census Bureau.

ABSENCE OF MATERIAL LITIGATION

No litigation is pending (a) seeking to restrain or enjoin the issuance or delivery of the 2024 Bonds, (b) contesting or affecting any authority for or the validity of the 2024 Bonds, (c) contesting the power of the School District to issue the 2024 Bonds or the power of the School District to offer and sell them, (d) affecting the power of the School District to levy and collect taxes to pay the 2024 Bonds, or (e) contesting the corporate existence or boundaries of the School District.

LEGAL MATTERS

All legal matters incidental to the authorization and issuance of the 2024 Bonds are subject to the approving opinion of The Public Finance Law Group PLLC, Oklahoma City, Oklahoma, Bond Counsel, and the Attorney General of the State of Oklahoma.

CONTINUING DISCLOSURE

The School District has covenanted for the benefit of Bondholders to provide certain financial and operating information for the School District not later than ten months following the end of the fiscal year in which the bonds are issued (as of the date of this document, June 30 is the end of the fiscal year), or later as such information becomes publicly available, and each fiscal year thereafter, and to provide notice of the occurrence of certain events. The specific nature of the financial information and operating data to be provided and the events for which notice must be provided is described in the Continuing Disclosure Agreement (the "Disclosure Agreement"), the form of which is attached hereto as Exhibit B. These covenants have been made in order to assist the Underwriters in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission ("Rule 15c2-12").

The financial information and event notices will be filed by the School District or its dissemination agent with the Municipal Securities Rulemaking Board (the "MSRB") through the MSRB's Electronic Municipal Market Access system ("EMMA"). EMMA is an internet-based, online portal for free investor access to municipal bond information, including offering documents, Listed Event notices, real-time municipal securities trade prices and MSRB education resources, available at www.emma.msrb.org. Nothing contained on EMMA relating to the School District or the Bonds is incorporated by reference in this Official Statement.

A failure by the School District to comply with the Continuing Disclosure Agreement will not constitute an event of default with respect to the Bonds, although any holder will have any available remedy at law or in equity, including seeking specific performance by court order, to cause the School District to comply with its obligations under the Continuing Disclosure Agreement. Any such failure must be reported in accordance with Rule 15c2-12 and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Rule 15c2-12 requires that an issuer or other obligated party disclose in its official statement any instances in the previous five years in which such issuer or obligated party failed to comply, in all material respects, with any previous undertakings in a written contract or agreement specified in paragraph (b)(5) or (d)(2) of the Rule. In connection with one or more of the School District's previous bond issues or bond issues of an authority issued on behalf of the School District, the School District entered into individual continuing disclosure undertakings ("Undertakings") in written agreements specified in paragraph (b)(5)(i) or (d)(2) of the Rule. During the last five years, the School District has not failed in any material respect under the Rule to provide annual reports or notices of material events.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of bond counsel, interest on the 2024 Bonds is included in gross income for federal income tax purposes.

In the opinion of bond counsel, under existing statutes interest on the 2024 Bonds shall be exempt from Oklahoma income taxation pursuant to Section 2358.5 of Title 68, Oklahoma Statutes, 2011.

Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the 2024 Bonds under the laws of the State or any other state or jurisdiction.

General Matters

The following is a summary of certain anticipated federal income tax consequences of the purchase, ownership and disposition of the 2024 Bonds under the Code and the Regulations, and the judicial and administrative rulings and court decisions now in effect, all of which are subject to change or possible differing interpretations. The summary does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances, nor certain types of investors subject to special treatment under the federal income tax laws. Potential purchasers of the 2024 Bonds should consult their own tax advisors in determining the federal, state or local tax consequences to them of the purchase, holding and disposition of the 2024 Bonds.

In general, interest paid on the 2024 Bonds, original issue discount, if any, and market discount, if any, will be treated as ordinary income to the owners of the 2024 Bonds, and principal payments (excluding the portion of such payments, if any, characterized as original issue discount or accrued market discount) will be treated as a return of capital.

Bond Premium

An investor which acquires a 2024 Bond for a cost greater than its remaining stated redemption price at maturity and holds such 2024 Bond as a capital asset will be considered to have purchased such 2024 Bond at a premium and, subject to prior election permitted by Section 171(c) of the Code, may generally amortize such premium under the constant yield method. Except as may be provided by regulation, amortized premium will be allocated among, and treated as an offset to, interest payments. The basis reduction requirements of Section 1016(a)(5) of the Code apply to amortizable 2024 Bond premium that reduces interest payments under Section 171 of the Code. 2024 Bond premium is generally amortized over the 2024 Bond's term using constant yield principles, based on the purchaser's yield to maturity. Investors of any 2024 Bond purchased with a 2024 Bond premium should consult their own tax advisors as to the effect of such 2024 Bond premium with respect to their own tax situation and as to the treatment of 2024 Bond premium for state tax purposes.

Market Discount

An investor that acquires a 2024 Bond for a price less than the adjusted issue price of such 2024 Bond (or an investor who purchases a 2024 Bond in the initial offering at a price less than the issue price) may be subject to the market discount rules of Sections 1276 through 1278 of the Code. Under these sections and the principles applied by the Regulations, "market discount" means (a) in the case of a 2024 Bond originally issued at a discount, the amount by which the issue price of such 2024 Bond, increased by all accrued original issue discount (as if held since the issue date), exceeds the initial tax basis of the owner therein, less any prior payments that did not constitute payments of qualified stated interest, and (b) in the case of a 2024 Bond not originally issued at a discount, the amount by which the stated redemption price of such 2024 Bond at maturity exceeds the initial tax basis of the owner therein. Under Section 1276 of the Code, the owner of such a 2024 Bond will generally be required (i) to allocate each principal payment to accrued market discount not previously included in income and, upon sale or other disposition of the 2024 Bond, to recognize the gain on such sale or disposition as ordinary income to the extent of such cumulative amount of accrued market discount as of the date of sale or other disposition of such a 2024 Bond or (ii) to elect to include such market discount in income currently as it accrues on all market discount instruments acquired by such owner on or after the first day of the taxable year to which such election applies.

The Code authorizes the Treasury Department to issue regulations providing for the method for accruing market discount on debt instruments the principal of which is payable in more than one installment. Until such time as regulations are issued by the Treasury Department, certain rules described in the legislative history will apply. Under those rules, market discount will be included in income either (a) on a constant interest basis or (b) in proportion to the accrual of stated interest or, in the case of a 2024 Bond with original issue discount, in proportion to the accrual of original issue discount.

An owner of a 2024 Bond that acquired such 2024 Bond at a market discount also may be required to defer, until the maturity date of such 2024 Bond or its earlier disposition in a taxable transaction, the deduction of a portion of the amount of interest that the owner paid or accrued during the taxable year on indebtedness incurred or maintained to purchase or carry such 2024 Bond in excess of the aggregate amount of interest (including original issue discount) includable in such owner's gross income for the taxable year with respect to such 2024 Bond. The amount of such net interest expense deferred in a taxable year may not exceed the amount of market discount accrued on the 2024 Bond for the days during the taxable year on which the owner held such 2024 Bond and, in general, would be deductible when such market discount is includable in income. The amount of any remaining deferred deduction is to be taken into account in the taxable year in which the 2024 Bond matures or is disposed of in a taxable transaction. In the case of a disposition in which gain or loss is not recognized in whole or in part, any remaining deferred deduction will be allowed to the extent gain is recognized on the disposition. This deferral rule does not apply if the owner elects to include such market discount in income currently as it accrues on all market discount obligations acquired by such owner in that taxable year or thereafter.

Attention is called to the fact that Treasury regulations implementing the market discount rules have not yet been issued. Therefore, investors should consult their own tax advisors regarding the application of these rules as well as the advisability of making any of the elections with respect thereto.

Sales or Other Dispositions

If an owner of a 2024 Bond sells the 2024 Bond, such person will recognize gain or loss equal to the difference between the amount realized on such sale and such owner's basis in such 2024 Bond. Ordinarily, such gain or loss will be treated as a capital gain or loss. At the present time, the maximum capital gains rate for certain assets held for more than 12 months is 15%. However, if a 2024 Bond was, at its initial issuance, sold at a discount, a portion of such gain will be recharacterized as interest and therefore ordinary income. Neither the School District nor Bond Counsel can predict whether the President or Congress will propose legislation effecting the long-term capital gains rate.

If the terms of a 2024 Bond were materially modified, in certain circumstances, a new debt obligation would be deemed created and exchanged for the prior obligation in a taxable transaction. Among the modifications that may be treated as material are those that relate to redemption provisions and, in the case of a nonrecourse obligation, those which involve the substitution of collateral. Each potential owner of a 2024 Bond should consult its own tax advisor concerning the circumstances in which such 2024 Bond would be deemed reissued and the likely effects, if any, of such reissuance.

Defeasance

The legal defeasance of the 2024 Bonds may result in a deemed sale or exchange of such 2024 Bond under certain circumstances. Owners of such 2024 Bonds should consult their tax advisors as to the federal income tax consequences of such a defeasance.

Backup Withholding

An owner of a 2024 Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to the 2024 Bonds, if such owner, upon issuance of the 2024 Bonds, fails to provide to any person required to collect such information pursuant to Section 6049 of the Code with such owner's taxpayer identification number, furnishes an incorrect taxpayer identification number, fails to report interest, dividends or other "reportable payments" (as defined in the Code) properly, or, under certain circumstances, fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

Foreign Investors

An owner of a 2024 Bond that is not a "United States person" (as defined below) and is not subject to federal income tax as a result of any direct or indirect connection to the United States of America in addition

to its ownership of a 2024 Bond will generally not be subject to United States income or withholding tax in respect of a payment on a 2024 Bond, provided that the owner complies to the extent necessary with certain identification requirements (including delivery of a statement, signed by the owner under penalties of perjury, certifying that such owner is not a United States person and providing the name and address of such owner). For this purpose the term “United States person” means a citizen or resident of the United States of America, a corporation, partnership or other entity created or organized in or under the laws of the United States of America or any political subdivision thereof, or an estate or trust whose income from sources within the United States of America is includable in gross income for United States of America income tax purposes regardless of its connection with the conduct of a trade or business within the United States of America.

Except as explained in the preceding paragraph and subject to the provisions of any applicable tax treaty, a 30% United States withholding tax will apply to interest paid and original issue discount accruing on 2024 Bonds owned by foreign investors. In those instances in which payments of interest on the 2024 Bonds continue to be subject to withholding, special rules apply with respect to the withholding of tax on payments of interest on, or the sale or exchange of 2024 Bonds having original issue discount and held by foreign investors. Potential investors that are foreign persons should consult their own tax advisors regarding the specific tax consequences to them of owning a 2024 Bond.

Tax-Exempt Investors

In general, an entity that is exempt from federal income tax under the provisions of Section 501 of the Code is subject to tax on its unrelated business taxable income. An unrelated trade or business is any trade or business that is not substantially related to the purpose that forms the basis for such entity’s exemption. However, under the provisions of Section 512 of the Code, interest may be excluded from the calculation of unrelated business taxable income unless the obligation that gave rise to such interest is subject to acquisition indebtedness. Therefore, except to the extent any owner of a 2024 Bond incurs acquisition indebtedness with respect to such 2024 Bond, interest paid or accrued with respect to such owner may be excluded by such tax-exempt owner from the calculation of unrelated business taxable income. Each potential tax-exempt holder of a 2024 Bond is urged to consult its own tax advisor regarding the application of these provisions.

ERISA Considerations

The Employee Retirement Income Security Act of 1974, as amended (“ERISA”), imposes certain requirements on “employee benefit plans” (as defined in Section 3(3) of ERISA) subject to ERISA, including entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, “ERISA Plans”) and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA’s general fiduciary requirements, including the requirement of investment prudence and diversification and the requirement that an ERISA Plan’s investments be made in accordance with the documents governing the ERISA Plan. The prudence of any investment by an ERISA Plan in the 2024 Bonds must be determined by the responsible fiduciary of the ERISA Plan by taking into account the ERISA Plan’s particular circumstances and all of the facts and circumstances of the investment. Government and non-electing church plans are generally not subject to ERISA. However, such plans may be subject to similar or other restrictions under state or local law.

In addition, ERISA and the Code generally prohibit certain transactions between an ERISA Plan or a qualified employee benefit plan under the Code and persons who, with respect to that plan, are fiduciaries or other “parties in interest” within the meaning of ERISA or “disqualified persons” within the meaning of the Code. In the absence of an applicable statutory, class or administrative exemption, transactions between an ERISA Plan and a party in interest with respect to an ERISA Plan, including the acquisition by one from the other of the 2024 Bonds could be viewed as violating those prohibitions. In addition, Section 4975 of the Code prohibits transactions between certain tax-favored vehicles such as Individual Retirement Accounts and disqualified persons. Section 503 of the Code includes similar restrictions with respect to governmental and church plans. In this regard, the School District or any dealer of the 2024 Bonds might be considered or might become a “party in interest” within the meaning of ERISA or a “disqualified person”

within the meaning of the Code, with respect to an ERISA Plan or a plan or arrangement subject to Sections 4975 or 503 of the Code. Prohibited transactions within the meaning of ERISA and the Code may arise if the 2024 Bonds are acquired by such plans or arrangements with respect to which the School District or any dealer is a party in interest or disqualified person.

In all events, fiduciaries of ERISA Plans and plans or arrangements subject to the above sections of the Code, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in the 2024 Bonds. The sale of the 2024 Bonds to a plan is in no respect a representation by the School District that such an investment meets the relevant legal requirements with respect to benefit plans generally or any particular plan. Any plan proposing to invest in the 2024 Bonds should consult with its counsel to confirm that such investment is permitted under the plan documents and will not result in a non-exempt prohibited transaction and will satisfy the other requirements of ERISA, the Code and other applicable law.

Health Care and Education Reconciliation Act of 2010

Pursuant to Section 1411 of the Code, as enacted by the Health Care and Education Reconciliation Act of 2010, an additional tax is imposed on individuals beginning January 1, 2013. The additional tax is 3.8% of the lesser of (i) net investment income (defined as gross income from interest, dividends, net gain from disposition of property not used in a trade or business, and certain other listed items of gross income), or (ii) the excess of “modified adjusted gross income” of the individual over \$200,000 for unmarried individuals (\$250,000 for married couples filing a joint return and a surviving spouse). Holders of the 2024 Bonds should consult with their tax advisor concerning this additional tax as it may apply to interest earned on the 2024 Bonds as well as gain on the sale of a 2024 Bond.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to above or adversely affect the market value of the 2024 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to indebtedness issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the 2024 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the 2024 Bonds or the market value thereof would be impacted thereby. Purchasers of the 2024 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the 2024 Bonds, and Bond Counsel expresses no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

Prospective purchasers of the 2024 Bonds should consult their own tax advisors as to the consequences of their acquisition, holding, or disposition of the 2024 Bonds.

GLOBAL RISKS

Certain external events, such as pandemics, natural disasters, severe weather, riots, acts of war or terrorism, technological emergencies, or other circumstances, could potentially disrupt the operations and effectiveness of municipal governments, such as the School District.

RATINGS

The School District is currently rated “Oklahoma #1” by The Municipal Rating Committee of Oklahoma, Inc. Neither the School District nor the Financial Advisor has obtained, nor do they plan to obtain, a rating of the Bonds from any other rating agency.

UNDERWRITING

The 2024 Bonds are being purchased at competitive sale by _____. The underwriter of the 2024 Bonds has agreed to purchase the 2024 Bonds at a price equal to \$_____ plus accrued interest from June 1, 2024.

FINANCIAL ADVISOR

BOK Financial Securities, Inc. is employed as Financial Advisor to the District in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the bonds. In the normal course of business, the Financial Advisor may also from time to time sell investment securities to the District for the investment of debt proceeds or other funds of the District, upon the request of the District.

BOK Financial Securities, Inc., in its capacity of Financial Advisor, has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Financial Advisor to the District has provided the following sentence for inclusion in the Official Statement. The Financial Advisor has reviewed the information in the Official Statement in accordance with, and as part of, its responsibilities to the District and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy of such information.

MISCELLANEOUS

All quotations from and summaries and explanations of law herein do not purport to be complete and reference is made to said laws for full and complete statements of their provisions.

The Official Statement is not to be construed as a contract or agreement between the School District and the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion are intended merely as opinion and not as representation of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the School District, or its agencies and authorities, since the date hereof.

INDEPENDENT SCHOOL DISTRICT NO. 6
OF CRAIG COUNTY, OKLAHOMA

BY: _____
President, Board of Education

EXHIBIT A

**FINANCIAL STATEMENTS WITH ACCOUNTANT'S REPORT
FOR THE YEAR ENDED JUNE 30, 2023**

ANNUAL FINANCIAL REPORT
KETCHUM SCHOOL DISTRICT NO. I-006
CRAIG COUNTY, OKLAHOMA
JULY 1, 2022 TO JUNE 30, 2023

AUDITED BY
Patten & Odom, CPAs, PLLC

**KETCHUM SCHOOL DISTRICT NO. I-006
CRAIG COUNTY, OKLAHOMA
SCHOOL DISTRICT OFFICIALS
JUNE 30, 2023**

Board of Education

President	Mike Williams
Vice-President	Justin Sumner
Clerk	Tiffany McKibben
Member	Ryan Rogers
Member	Melanie Adams

Superintendent of Schools

Joy Taylor

School District Treasurer

Carol Bogle

**KETCHUM SCHOOL DISTRICT NO. I-006
CRAIG COUNTY, OKLAHOMA
JUNE 30, 2023**

TABLE OF CONTENTS

	Page
Report of Independent Auditor	1
Combined Financial Statements	
Combined Statement of Assets, Liabilities and Fund Balances – All Fund Types and Account Groups – Regulatory Basis.....	4
Combined Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances – All Governmental Fund Types Regulatory Basis	5
Combined Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances – Budget and Actual – Regulatory Basis General Fund and Special Revenue Fund	6
Notes to the Financial Statements	7
Combining Financial Statements	
Combining Statement of Assets, Liabilities and Fund Balances – All Special Revenue Funds – Regulatory Basis	18
Combining Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances – All Special Revenue Funds Regulatory Basis	19
Combining Statement of Assets, Liabilities and Fund Balances – Capital Project Fund – Regulatory Basis	20
Combining Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances – Capital Project Fund – Regulatory Basis.....	21
Combining Statement of Assets, Liabilities and Fund Balances – Fiduciary Fund – Regulatory Basis	22
Supplemental Information	
Budgetary Comparison Schedule – Regulatory Basis Building Fund.....	23
Budgetary Comparison Schedule – Regulatory Basis Child Nutrition Fund.....	24
Schedule of Expenditures of Federal Awards	25
Notes To The Schedule of Expenditures of Federal Awards.....	27
School Activity Fund – Receipts, Transfers, Disbursements and Sub-account Balances	28

(continued)

**KETCHUM SCHOOL DISTRICT NO. I-006
CRAIG COUNTY, OKLAHOMA
JUNE 30, 2023**

TABLE OF CONTENTS

Reports Required by *Government Auditing Standards*

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 <i>Government Auditing Standards</i>	30
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	32
Schedule of Findings and Questioned Costs.....	35
Summary of Prior Audit Findings	36
Schedule of Comments	37
Schedule of Accountant’s Professional Liability Insurance Affidavit	38

Patten & Odom, CPAs, PLLC

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

INDEPENDENT AUDITOR'S REPORT

February 23, 2024

The Honorable Board of Education
Ketchum School District No. I-006
Craig County, Oklahoma

Opinions

We have audited the accompanying combined fund type and account group financial statements – regulatory basis of Ketchum School District No. I-1006, Craig County, Oklahoma, as of and for the year ended June 30, 2023, and the related notes to the financial statements, as listed in the table of contents.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities, and fund balances arising from regulatory basis transactions of each fund type and account group of Ketchum School District No. I-1006, Craig County, Oklahoma, as of June 30, 2023, and the revenues collected and expenditures paid and encumbered for the year then ended on the regulatory basis of accounting described in the Note 1 (C).

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Ketchum School District No. I-1006, Craig County, Oklahoma as of June 30, 2023, or the revenues, expenses, and changes in financial position for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibility under those standards 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 Ketchum School District No. I-1006, Craig County, Oklahoma, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Qualified Opinion on Regulatory Basis of Accounting

The financial statements referred to in the first paragraph do not include the general fixed asset account group, which is a departure from the regulatory basis of accounting prescribed or permitted by the Oklahoma State Department of Education. The amount that should be recorded in the general fixed asset account group is not known.

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

As discussed in Note 1 (C) to the financial statements, the financial statements are prepared by the Ketchum School District No. I-1006, Craig County, Oklahoma, on the basis of the financial reporting provisions of the Oklahoma State Department of Education, which a basis of accounting other than accounting principles generally accepted in the United States of America to comply with requirements of the Oklahoma State Department of Education. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 (C) and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with financial reporting provisions of the Oklahoma State Department of Education to meet financial reporting requirements of the State of Oklahoma; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Governmental Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may include collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ketchum School District No. I-1006, Craig County, internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Ketchum School District No. I-1006, Craig County, Oklahoma's ability to continue as a going concern for a reasonable period of time.

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

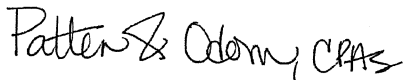
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the fund type and account group financial statements within the combined financial statements. The combining fund statements-regulatory basis, and other schedules as listed in the table of contents, under supplementary information, are presented for purposes of additional analysis and are not a required part of the combined financial statements of the District. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2024, on our consideration of Ketchum School District No. I-1006, Craig County, Oklahoma, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Patten & Odom, CPAs, PLLC
Broken Arrow, OK

COMBINED FINANCIAL STATEMENTS

KETCHUM SCHOOL DISTRICT NO. I-006
COMBINED STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
ALL FUND TYPES AND ACCOUNT GROUPS - REGULATORY BASIS
JUNE 30, 2023

	Governmental Fund Types				Fiduciary Fund Types	Account Groups	Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency	General Long-term Debt	June 30, 2023
<u>ASSETS</u>							
Cash	\$ 1,608,697.08	\$ 402,906.49	\$ 781,531.15	\$ 2,058,379.91	\$ 225,233.56	\$ -	\$ 5,076,748.19
Investments	-	-	-	-	-	-	-
Amounts available in debt service fund	-	-	-	-	-	781,531.15	781,531.15
Amounts to be provided for retirement of general long-term debt	-	-	-	-	-	14,099,111.84	14,099,111.84
Total assets	\$ 1,608,697.08	\$ 402,906.49	\$ 781,531.15	\$ 2,058,379.91	\$ 225,233.56	\$ 14,880,642.99	\$ 19,957,391.18
<u>LIABILITIES AND FUND BALANCES</u>							
Liabilities:							
Outstanding warrants	\$ 479,412.04	\$ 28,500.71	\$ -	\$ 12,208.51	\$ 18,362.59	\$ -	\$ 538,483.85
Encumbrances	16.57	-	-	-	-	-	16.57
Long-term debt:							
Capitalized lease obligations payable	-	-	-	-	-	10,625,642.99	10,625,642.99
Bonds payable	-	-	-	-	-	4,255,000.00	4,255,000.00
Interest payable	-	-	-	-	-	-	-
Total liabilities	\$ 479,428.61	\$ 28,500.71	\$ -	\$ 12,208.51	\$ 18,362.59	\$ 14,880,642.99	\$ 15,419,143.41
Fund Balances							
Designated for capital projects	\$ -	\$ -	\$ -	\$ 2,046,171.40	\$ -	\$ -	\$ 2,046,171.40
Designated for debt service	-	-	781,531.15	-	-	-	781,531.15
Cash fund balances	1,129,268.47	374,405.78	-	-	206,870.97	-	1,710,545.22
Total fund balances	\$ 1,129,268.47	\$ 374,405.78	\$ 781,531.15	\$ 2,046,171.40	\$ 206,870.97	\$ -	\$ 4,538,247.77
Total liabilities and fund balances	\$ 1,608,697.08	\$ 402,906.49	\$ 781,531.15	\$ 2,058,379.91	\$ 225,233.56	\$ 14,880,642.99	\$ 19,957,391.18

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

KETCHUM SCHOOL DISTRICT NO.I-006
COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

	Governmental Fund Types				Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	June 30, 2023
Revenues collected:					
Local sources	\$ 3,063,955.91	\$ 466,812.46	\$ 1,017,460.51	\$ 1,036,750.29	\$ 5,584,979.17
Intermediate sources	186,622.30	7.15	-	-	186,629.45
State sources	1,405,622.04	2,900.67	32.59	-	1,408,555.30
Federal sources	1,624,382.61	281,007.26	-	-	1,905,389.87
Non-revenue source	-	-	-	-	-
Total revenues collected	\$ 6,280,582.86	\$ 750,727.54	\$ 1,017,493.10	\$ 1,036,750.29	\$ 9,085,553.79
Expenditures paid:					
Instruction	\$ 3,665,313.98	\$ -	\$ -	\$ 22,586.31	\$ 3,687,900.29
Support services	2,373,312.85	513,205.75	-	350,597.36	3,237,115.96
Non-instructional services	1,880.51	269,855.91	-	-	271,736.42
Capital outlay	467,575.94	-	-	750.00	468,325.94
Other outlays	5.89	-	-	-	5.89
Other uses	-	-	-	-	-
Repayments	-	-	-	-	-
Debt service:					
Principal retirement	27,330.58	-	785,000.00	810,000.00	1,622,330.58
Interest	8,426.85	-	73,935.00	-	82,361.85
Total expenditures paid	\$ 6,543,846.60	\$ 783,061.66	\$ 858,935.00	\$ 1,183,933.67	\$ 9,369,776.93
Excess of revenues collected over (under) expenditures paid before adjustments to prior year encumbrances	\$ (263,263.74)	\$ (32,334.12)	\$ 158,558.10	\$ (147,183.38)	\$ (284,223.14)
Adjustments to prior year encumbrances	\$ 156.82	\$ -	\$ -	\$ -	\$ 156.82
Other financing sources (uses):					
Bond sale proceeds	\$ -	\$ -	\$ -	\$ -	\$ -
Operating transfers in/(out)	-	-	-	-	-
Bank charges	-	-	-	-	-
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -
Excess of revenues collected over (under) expenditures paid and other financing sources (uses)	\$ (263,106.92)	\$ (32,334.12)	\$ 158,558.10	\$ (147,183.38)	\$ (284,066.32)
Fund balances, beginning of year	\$ 1,392,375.39	\$ 406,739.90	\$ 622,973.05	\$ 2,193,354.78	\$ 4,615,443.12
Fund balances, end of year	\$ 1,129,268.47	\$ 374,405.78	\$ 781,531.15	\$ 2,046,171.40	\$ 4,331,376.80

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

KETCHUM SCHOOL DISTRICT NO. I-006
COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
BUDGETED GOVERNMENTAL FUND TYPES - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund			Special Revenue Fund		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
Revenues collected:						
Local sources	\$ 2,660,718.45	\$ 2,660,718.45	\$ 3,063,955.91	\$ 387,368.42	\$ 387,368.42	\$ 466,812.46
Intermediate sources	170,740.22	170,740.22	186,622.30	-	-	7.15
State sources	1,273,391.13	1,273,391.13	1,405,622.04	2,900.68	2,900.68	2,900.67
Federal sources	1,628,833.55	1,628,833.55	1,624,382.61	-	325,855.75	281,007.26
Non-revenue sources	-	-	-	-	-	-
Total revenues collected	\$ 5,733,683.36	\$ 5,733,683.36	\$ 6,280,582.86	\$ 716,124.85	\$ 716,124.85	\$ 750,727.54
Expenditures paid:						
Instruction	\$ 4,252,453.33	\$ 4,252,453.33	\$ 3,665,313.98	\$ 563,568.99	\$ 563,568.99	\$ -
Support services	2,398,654.37	2,398,654.37	2,373,312.85	559,295.76	559,295.76	513,205.75
Non-instructional services	7,480.51	7,480.51	1,880.51	-	-	269,855.91
Capital outlay	467,575.94	467,575.94	467,575.94	-	-	-
Other outlays	(105.40)	(105.40)	5.89	-	-	-
Other Uses	-	-	-	-	-	-
Repayment	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	27,330.58	-	-	-
Interest	-	-	8,426.85	-	-	-
Total expenditures paid	\$ 7,126,058.75	\$ 7,126,058.75	\$ 6,543,846.60	\$ 1,122,864.75	\$ 1,122,864.75	\$ 783,061.66
Excess of revenues collected over (under) expenditures paid before adjustments to prior year encumbrances	\$ (1,392,375.39)	\$ (1,392,375.39)	\$ (263,263.74)	\$ (406,739.90)	\$ (406,739.90)	\$ (32,334.12)
Adjustments to prior year encumbrances	\$ -	\$ -	\$ 156.82	\$ -	\$ -	\$ -
Other financing sources (uses):						
Operating transfers in/out	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bank Charges	-	-	-	-	-	-
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Excess of revenues collected over (under) expenditures paid and other financing sources (uses)	\$ (1,392,375.39)	\$ (1,392,375.39)	\$ (263,106.92)	\$ (406,739.90)	\$ (406,739.90)	\$ (32,334.12)
Fund balance, beginning of year	\$ 1,392,375.39	\$ 1,392,375.39	\$ 1,392,375.39	\$ 406,739.90	\$ 406,739.90	\$ 406,739.90
Fund balance, end of year	\$ -	\$ -	\$ 1,129,268.47	\$ -	\$ -	\$ 374,405.78

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

NOTES TO THE FINANCIAL STATEMENTS

**KETCHUM SCHOOL DISTRICT NO. I-006
CRAIG COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023**

1. Summary of Significant Accounting Policies

The accompanying financial statements of the Ketchum School District No. I-006 (the "District") conform to the regulatory basis of accounting, which is another comprehensive basis of accounting prescribed by the Oklahoma State Department of Education and conforms to the system of accounting authorized by the State of Oklahoma. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America. The District's accounting policies are described in the following notes that are an integral part of the District's financial statements.

A. Reporting Entity

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

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

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

B. Measurement Focus

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

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

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

Governmental Funds

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

**KETCHUM SCHOOL DISTRICT NO. I-006
CRAIG COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023**

Summary of Significant Accounting Policies (continued)

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

Special Revenue Fund – The special revenue funds are used for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

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

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

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

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

Fiduciary Funds

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments or on behalf of other funds within the District. When these assets are held under the terms of a trust agreement, trust funds are used for their accounting and reporting. Agency funds generally are used to account for assets that the District holds on behalf of others as their agent and do not involve measurement of results of operations.

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

**KETCHUM SCHOOL DISTRICT NO. I-006
CRAIG COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023**

Summary of Significant Accounting Policies (continued)

Account Groups

Account groups are not funds and consist of a self-balancing set of accounts used only to establish accounting control over long-term debt and general fixed assets.

General Long-Term Debt Account Group – This account group was established to account for all long-term debt of the District, which is offset by the amount available in the debt service fund and the amount to be provided in future years to complete retirement of the debt principal. It is also used to account for liabilities for compensated absences and early retirement incentives, which are to be paid from funds provided in future years.

General Fixed Asset Account Group – This account group is used to account for property, plant, and equipment of the school district. The District does not have the information necessary to include this group in its combined financial statements.

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.
- Compensated absences are recorded as an expenditure when the obligation is paid.
- Fixed assets are recorded in the General Fixed Asset Account Group. Fixed assets are not depreciated.

This regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, which require revenues to be recognized when they become available and measurable, or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred for governmental fund types; and, when revenues are earned.

D. Budgets and Budgetary Accounting

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

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

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

**KETCHUM SCHOOL DISTRICT NO. I-006
CRAIG COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023**

Summary of Significant Accounting Policies (continued).

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

E. Assets, Liabilities and Fund Equity

Memorandum Only – Total Column

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

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

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

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

Compensated Absences – Vested or accumulated vacation leave that is expected to be liquidated with expendable, available financial resources is reported as expenditure and a fund liability of the governmental fund that will pay it. There are no amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable, available financial resources.

No liability is recorded for non-vesting accumulating rights to receive such pay benefits.

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

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

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

F. Revenues, Expenses and Expenditures

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

**KETCHUM SCHOOL DISTRICT NO. I-006
CRAIG COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023**

Summary of Significant Accounting Policies (continued)

The District is authorized by state law to levy property taxes, which consist of ad valorem taxes on real and personal property within the District. The county assessor, upon receipt of the certification of tax levies from the County Excise Board, extends the tax levies on the tax roll for submission to the county treasurer prior to October 1. The county treasurer must commence tax collection within fifteen days of receipt of the tax rolls. The first half of the tax is due prior to January 1. The second half is due prior to April 1.

If the first payment is not made timely, the entire tax becomes due and payable on January 2. Second half taxes become delinquent on April 1 of the year following the year of assessment. If taxes are delinquent and unpaid for a period of three (3) years or more the real estate may be sold for taxes.

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

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

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

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

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

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

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

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

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

**KETCHUM SCHOOL DISTRICT NO. I-006
CRAIG COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023**

Summary of Significant Accounting Policies (continued)

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

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

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

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

Interfund Transactions – Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund or expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers.

Budgetary Information

Under current Oklahoma Statutes, a formal Estimate of Needs (Budget) is required for all General and Special Revenue funds. Budgets are presented for all funds that include the originally approved budgeted appropriations for expenditures and final budgeted appropriations as adjusted for supplemental appropriations and approved transfers between budget categories. The annual Estimate of Needs, when approved by the Board and subsequently filed with the County Clerk and approved by the County Excise Board, becomes the legal budget. Supplemental appropriations, if required, were made during the year and are reflected on the budget vs. actual presentations shown included in supporting schedules.

2. Deposit Categories of Credit Risk

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

1. Direct obligations of the United States Government to the payment of which the full faith and credit of the government is pledged.
2. Obligations to the payment of which the full faith and credit of the state is pledged.
3. Certificates of deposits of banks when such certificates of deposits are secured by acceptable collateral as in the deposit of other public monies.
4. Savings accounts or savings certificates of savings and loan associations to the extent that such accounts or certificates are fully insured by the Federal Savings and Loan Insurance Corporation.
5. Repurchase agreements that have underlying collateral consisting of those items specified in paragraphs 1 and 2 of this section including obligations of the United States, its agencies and instrumentalities, and where collateral has been deposited with a trustee of custodian bank in an irrevocable trust or escrow account established for such purposes.

**KETCHUM SCHOOL DISTRICT NO. I-006
CRAIG COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023**

Deposit Categories of Credit Risk (continued)

6. County, municipal or school district direct debt obligations for which an ad valorem tax may be levied or bond and revenue anticipation notes, money judgments against such county, municipality or school district ordered by a court of record or bonds or bond and revenue anticipation notes issued by a public trust for which such county, municipality or school district is a beneficiary thereof. All collateral pledged to secure public funds shall be valued at no more than market value.
7. Money market mutual funds regulated by the Securities and Exchange Commission and which investments consist of obligations of the United States, its agencies and instrumentalities, and investments in those items listed above.
8. Warrants, bonds or judgments of the school district.
9. Qualified pooled investment programs, the investments of which consist of those items specified above, as well as obligations of the United States agencies and instrumentalities, regardless of the size of the district's budget. To be qualified, a pooled investment program for school funds must be governed through an Interlocal cooperative agreement formed pursuant to Title 70 Section 5-117b, and the program must competitively select its investment advisors and other professionals. Any pooled investment program must be approved by the Board of Education.

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

Custodial Credit Risk:

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

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

Certificates of deposit are collateralized at least by the amount not federally insured. As of June 30, 2023, the District had no deposits exposed to custodial credit risk.

Interest Rate Risk:

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

Credit Risk:

The District has no formal written policy addressing credit risk.

At June 30, 2023, the District has no investments.

**KETCHUM SCHOOL DISTRICT NO. I-006
CRAIG COUNTY, OKLAHOMA
NOTES TO THE 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 have been approved by the voters and issued by the District for various capital improvements. These bonds are required to be fully paid serially within 25 years from the date of issue.

A brief description of the outstanding general obligation bond issues at June 30, 2023, is set forth below:

School District No. I-006 Combined Purpose Bonds, Series 2023, original issue \$1,060,000.00, average interest rate of 5.23%, first installment of \$265,000.00 due on June 1, 2025, and annual installments of \$265,000.00 due thereafter, final payment of \$265,000.00 due on June 1, 2028.	Amount Outstanding
	\$ 1,060,000.00
School District No. I-006 Combined Purpose Bonds, Series 2020, original issue \$1,200,000.00, average interest rate of 1.00%, first installment of \$300,000.00 due on October 1, 2022, and annual installments of \$300,000.00 due thereafter, final payment of \$300,000.00 due on October 1, 2025.	900,000.00
School District No. I-006 Combined Purpose Bonds, Series 2021, original issue \$1,200,000.00, average interest rate of 0.8125%, first installment of \$300,000.00 due on June 1, 2023, and annual installments of \$300,000.00 due thereafter, final payment of \$300,000.00 due on June 1, 2026.	900,000.00
School District No. I-006 Building Bonds, Series 2014, original issue \$1,675,000.00, average interest rate of 2.13%, first installment of \$185,000.00 due on June 1, 2016, and annual installments of \$185,000.00 due thereafter, final payment of \$195,000.00 due on June 1, 2024.	195,000.00
School District I-006 Combined Purpose Bonds, Series 2022, original issue \$1,200,000.00, average interest rate of 3.68%, first installment of \$300,000.00 due on June 1, 2024, and annual installments of \$300,000.00 due thereafter, final payment of \$300,000.00 due on June 1, 2027.	1,200,000.00
Total Bonds Outstanding	\$ 4,255,000.00

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

Year ending June 30,	Principal	Interest	Total
2024	\$ 1,095,000.00	\$ 62,370.00	\$ 1,157,370.00
2025	900,000.00	39,675.00	939,675.00
2026	900,000.00	24,600.00	924,600.00
2027	300,000.00	10,500.00	310,500.00
2028	265,000.00	13,250.00	278,250.00
Total	\$ 4,255,000.00	\$ 328,741.00	\$ 4,583,741.00

Interest expense incurred on general long-term debt during the current year totaled \$73,935.00.

**KETCHUM SCHOOL DISTRICT NO. I-006
CRAIG COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023**

General Long-Term Debt (continued)

Capital Lease-Purchases

The District entered into a lease purchase agreement with Craig County Educational Authority for \$12,030,000.00. The District's lease payment schedule is designed to coincide with the Authority's debt service payments on the debt. The school district taxpayers have previously approved a proposition to issue a series of general obligation bonds defining each series by purpose and amount of proceeds that each series will provide (the bonds are to be issued in series so that at no time the total bonds outstanding will exceed the amount allowed under the constitution of Oklahoma). The District is using the proceeds of these general obligation bonds to finance the installments of the lease-purchase obligations. The following is a summary of payments as of June 30, 2023:

Year ending June 30,	Rental Payment	Annual Fee	Acquisition Payment	Total
2024	\$ 249,000.00	\$ 14,375.00	\$ 690,000.00	\$ 953,375.00
2025	232,440.00	13,685.00	710,000.00	956,125.00
2026	215,400.00	12,975.00	1,310,000.00	1,538,375.00
2027	183,960.00	11,665.00	1,115,000.00	1,310,625.00
2028	157,200.00	10,550.00	1,150,000.00	1,317,750.00
2029-2032	345,600.00	1,515.00	1,515,000.00	1,552,875.00
Totals	\$ 1,383,600.00	\$ 89,650.00	\$ 10,375,000.00	\$ 11,848,250.00

The school district entered into a lease purchase for stadium lighting in the amount of \$304,500.00. The future principal and interest payments are outlined as of June 30, 2023:

Year ending June 30,	Principal	Interest	Total
2024	\$ 28,138.30	\$ 7,619.13	\$ 35,757.43
2025	29,012.14	6,745.29	35,757.43
2026	29,891.65	5,865.78	35,757.43
2027	30,797.82	4,959.61	35,757.43
2028	31,720.44	4,036.99	35,757.43
2029-2031	101,082.64	6,189.65	107,272.29
Total	\$ 250,642.99	\$ 35,416.45	\$ 286,059.44

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

	Bonds Payable	Lease Payable	Total Payable
Balance, July 1, 2022	\$ 3,980,000.00	\$ 11,462,973.57	\$ 15,442,973.57
Additions	1,060,000.00	-	1,060,000.00
Retirements	785,000.00	837,330.58	1,622,330.58
Balance, June 30, 2023	\$ 4,255,000.00	\$ 10,625,642.99	\$ 14,880,642.99

**KETCHUM SCHOOL DISTRICT NO. I-006
CRAIG COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023**

4. Employee Retirement System

Description of Plan

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

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

Basis of Accounting

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

Funding Policy

The District, the State of Oklahoma, and the participating 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. Additionally, OTRS receives "federal matching contributions" for positions whose funding comes from federal sources or certain grants. The District and State are required to contribute 14.0% of applicable compensation. Contributions received by the System from the State of Oklahoma are from 3.54% of its revenues from sales tax use taxes, corporate income taxes and individual income taxes. The District contributed 9.5% and the State of Oklahoma plus the federal contribution contributed the remaining 4.5% during this year. The District is allowed by the Oklahoma Teachers' Retirement System to make the required contributions on behalf of the participating members. The school is required to pay 16.5% for any compensated retired teachers already receiving retirement benefits.

Annual Pension Cost

The District's total contributions for 2023, 2022, and 2021 were \$636,534.16, \$557,519.11, and \$560,777.25, respectively. The District's total payroll for fiscal year 2022-2023 amounted to \$3,700,735.06.

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

5. Litigation

The District is contingently liable for lawsuits and other claims in the ordinary course of its operations. The settlement of such contingencies under the budgetary process would require appropriation of revenues yet to be realized, and would not materially affect the financial position of the District at June 30, 2023.

**KETCHUM SCHOOL DISTRICT NO. I-006
CRAIG COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023**

6. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; or acts of God. The District purchases commercial insurance to cover these risks, including general and auto liability, property damage, and public officials liability. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

The School also participates in a risk pool for Workers' Compensation coverage in which there is transfer or pooling of risks among the participants of that pool. In accordance with GASB No. 10, the School reports the required contribution to the pool, net of refunds, as insurance expense. The risk pool is the Oklahoma School Assurance Group (OSAG), an organization formed for the purpose of providing workers' compensation coverage to participating schools in the State of Oklahoma. In that capacity, OSAG is responsible for providing loss control services and certain fiscal activities, including obtaining contract arrangements for the underwriting, excess insurance agreements, claims processing, and legal defense for any and all claims submitted to them during the plan year. As a member of OSAG, the District is required to pay fees set by OSAG according to an established payment schedule. A portion of the fees paid by the District goes into a loss fund for the District. The fee for the loss fund is calculated by projecting losses based on the schools losses for the last five years. OSAG provides coverage in excess of the Loss Fund, so the District's liability for claim loss is limited to the balance of the loss fund. If the District does not use their loss fund in three years, it is returned to them with no interest.

The District participates in the Oklahoma Public Schools Unemployment Compensation Account under the sponsorship of the Oklahoma State School Boards Association and the cooperative council for Oklahoma School Administration.

The account was established to let school districts self-insure unemployment benefits for school employees. The funds are held in the name of each school district as reserves to pay unemployment claims. Each school district is individually liable for that portion of the benefits paid from the fund attributable to wages paid by the school district in the same manner as if no group account had been established. The reserve funds may be withdrawn from the account upon request of the school district. At June 30, 2023, the Ketchum School District had reserves on deposit with the Oklahoma Public Schools Unemployment Compensation Accounting totaling \$5,844.41. This amount has not been included in the District's balance sheet at June 30, 2023.

7. Related Entities

The following entities are separately constituted and, accordingly, their financial position and results of operations have not been presented in the accompanying financial statements. Officers are not appointed by the school board. The school board is not responsible for approving budgets, contracts, key personnel, fiscal matters or day-to-day operations of the booster club.

PTO
Booster Club
Grand Lake Basketball League

8. Surety Bonds

The District has a Public School System Faithful Performance Blanket Position Bond with Western Surety Company bond number 68630508. The bond covers the following positions for \$1,000.00 and it is for the term July 17, 2022 through July 17, 2023:

Custodian-Child Nutrition
Activity Fund Custodian
Assistant to Activity Fund
Minutes & Encumbrance Clerk
Assistant to Minutes & Encumbrance Clerk

The treasurer is bonded by Old Republic Surety Company bond number WI50027099 for the sum of \$100,000.00 for the term of July 17, 2022 through July 17, 2023.

The Superintendent is bonded by Western Surety Company bond number 68630508 for the sum of \$100,000.00 for the term July 17, 2022 through July 17, 2023.

COMBINING FINANCIAL STATEMENTS

KETCHUM SCHOOL DISTRICT NO. I-006
COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
ALL SPECIAL REVENUE FUNDS - REGULATORY BASIS
JUNE 30, 2023

	<u>Building Fund</u>	<u>Child Nutrition Fund</u>	<u>Total June 30, 2023</u>
<u>ASSETS:</u>			
Cash	\$ 105,921.26	\$ 296,985.23	\$ 402,906.49
Investments	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u><u>\$ 105,921.26</u></u>	<u><u>\$ 296,985.23</u></u>	<u><u>\$ 402,906.49</u></u>
 <u>LIABILITIES AND FUND BALANCES:</u>			
Liabilities:			
Outstanding warrants	\$ 27,962.21	\$ 538.50	\$ 28,500.71
Encumbrances	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u><u>\$ 27,962.21</u></u>	<u><u>\$ 538.50</u></u>	<u><u>\$ 28,500.71</u></u>
Fund balances:			
Cash fund Balances	\$ <u>77,959.05</u>	\$ <u>296,446.73</u>	\$ <u>374,405.78</u>
Total fund balances	<u><u>\$ 77,959.05</u></u>	<u><u>\$ 296,446.73</u></u>	<u><u>\$ 374,405.78</u></u>
 Total liabilities and fund balances	<u><u>\$ 105,921.26</u></u>	<u><u>\$ 296,985.23</u></u>	<u><u>\$ 402,906.49</u></u>

KETCHUM SCHOOL DISTRICT NO. I-006
COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Building Fund</u>	<u>Child Nutrition Fund</u>	<u>Total</u>
Revenues collected:			
Local sources	\$ 411,807.25	\$ 55,005.21	\$ 466,812.46
Intermediate sources	7.15	-	7.15
State sources	5.99	2,894.68	2,900.67
Federal sources	-	281,007.26	281,007.26
Non-revenue sources	-	-	-
Total revenue collected	<u>\$ 411,820.39</u>	<u>\$ 338,907.15</u>	<u>\$ 750,727.54</u>
Expenditures paid:			
Instruction	\$ -	\$ -	\$ -
Support services	513,205.75	-	513,205.75
Non-instructional services	-	269,855.91	269,855.91
Capital outlay	-	-	-
Other outlays	-	-	-
Other uses	-	-	-
Repayments	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest	-	-	-
Total expenditures paid	<u>\$ 513,205.75</u>	<u>\$ 269,855.91</u>	<u>\$ 783,061.66</u>
Excess of revenues collected over (under) expenditures paid before adjustments to prior year encumbrances	<u>\$ (101,385.36)</u>	<u>\$ 69,051.24</u>	<u>\$ (32,334.12)</u>
Adjustments to prior year encumbrances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other financing sources (uses):			
Operating transfers in/(out)	\$ -	\$ -	\$ -
Bank charges	-	-	-
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess of revenues collected over (under) expenditures and other financing sources (uses)	<u>\$ (101,385.36)</u>	<u>\$ 69,051.24</u>	<u>\$ (32,334.12)</u>
Fund balances, beginning of year	<u>\$ 179,344.41</u>	<u>\$ 227,395.49</u>	<u>\$ 406,739.90</u>
Fund balances, end of year	<u><u>\$ 77,959.05</u></u>	<u><u>\$ 296,446.73</u></u>	<u><u>\$ 374,405.78</u></u>

KETCHUM SCHOOL DISTRICT NO. I-006
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
 CAPITAL PROJECT FUND - REGULATORY BASIS
 JUNE 30, 2023

	<u>Bond 32</u>
<u>ASSETS</u>	
Assets:	
Cash	\$ 2,058,379.91
Investments	<u>-</u>
Total assets	\$ <u>2,058,379.91</u>
 <u>LIABILITIES AND FUND BALANCES</u>	
Liabilities:	
Outstanding warrants	\$ 12,208.51
Encumbrances	<u>-</u>
Total liabilities	\$ <u>12,208.51</u>
 Fund balances:	
Designated for capital projects	\$ 2,046,171.40
Undesignated	<u>-</u>
Total fund balances	\$ <u>2,046,171.40</u>
 Total liabilities and fund balances	\$ <u>2,058,379.91</u>

SUPPLEMENTAL INFORMATION

KETCHUM SCHOOL DISTRICT NO. I-006
COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID AND CHANGES IN FUND BALANCES
CAPITAL PROJECT FUND - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Bond 32</u>
Revenues collected:	
Local sources	\$ 1,036,750.29
Intermediate sources	-
State sources	-
Federal sources	-
Total revenues collected	<u>\$ 1,036,750.29</u>
Expenditures paid:	
Instruction	\$ 22,586.31
Support services	350,597.36
Non-instructional services	-
Capital outlays	750.00
Other outlays	-
Repayments	-
Debt service:	
Principal retirement	810,000.00
Interest	-
Total expenditures paid	<u>\$ 1,183,933.67</u>
Excess of revenues collected over (under)	
expenditures	<u>\$ (147,183.38)</u>
Adjustments to prior year encumbrances	<u>\$ -</u>
Other financing sources (uses):	
Bond sale proceeds	\$ -
Operating transfers in/(out)	-
Bank charges	-
Total other financing sources (uses)	<u>\$ -</u>
Excess of revenues collected over (under)	
expenditures and other financing sources (uses)	<u>\$ (147,183.38)</u>
Fund balances, beginning of year	<u>\$ 2,193,354.78</u>
Fund balances, end of year	<u><u>\$ 2,046,171.40</u></u>

KETCHUM SCHOOL DISTRICT NO. I-006
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
 FIDUCIARY FUND - REGULATORY BASIS
 JUNE 30, 2023

	<u>Activity Fund</u>
<u>ASSETS:</u>	
Cash	\$ 225,233.56
Investments	<u>-</u>
Total assets	\$ <u>225,233.56</u>
<u>LIABILITIES AND FUND BALANCES:</u>	
Liabilities:	
Outstanding warrants	\$ 18,362.59
Encumbrances	<u>-</u>
Total liabilities	\$ <u>18,362.59</u>
Fund balances:	
Cash fund Balances	\$ <u>206,870.97</u>
Total fund balances	\$ <u>206,870.97</u>
Total liabilities and fund balances	\$ <u>225,233.56</u>

KETCHUM SCHOOL DISTRICT NO. I-006
BUDGETARY COMPARISON SCHEDULE - REGULATORY BASIS
BUILDING FUND
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Revenues collected:				
Local sources	\$ 379,951.35	\$ 379,951.35	\$ 411,807.25	\$ 31,855.90
Intermediate sources	-	-	7.15	7.15
State sources	-	-	5.99	5.99
Federal sources	-	-	-	-
Total revenues collected	<u>\$ 379,951.35</u>	<u>\$ 379,951.35</u>	<u>\$ 411,820.39</u>	<u>\$ 31,869.04</u>
Expenditures paid:				
Instruction	\$ -	\$ -	\$ -	\$ -
Support services	559,295.76	559,295.76	513,205.75	46,090.01
Non-instructional services	-	-	-	-
Capital outlay	-	-	-	-
Other Outlays	-	-	-	-
Other Uses	-	-	-	-
Repayment	-	-	-	-
Total expenditures	<u>\$ 559,295.76</u>	<u>\$ 559,295.76</u>	<u>\$ 513,205.75</u>	<u>\$ 46,090.01</u>
Excess of revenues collected over (under) expenditures paid before adjustments to prior year encumbrances	<u>\$ (179,344.41)</u>	<u>\$ (179,344.41)</u>	<u>\$ (101,385.36)</u>	<u>\$ 77,959.05</u>
Adjustments to prior year encumbrances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other financing sources (uses):				
Operating transfers in/out	\$ -	\$ -	\$ -	\$ -
Bank charges	-	-	-	-
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess of revenues collected over (under) expenditures paid and other financing sources (uses)	<u>\$ (179,344.41)</u>	<u>\$ (179,344.41)</u>	<u>\$ (101,385.36)</u>	<u>\$ 77,959.05</u>
Fund balances, beginning of year	<u>\$ 179,344.41</u>	<u>\$ 179,344.41</u>	<u>\$ 179,344.41</u>	<u>\$ -</u>
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 77,959.05</u></u>	<u><u>\$ 77,959.05</u></u>

KETCHUM SCHOOL DISTRICT NO. I-006
BUDGETARY COMPARISON SCHEDULE - REGULATORY BASIS
CHILD NUTRITION FUND
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Revenues collected:				
Local sources	\$ 7,417.07	\$ 7,417.07	\$ 55,005.21	\$ 47,588.14
Intermediate sources	-	-	-	-
State sources	2,900.68	2,900.68	2,894.68	(6.00)
Federal sources	325,855.75	325,855.75	281,007.26	(44,848.49)
Non Revenue Sources	-	-	-	-
Total revenues collected	<u>\$ 336,173.50</u>	<u>\$ 336,173.50</u>	<u>\$ 338,907.15</u>	<u>\$ 2,733.65</u>
Expenditures paid:				
Instruction	\$ 563,568.99	\$ 563,568.99	\$ -	\$ 563,568.99
Support services	-	-	-	-
Non-instructional services	-	-	269,855.91	(269,855.91)
Capital outlay	-	-	-	-
Other Outlays	-	-	-	-
Other Uses	-	-	-	-
Repayment	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>\$ 563,568.99</u>	<u>\$ 563,568.99</u>	<u>\$ 269,855.91</u>	<u>\$ 293,713.08</u>
Excess of revenues collected over (under) expenditures paid before adjustments to prior year encumbrances	<u>\$ (227,395.49)</u>	<u>\$ (227,395.49)</u>	<u>\$ 69,051.24</u>	<u>\$ 296,446.73</u>
Adjustments to prior year encumbrances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other financing sources (uses):				
Operating transfers in/out	\$ -	\$ -	\$ -	\$ -
Bank charges	-	-	-	-
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess of revenues collected over (under) expenditures paid and other financing sources (uses)	<u>\$ (227,395.49)</u>	<u>\$ (227,395.49)</u>	<u>\$ 69,051.24</u>	<u>\$ 296,446.73</u>
Fund balances, beginning of year	<u>\$ 227,395.49</u>	<u>\$ 227,395.49</u>	<u>\$ 227,395.49</u>	<u>\$ -</u>
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 296,446.73</u></u>	<u><u>\$ 296,446.73</u></u>

**KETCHUM SCHOOL DISTRICT NO. I-006
SCHEDULE OF FEDERAL AWARDS EXPENDED
FOR THE YEAR ENDED JUNE 30, 2023**

<u>Federal Grantor/Pass-Through Grantor/</u>	<u>Program Title</u>	<u>Federal CFDA #</u>	<u>Grantor's Number</u>	<u>Balance at July 1, 2022</u>	<u>Receipts</u>	<u>Transfer In/Out</u>	<u>Expenditures</u>	<u>Balance at June 30, 2023</u>
<u>U.S. Department of Education</u>								
Direct Programs:								
Title V-Small Rural School Achievement Program		84.358A	S358A223317	\$ 1,181.00	\$ 32,791.00	\$ -	\$ 32,791.00	\$ 1,181.00
Title VI-Indian Education		84.060A	S060A220953	-	58,338.00	-	58,338.00	-
Subtotal Direct Programs				\$ 1,181.00	\$ 91,129.00	\$ -	\$ 91,129.00	\$ 1,181.00
Passed-Through State Department of Education								
Title I-Basic		84.010	N/A	\$ -	\$ 156,070.25	\$ 34,636.11	\$ 237,524.90	\$ (46,818.54)
Title II Part A Teacher & Principal Training		84.367	N/A	-	21,938.83	(21,938.83)	-	-
Title IV Student Support		84.424A	N/A	-	12,697.28	(12,697.28)	-	-
* CDC-Epidemiology & Laboratory Capacity		84.425U	N/A	(128,806.31)	216,319.91	-	174,807.08	(87,293.48)
* ARP School Counselor Grant		84.425U	N/A	-	32,000.00	-	32,000.00	-
* COVID-19 ESSER II/CARES Act		84.425D	N/A	-	14,813.46	-	14,813.46	-
* ESSER III American Rescue Plan		84.425U	N/A	(165,708.05)	933,195.09	-	1,168,324.97	(400,837.93)
Subtotal				\$ (294,514.36)	\$ 1,387,034.82	\$ -	\$ 1,627,470.41	\$ (534,949.95)
Special Education Cluster								
Special Ed Prof Development		84.027	N/A	\$ -	\$ 1,984.69	\$ -	\$ 1,984.69	\$ -
IDEA-B Flow Through		84.027	N/A	-	131,363.49	-	131,363.49	-
ARP Flow Through		84.027X	N/A	-	-	-	29,984.42	(29,984.42)
Preschool		84.173	N/A	-	4,090.62	-	4,090.62	-
ARP IDEA B Preschool		84.027X	N/A	-	-	-	1,701.16	(1,701.16)
Subtotal Special Education Cluster				\$ -	\$ 137,438.80	\$ -	\$ 169,124.38	\$ (31,685.58)
Subtotal Passed-Through State Department of Education				\$ (294,514.36)	\$ 1,524,473.62	\$ -	\$ 1,796,594.79	\$ (566,635.53)
<u>U. S. Department of Agriculture</u>								
Passed-Through State Department of Education:								
Child Nutrition Cluster								
Non-Cash Assistance (Commodities):								
National School Lunch Program		10.555	N/A	\$ -	\$ 27,603.72	\$ -	\$ 27,603.72	\$ -
Non-Cash Assistance Subtotal				\$ -	\$ 27,603.72	\$ -	\$ 27,603.72	\$ -
National School Lunch Program		10.555	N/A	\$ 94,412.82	\$ 183,902.67	\$ -	\$ 183,583.77	\$ 94,731.72
School Breakfast Program		10.553	N/A	13,143.09	72,961.73	-	72,961.73	13,143.09
Commodity Credit Corporation, Supply Chain Assistance		10.555	N/A	15,792.41	24,142.86	-	-	39,935.27
Subtotal Child Nutrition Cluster				\$ 123,348.32	\$ 308,610.98	\$ -	\$ 284,149.22	\$ 147,810.08
P-EBT Local Admin Funds		10.649	N/A	\$ 614.00	\$ 628.00	\$ -	\$ -	\$ 1,242.00
Emergency Operational Cost Reimb. Child & Adult Care Food Program		10.558	N/A	8,326.35	-	-	-	8,326.35
Sub Total Passed-Through the Child Nutrition				\$ 132,288.67	\$ 309,238.98	\$ -	\$ 284,149.22	\$ 157,378.43

(continued)

See accompanying Notes to the Schedule of Federal Awards Expended.

**KETCHUM SCHOOL DISTRICT NO. I-006
SCHEDULE OF FEDERAL AWARDS EXPENDED
FOR THE YEAR ENDED JUNE 30, 2023**

<u>Federal Grantor/Pass-Through Grantor/</u>	<u>Program Title</u>	<u>Federal CFDA #</u>	<u>Grantor's Number</u>	<u>Balance at July 1, 2022</u>	<u>Receipts</u>	<u>Transfer In/Out</u>	<u>Expenditures</u>	<u>Balance at June 30, 2023</u>
<u>Other Federal Assistance</u>								
Passed-Through Choctaw Nation								
Johnson O'Malley		15.130	N/A	\$ (2,975.82)	\$ 7,911.99	\$ -	\$ 8,359.90	\$ (3,423.73)
Subtotal Passed-Through Choctaw Nation				\$ (2,975.82)	\$ 7,911.99	\$ -	\$ 8,359.90	\$ (3,423.73)
Subtotal Other Federal Assistance				\$ (2,975.82)	\$ 7,911.99	\$ -	\$ 8,359.90	\$ (3,423.73)
TOTAL FEDERAL ASSISTANCE				\$ (164,020.51)	\$ 1,932,753.59	\$ -	\$ 2,180,232.91	\$ (411,499.83)

* Major Programs

See accompanying Notes to the Schedule of Federal Awards Expended.

**KETCHUM SCHOOL DISTRICT NO. I-1006
CRAIG COUNTY, OKLAHOMA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the School under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only selected portion of the operations of the School, it is not intended and does not present the financial position, changes in net assets, or cash flows of the School.

Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the regulatory basis of accounting consistent with the preparation of the combined financial states except for non-monetary assistance noted in Note C. Such expenditures are recognized following the cost principles contained in the uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The School has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Food Distribution

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

KETCHUM SCHOOL DISTRICT NO. I-006
SCHOOL ACTIVITY FUND
RECEIPTS, TRANSFERS, DISBURSEMENTS AND SUB-ACCOUNT BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

Activities	Balance 7-1-22	Deposited	Net Transfers/ Adjustments	Disbursed	Balance 6-30-23
Athletics	\$ 1,561.10	\$ 51,589.85	-	43,930.81	\$ 9,220.14
Concession	5,347.18	19,227.80	-	19,868.74	4,706.24
MS Gifted & Talented	102.50	-	-	-	102.50
Student Needs	368.57	-	-	-	368.57
General/In & Out	690.00	3,000.00	-	-	3,690.00
Softball	6.82	2,170.00	-	1,606.27	570.55
Seniors	2,058.29	743.00	-	1,920.96	880.33
Baseball	-	10,107.90	-	9,651.51	456.39
Elem Special Ed	1,826.51	281.91	-	1,230.09	878.33
HS Cheer	6,498.86	10,393.62	-	8,754.08	8,138.40
HS Library	557.40	12.00	-	181.70	387.70
Football	3,810.60	10,064.70	-	9,035.05	4,840.25
HS Science Club	48.04	-	-	-	48.04
Stuco	2,607.63	3,337.95	-	3,869.13	2,076.45
FCCLA	2,042.86	4,166.79	-	5,571.61	638.04
Yearbook	8,558.87	3,882.01	-	5,651.73	6,789.15
Staff Development	1,143.93	4,122.83	-	3,398.19	1,868.57
Homecoming	1,103.36	-	-	-	1,103.36
Middle School Stuco	1,891.77	-	-	100.00	1,791.77
Elementary	3,681.60	16,323.44	-	14,163.90	5,841.14
KPS Media	824.81	-	-	-	824.81
Weekenders	359.83	-	-	314.51	45.32
Track	898.56	-	-	592.88	305.68
Chromebook Fees	7,952.83	11,344.00	-	6,340.92	12,955.91
Gifts & Donations	3,850.02	9,190.26	-	7,898.35	5,141.93
H.S. Choir	2,718.73	2,420.00	-	2,984.25	2,154.48
H.S. FCA	347.78	-	-	-	347.78
Middle School	2,794.27	13,941.06	-	11,452.89	5,282.44
2nd Grade	533.23	-	-	192.30	340.93
High School	4,211.79	5,257.54	-	7,248.29	2,221.04
Kindergarten	536.46	383.00	-	575.05	344.41
HS Speech/Drama	6,297.68	2,682.00	-	974.00	8,005.68
FFA	25,225.36	49,294.60	-	43,876.24	30,643.72
Elem. Library	1,417.22	6,185.17	-	6,257.50	1,344.89
Girls Basketball	466.20	7,510.00	-	6,907.25	1,068.95
MS Library	594.71	271.00	-	107.78	757.93

(continued)

**KETCHUM SCHOOL DISTRICT NO. I-006
SCHOOL ACTIVITY FUND
RECEIPTS, TRANSFERS, DISBURSEMENTS AND SUB-ACCOUNT BALANCES
FOR THE YEAR ENDED JUNE 30, 2023**

Activities	Balance 7-1-22	Deposited	Net Transfers/ Adjustments	Disbursed	Balance 6-30-23
RCA House Account Elem	51.36	354.00	-	66.23	339.13
Boys Basketball	2,550.44	7,239.75	-	9,450.95	339.24
HS NHS	70.00	485.00	-	485.00	70.00
MS NHS	6,154.18	11,462.60	-	10,163.34	7,453.44
Elem PE	3,961.88	-	-	-	3,961.88
Character Ed.	16.60	-	-	-	16.60
Juniors	4,316.75	7,922.50	-	5,573.79	6,665.46
Elem Art	595.57	985.00	-	866.69	713.88
HS Art	168.53	-	-	-	168.53
Freshman	75.00	10.00	-	-	85.00
7th & 8th Grade Science	24,145.90	10,400.00	-	14,049.92	20,495.98
Smart Start	10,032.80	-	-	2,300.00	7,732.80
MS FCA	321.46	-	-	-	321.46
HS Academics	471.46	-	-	-	471.46
3rd Grade	944.78	751.05	-	894.86	800.97
PreK	1,205.80	20.00	-	377.07	848.73
Elem Title I	212.38	-	-	-	212.38
4th & 5th Field Trip	506.24	1,164.00	-	492.41	1,177.83
5th Grade	3,458.53	2,793.37	-	2,701.78	3,550.12
1st Grade	860.78	788.00	-	1,005.89	642.89
KAF - Ketchum Academic Foundation	46,078.35	86,572.50	-	108,029.48	24,621.37
	<u>\$ 209,134.16</u>	<u>\$ 378,850.20</u>	<u>\$ -</u>	<u>\$ 381,113.39</u>	<u>\$ 206,870.97</u>
Total Activities					

REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Patten & Odom, CPAs, PLLC

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

INDEPENDENT AUDITOR'S REPORT 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
Ketchum School District No. I-006
Craig County, Oklahoma

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying fund type and account group financial statements-regulatory basis, within the combined financial statements of Ketchum School District No. I-006, Craig County, Oklahoma (District), as listed in the Table of Contents, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated February 23, 2024, which was adverse with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America because the presentation followed the regulatory basis of accounting for Oklahoma school districts and did not conform to the presentation requirements of the Governmental Accounting Standards Board. However, our report was qualified for the omission of the general fixed asset account group with respect to the presentation of financial statements on the regulatory basis of accounting authorized by the Oklahoma State Board of Education.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain immaterial instances of noncompliance that we have reported to management in the "Schedule of Comments" on page 36 of this report.

Purpose of this Report

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

Patten & Odom, CPAs

Patten & Odom, CPAs, PLLC
Broken Arrow, Oklahoma
February 23, 2024

Patten & Odom, CPAs, PLLC

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

February 23, 2024

The Honorable Board of Education
Ketchum School District No. I-006
Craig County, Oklahoma

Opinion of Each Major Federal Program

We have audited Ketchum School District No. I-006, Craig County, Oklahoma (District's) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 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, Ketchum School District No. I-006, Craig County, Oklahoma, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis of Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Ketchum School District No. I-006, Craig County, Oklahoma and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Ketchum School District I-006, Craig County, Oklahoma's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Ketchum School District No. I-006, Craig County, Oklahoma's federal programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Ketchum School District No. I-006, Craig County, Oklahoma's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance with it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material 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 Ketchum School District No. I-006, Craig County, Oklahoma's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Ketchum School District No. I-006, Craig County, Oklahoma's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Ketchum School District No. I-006, Craig County, Oklahoma's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Ketchum District No. I-006, Craig County, Oklahoma's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Patten & Odom, CPAs

Patten & Odom, CPAs, PLLC
Broken Arrow, Oklahoma
February 23, 2024

**KETCHUM SCHOOL DISTRICT NO. I-006
CRAIG COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an adverse opinion on the combined financial statements in conformity with generally accepted accounting principles and a qualified opinion for the omission of the general fixed asset account group on the combined financial statements in conformity with the regulatory basis of accounting prescribed by the Oklahoma Department of Education.
2. There were no audit findings reported of deficiencies in internal control, which the auditor considers to be "significant deficiency" as defined in A.I.C.P.A. standards.
3. No instances of noncompliance material to the financial statements of Ketchum School District which would be required to be reported in accordance with Government Auditing Standards were disclosed during the audit.
4. There were no audit findings reported of deficiencies in internal control over major programs, which the auditor considers to be "significant deficiency" as defined by A.I.C.P.A. standards.
5. The auditor's report on compliance for the major federal award programs for Ketchum School District expresses an unmodified opinion on all major programs.
6. There were no audit findings that are required to be reported in accordance with OMB Uniform Guidance, relative to major federal award programs for Ketchum School District.
7. The programs tested as major programs included: CDC – Epidemiology & Laboratory Capacity (84.425U); ARP School Counselor Grant (84.425U); COVID 19 ESSER II/CARES Act (84.425D); and ESSER III, AMERICAN RESCUE PLAN (84.425U).
8. A threshold for distinguishing Types A and B programs was \$750,000.00.
9. Commerce School District did not qualify to be a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

1. No matters were reported.

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

1. No matters were reported.

**KETCHUM SCHOOL DISTRICT NO. I-006
CRAIG COUNTY, OKLAHOMA
SUMMARY OF PRIOR AUDIT FINDINGS
JULY 1, 2022 TO JUNE 30, 2023**

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

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

**KETCHUM SCHOOL DISTRICT NO. I-006
CRAIG COUNTY, OKLAHOMA
SCHEDULE OF COMMENTS
JULY 1, 2022 TO JUNE 30, 2023**

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

I. Condition: In our testing of employee payroll/contract, we noted the following:

One employee received \$1,500 as a stipend from the Indian Education Program. We were unable to find documentation to verify School Board approval either by contract or recorded in the official School Board Minutes.

Recommendation: A District is not authorized to pay any salary, benefit, or other compensation to school employees without specific contract provisions authorized by the School Board of Education. Therefore, all compensation, including stipend amounts, should be approved by the School Board of Education and documented in office School Board Minutes. This documentation should include the name of the employee(s) or employee position(s) to be paid and the approved payment amount. Any recurring payments not approved in a contract must be approved in the Board Minutes each fiscal year.

II. Condition: The District utilized a portion of its federal funding from the Education Stabilization Act (ESSER III) to pay construction projects. Federal regulations for these federal funds require recipients to ensure compliance with the federal program requirements. These requirements must include adherence to the Davis-Bacon Act. The Davis Bacon Act requires that all contractors and subcontractors performing construction, alteration, and repair more than \$2,000 pay their laborers and mechanics not less than the prevailing wage and fringe benefits for the geographic location. We found no evidence that the School District complied with these requirements.

Recommendation: We recommend that the District ensure compliance with all federal program requirements including the federal wage rate requirements. All contractors should be notified that federal wage requirements must be adhered to when being paid with federal funding. We also recommend the District implement monitoring processes to collect and review weekly payroll records from contractors paid with federal fundings.

Previous Year's Audit Comments

There are no items in the 2021-2022 audit report which have been repeated in this report.

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

KETCHUM SCHOOL DISTRICT NO. I-006
CRAIG COUNTY, OKLAHOMA
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 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 Ketchum School District for the audit year 2022-2023.

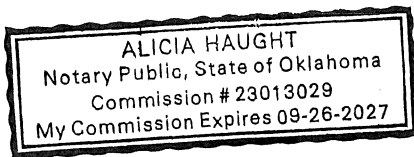
Patten & Odom, CPAs, PLLC
AUDITING FIRM

BY

K. Patten & Odom
AUTHORIZED AGENT

Subscribed and sworn to before me on this

23rd day of February, 2024



Alicia Haught
NOTARY PUBLIC

My commission expires on:

26th day of September, 2027

EXHIBIT B

CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement dated as of June 1, 2024 (this “Disclosure Agreement”), is executed and delivered by Independent School District No. 6, Craig County, Oklahoma (the “Issuer”) in connection with the Issuer’s issuance of its General Obligation Combined Purpose Bonds, Taxable Series 2024 (the “2024 Bonds” or the “Bonds”). The Bonds are being issued pursuant to a Resolution dated as of May 1, 2024 (the “**Resolution**”). The Issuer is an “obligated person” with respect to the Bonds for the purposes of the Rule, hereinafter defined, hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist each Participating Underwriter in complying with paragraph (b)(5) of the hereinafter-described Rule promulgated by the Securities and Exchange Commission (the “Commission”). The Issuer represents that it is the only “obligated person” (as defined in the Rule) with respect to the Bonds at the time the Bonds are delivered to each Participating Underwriter and that no other person presently is expected to become an obligated person with respect to the Bonds at any time after the issuance of the Bonds.

Section 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Agreement 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 Agreement.

“*Audited Financial Statements*” shall mean the Issuer’s annual financial statements, prepared on a prescribed basis of accounting that demonstrates compliance with the 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.

“*Beneficial Owner*” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“*Disclosure Representative*” shall mean the Superintendent or his or her designee, or such other officer or employee as the Issuer shall designate from time to time.

“*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*” means a (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 term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“*Material Event*” shall mean any of the events listed in Exhibit B to this Disclosure Agreement.

“Material Event Notice” means notice of a Material Event in Prescribed Form.

“Material” with respect to information, means information as to which a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy or sell a Bond or, if not disclosed, would significantly alter the total information otherwise available to an investor from the offering document related to the Bonds, information disclosed hereunder, or information generally available to the public. Notwithstanding the foregoing, *“Material”* information includes information that would be deemed *“material”* for purposes of the purchase or sale of a Bond within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the information.

“MSRB” means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Commission, filings with the MSRB are to be made through the EMMA website of the MSRB, currently located at <http://emma.msrb.org>.

“Official Statement” means the *“final official statement,”* as defined in the paragraph (f)(3) of the Rule, relating to the Bonds.

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

“Prescribed Form” means, with regard to the filing of Annual Financial Information, Audited Financial Statements and notices of Material Events with the MSRB at www.emma.msrb.org (or such other address or addresses as the MSRB may from time to time specify), such electronic format, accompanied by such identifying information, as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of such information.

“Rule” means Rule 15c2-12 promulgated by the Commission under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as in effect on the date of this Disclosure Agreement, including any official interpretations thereof.

“State” shall mean the State of Oklahoma.

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 in which the bonds are issued (as of the date of this Disclosure Certificate, June 30 is the end of the fiscal year), or later as such information becomes publicly available, and each fiscal year thereafter, provide annually to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. If the Issuer has retained a separate Dissemination Agent, then 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.

(b) If the Issuer is unable to provide to the MSRB an Annual Report by the date required in the first sentence of subsection (a), the Issuer shall send a notice to the MSRB in a timely manner in substantially the form attached as Exhibit C.

(c) If other than the Issuer, the Dissemination Agent shall file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate.

Section 4. Content of Annual Reports. The Issuer's Annual Report shall contain or include by reference the following:

The Issuer's Annual Report shall consist of certain financial information and operating data relating to the Issuer, but only to the extent such information is customarily prepared by the Issuer annually and is made publicly available. Such information shall consist solely of the Issuer's Audited Financial Statements. If the Audited Financial Statements are not available by the time the Annual Report must be provided, unaudited financial statements will be provided and Audited Financial Statements will be provided, when and if available, to the MSRB.

The Issuer is required to deliver such information in Prescribed Form and by such time so that such entities receive the information by the dates specified.

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 MSRB 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.

If any part of the Annual Report can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Issuer will disseminate a statement to such effect as part of its Annual Report for the year in which such event first occurs.

If any amendment is made to this Disclosure Certificate, the Annual Report for the year in which such amendment is made (or in any notice or supplement provided to the MSRB) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

Section 5. Disclosure of Material Events. Whenever the Issuer obtains knowledge of the occurrence of a Material Event, the Issuer shall file a Material Event Notice of the occurrence of such Material Event in Prescribed Form with the MSRB within 10 business days of the occurrence of the applicable event. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds need not be given under this Disclosure Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the owners of the Bonds pursuant to the Resolution.

Section 6. Duty To Update EMMA/MSRB. The Issuer shall determine, in the manner it deems appropriate, whether there has occurred a change in the MSRB's e-mail address or filing procedures and requirements under EMMA each time it is required to file information with the MSRB.

Section 7. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Material Event Notice under Section 5.

Section 8. 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 Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The

Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Agreement.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Material Event Notice under Section 5, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or Material Event Notice, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or Material Event Notice in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or Material Event Notice.

Section 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Resolution is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Resolution. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Issuer agrees, to the extent permitted under Oklahoma law, 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 gross negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent.

Section 13. Notices and Requests for Additional Information. Any notices or communications to the Issuer under this Disclosure Agreement may be given as follows: Independent School District No. 6, Craig County, Oklahoma, Attention: Superintendent, Telephone: 918-782-5091.

Section 14. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, each Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 15. Recordkeeping. The Issuer shall maintain records of all filings of Annual Reports and Material Event Notices, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

Section 16. Assignment. The Issuer shall not transfer its obligations under this Disclosure Certificate unless the transferee agrees to assume all obligations of the Issuer hereunder or to execute a continuing disclosure undertaking under the Rule.

Section 17. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**INDEPENDENT SCHOOL DISTRICT NO. 6,
CRAIG COUNTY, OKLAHOMA**

By: _____
President, Board of Education

[Signature Page to Continuing Disclosure Agreement]

EXHIBIT A

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

Appendix A – Audited Financial Statements.

EXHIBIT B

EVENTS WITH RESPECT TO THE BONDS FOR WHICH MATERIAL EVENT NOTICES ARE REQUIRED

1. Principal and interest payment delinquencies.
2. Nonpayment-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, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
7. Modifications to rights of security holders, if material.
8. Bond calls, if Material, and tender offers
9. Defeasances.
10. Release, substitution or sale of property securing repayment of the securities, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar event of the Issuer[†].
13. The consummation of a merger, consolidation or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14. Appointment of a successor or additional trustee/paying agent or the change of name of a trustee/paying agent, if material.
15. The incurrence of a financial obligation of the obligated person, if material, or an agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material.
16. A default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of an obligated person, any of which reflect financial difficulties.

[†]This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

EXHIBIT C

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Independent School District No. 6 of Craig County, Oklahoma

Name of Bond Issue: \$1,060,000 General Obligation Combined Purpose Bonds, Taxable Series 2024

Date of Issuance: _____

Base CUSIP: _____

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Agreement dated the ____ day of _____, 2024. The Issuer anticipates that the Annual Report will be filed by _____.

Dated: _____

**Independent School District No. 6 of Craig
County, Oklahoma**

By: _____