

**Notice of Sale and
Official Statement**

New Issue- Book Entry Only

**\$13,570,000
TAXABLE COMBINED PURPOSE
BUILDING BONDS
OF 2024**

**INDEPENDENT SCHOOL DISTRICT NO. 1
MAYES COUNTY, OKLAHOMA
(Pryor Board of Education)**

Date of Sale

April 17, 2024
11:45 o'clock a.m.

Financial Advisor

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

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

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

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

THE DATE OF THIS OFFICIAL STATEMENT IS MARCH 11, 2024

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**INDEPENDENT SCHOOL DISTRICT NO. 1
MAYES COUNTY, OKLAHOMA
(Pryor Board of Education)**

Officers and Members of the Board of Education

FRED H. SORDAHL, President and Member
PAUL MELCHIOR, Vice President and Member
WES MILLER, Clerk and Member
JEANETTE ANDERSON, Member
BRANSON PERRY, Member

School District Officials

LISA MULLER, Superintendent
TIFFANY BONFIGLIO, Treasurer

Financial Advisor

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

NOTICE OF SALE OF BONDS

In accordance with 62 O.S. 2021, § 354, notice is hereby given that the Board of Education of Independent School District Number 1 of Mayes County, Oklahoma will receive bids by; sealed bid, facsimile bid, electronic (Parity®) bid or similar secure electronic bid on the 17th day of April, 2024, until 11:45 o'clock a.m., and the Board of Education will award said Bonds at 12:00 o'clock p.m. on the 17th day of April, 2024, at the Education Service Center, Pryor Public Schools, 405 SW 1st Street, Pryor, Oklahoma, for the sale of \$13,570,000 of Taxable Combined Purpose Building Bonds of said School District, which Bonds will mature \$13,570,000 annually in two (2) years from their date until paid.

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

WITNESS my official hand and seal this 4th day of March, 2024.

/s/ WES MILLER
Clerk, Board of Education

(SEAL)

CONDITIONS OF THE SALE

INDEPENDENT SCHOOL DISTRICT NO. 1 MAYES COUNTY, OKLAHOMA (Pryor Board of Education)

\$13,570,000 Taxable Combined Purpose Building Bonds of 2024

PLACE AND TIME OF THE SALE

The Board of Education of Independent School District No. 1 of Mayes County, Oklahoma, will receive sealed bids at the Education Service Center, Pryor Public Schools, 405 SW 1st Street, Pryor, Oklahoma, until 11:45 o'clock a.m., and award bid at 12:00 o'clock p.m. local time, Wednesday, April 17, 2024, for the sale of the \$13,570,000 Taxable Combined Purpose Building Bonds of 2024 ("the Bonds"), more completely described in the "Official Statement" which is a part hereof.

ADDRESS OF BIDS

Sealed bids plainly marked "Bid for Bonds" may be mailed either to "Dr. Lisa Muller, Superintendent of Schools, Pryor Public Schools, P.O. Box 548, Pryor, Oklahoma 74362", or to the Financial Advisor at the address set out on the cover page hereof. Sealed bids must be submitted in duplicate on the Official Bid Form furnished herein.

TYPES OF BIDS AND INTEREST RATES

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

BASIS FOR AWARD

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

ENERGY DISCRIMINATION ELIMINATION ACT OF 2022

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

<https://www.oscn.net/applications/oscn/DeliverDocument.asp?CiteID=492600>.

GOOD FAITH DEPOSIT

Each bid must be accompanied by a good faith deposit in the form of a Certified or Cashier's Check or wire made payable to the Treasurer of the School District in the amount of two percent (2%) of the par value of the Bonds.

The good faith deposit of the successful bidder will be retained by the School District to assure performance of the contract on the part of said bidder. In the event said bidder should fail or refuse to take up and pay for the Bonds in accordance with his bid, then said check will be cashed as full liquidated damages. Otherwise, said check will be returned to the purchaser upon payment for the Bonds. No interest will be allowed on said check. Checks of unsuccessful bidders will be promptly returned.

BOOK-ENTRY ONLY BONDS

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

LEGAL OPINION

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

THE INTERNAL REVENUE CODE OF 1986

The \$13,570,000 Taxable Combined Purpose Building Bonds of 2024 will not be designated as “qualified tax-exempt obligations” (as defined in Section 265(b)(3)(B) of the Code).

EXEMPTION FROM OKLAHOMA STATE INCOME TAXATION

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

NON-LITIGATION CERTIFICATE

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

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

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

RULE 10B-5 STATEMENT

Nothing that has come to our attention has caused us to believe that the Official Statement, as of its date or as of the time and date of delivery of this letter, contained any untrue statement of a material fact or omitted to state a

material fact (required to be stated therein or) necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

CONTINUING DISCLOSURE

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

CUSIP NUMBERS

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

DELIVERY OF BONDS

Delivery of the Bonds shall be made at any bank in Oklahoma City or Tulsa, Oklahoma, designated by the purchaser, against payment of the agreed upon purchase price. Delivery of the Bonds to the purchaser is anticipated on or about June 7, 2024.

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

In the opinion of Bond Counsel, interest on the Bonds is included in the gross income of the owners thereof for Federal income tax purposes, and interest on the Bonds is exempt from Oklahoma income taxation. See “Tax Matters” herein.

NEW ISSUE- BOOK-ENTRY ONLY
Standard & Poor’s Rating: “A+/Stable”
Rating: Oklahoma Number 1

Maximum Rate: 10%

\$13,570,000 Taxable Combined Purpose Building Bonds of 2024
INDEPENDENT SCHOOL DISTRICT NO. 1
MAYES COUNTY, OKLAHOMA
(PRYOR BOARD OF EDUCATION)

Dated: June 1, 2024 **Due: June 1, as shown below**

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

The Bonds are not callable prior to their stated maturities.

The proceeds from the Bonds will be used to Construct, equip and furnish Completion Phase of a new Vo-Ag Facility and Bus Barn to include but not be limited to: staging area and Construct, equip and furnish a Softball/Baseball Facility to include but not be limited to: site preparation, foundation, roof and roofing fixtures, electrical and electrical fixtures, plumbing and plumbing fixtures, new locker room, new concession, pressbox and batting cages and acquire other school district furniture, fixtures and equipment; and Construct, equip and furnish Phase III of a Middle School classroom Addition to include but not be limited: classrooms, restrooms and a new media center and renovation of the maintenance and warehouse into a STEM/IT Center, including but not limited to: classrooms, woodshop, labs, offices, restrooms and acquiring additional furniture, fixtures and equipment.

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

<u>MATURITY SCHEDULE</u>			
<u>Maturity</u>	<u>Amount</u>	<u>Rate</u>	<u>Price or Yield</u>
6/1/2026	\$13,570,000	%	%

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

The Bonds are offered when, as and if issued by the School District, and subject to the approving opinion of Bond Counsel as to validity and tax exemption. It is expected that the Bonds will be available for delivery on or about June 7, 2024.

FINANCIAL ADVISOR
STEPHEN L. SMITH CORP.
Jenks, Oklahoma

PURPOSE OF THE BOND ISSUE

The proceeds of the combined purpose building bonds will be used for the following purposes and in the respective amounts shown:

Construct, equip and furnish Completion Phase of a new Vo-Ag Facility and Bus Barn to include but not be limited to: staging area and Construct, equip and furnish a Softball/Baseball Facility to include but not be limited to: site preparation, foundation, roof and roofing fixtures, electrical and electrical fixtures, plumbing and plumbing fixtures, new locker room, new concession, pressbox and batting cages and acquire other school district furniture, fixtures and equipment	\$10,235,000.00
Construct, equip and furnish Phase III of a Middle School classroom Addition to include but not be limited: classrooms, restrooms and a new media center and renovation of the maintenance and warehouse into a STEM/IT Center, including but not limited to: classrooms, woodshop, labs, offices, restrooms and acquiring additional furniture, fixtures and equipment.	<u>\$3,335,000.00</u>
TOTAL:	\$13,570,000.00

AUTHORITY FOR THE ISSUANCE OF BONDS

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

The Bonds were authorized to be issued at three separate special elections held in the School District for such purpose on March 6, 2018, and on April 5, 2022. The Bonds are being issued pursuant to the provisions of Article X, Section 26 of the Oklahoma Constitution, as amended, and Title 70, Article 15, Oklahoma Statutes 2021, and laws of the State of Oklahoma supplementary thereto. All existing indebtedness of the School District has been issued pursuant to Article X, Section 26 of the Oklahoma Constitution.

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

PAYMENT OF AND SECURITY FOR THE BONDS

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

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

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

Ad valorem tax rates for Sinking Fund purposes are determined by ascertaining the actual dollars of revenues required for payment of principal and interest on indebtedness, fees to fiscal and paying agents and judicial judgments. Such total amount may be reduced by any surplus from the prior fiscal year and any contributions made into the Sinking Fund. To the resulting net requirements a reserve for delinquent taxes, in an amount of not less than 5% nor more than 20% of the net required tax collection, shall be added to the required collections. Such final total requirements shall then be divided by the total net assessed valuation of all real, personal and public service property in order to determine the appropriate tax rate for each property owner.

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

TAX LEVY AND COLLECTION PROCEDURES

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

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

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

sold at tax sale on October 1 and the purchaser is issued a certificate of ownership; however, the original owner of the property has two (2) years in which to redeem the property by paying the taxes, interest and penalties owed. If, at the end of two years the original owner has not done so, the purchaser is issued a deed to the property.

GLOBAL HEALTH EMERGENCY

The outbreak of COVID-19 has affected global, national, state and local economic activity. There has been significant volatility in the U.S. and global stock and bond markets that has been attributed to concerns about the spread of COVID-19. In light of those concerns, on January 31, 2020, the Secretary of Health and Human Services declared a public health emergency. On March 13, 2020, the President of the United States proclaimed that starting March 1, 2020, the COVID-19 outbreak in the United States constitutes a national emergency. On March 17, 2020, the Governor of Oklahoma issued Executive Order 2020-7 declaring that a state of emergency caused by the impending threat of COVID-19 to the people of Oklahoma and the public's peace, health and safety existed in all 77 of Oklahoma's counties. On the same day Executive order 2020-7 was amended to commit the resources of all State Departments and Agencies in areas such as public health, civil emergency preparedness and actions intended to address the spread of COVID-19. The Oklahoma State Department of Health provides information relating to COVID-19 and related developments in the State of Oklahoma on its website, <https://coronavirus.health.ok.gov/>.*.

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

COMPLIANCE WITH CONSTITUTIONAL DEBT LIMITATION

(As of June 30, 2023)

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

Estimated Full Market Value:	\$ 8,901,036,080.45
ASSESSED VALUE, Including Homestead Exemptions:	\$ 983,214,324.00
ASSESSED VALUE, Excluding Homestead Exemptions:	\$ 978,840,125.00
Outstanding General Obligation Bonded	
Indebtedness (including the Bonds)	\$ 49,805,000.00
<u>Less: Current Sinking Fund Balance</u>	<u>\$ 17,050,209.56</u>
Net General Obligation Bonded Indebtedness:	\$ 32,754,790.44
Ratio of Net General Obligation Bonded Indebtedness to Net Assessed Valuation:	3.35%
Approximate Area of the School District:	111 square miles
Approximate Population of the School District:	12,790 people
Per Capita Net Indebtedness:	\$2,560.97 per person

PAYMENT RECORD

The School District has no default of record.

AUTHORIZED BUT UNISSUED BONDS

In the same proposition which authorized these Bonds from the March 6, 2018, election, an additional \$47,235,000 in Building Bonds are remaining to be issued and it is anticipated they will be issued in series over the next four years. In the same proposition which authorized these Bonds from the April 5, 2022, election, an additional \$61,560,000 in Building Bonds are remaining to be issued and it is anticipated they will be issued in series over the next ten years.

SCHEDULE OF OUTSTANDING INDEBTEDNESS

(Including the Bonds)

Date of Issue	Original Principal Amount	Remaining Maturities	Maturity Date	Total Outstanding
6/1/2024	\$13,570,000	\$13,570,000	6/1/2026	\$13,570,000
6/1/2023	\$13,590,000	\$13,590,000	6/1/2025	\$13,590,000
6/1/2022	\$22,645,000	\$22,645,000	6/1/2024	\$22,645,000
Total Outstanding Indebtedness				\$49,805,000

ESTIMATED SCHEDULED PRINCIPAL AND INTEREST PAYMENTS

(Including the Bonds)

Fiscal Year Ending 6-30	Maturing Principal-All Bonds	Interest Due All Bonds*	Total Principal and Interest - All Bonds
2024	\$ 22,645,000.00	\$ 1,046,347.50	\$ 23,691,347.50
2025	\$ 13,590,000.00	\$ 1,351,205.00	\$ 14,941,205.00
2026	<u>\$ 13,570,000.00</u>	<u>\$ 678,500.00</u>	<u>\$ 14,248,500.00</u>
Totals	\$ 49,805,000.00	\$ 3,076,052.50	\$ 52,881,052.50

*Assumes 5.00% interest on the Bonds.

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

Fiscal Year Ending 6/30	Principal Levy- All Bonds	Interest Levy All Bonds* ^o	Total Levy - All Bonds
2024	\$13,695,000.00	\$ 1,413,775.00	\$15,108,775.00
2025	\$13,840,000.00	\$ 1,351,687.92	\$15,191,687.92
2026	\$12,570,000.00	\$ 621,958.33	\$13,191,958.33
Total	\$40,105,000.00	\$ 3,387,421.25	\$43,492,421.25
	ADD: SINKING FUND BALANCE		<u>\$17,050,209.56</u>
	TOTAL		\$60,542,630.81

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

^o Assumes 5.00% interest on the Bonds.

OVERLAPPING AND UNDERLYING INDEBTEDNESS

Direct, underlying and overlapping indebtedness within the School District includes debt of the District, City of Pryor, Northeast Vo-Tech #11, and Mayes County as shown.

Municipality	Net Debt	Percent Applicable to School District	Overlapping Debt to School District	Per Capita Debt
Pryor Schools	\$ 32,754,790	100%	\$ 32,754,790	\$2,560.97
Mayes County	\$ 0	n/a	\$ 0	\$ 0.00
Northeast Vo-Tech #11	\$ 0	n/a	\$ 0	\$ 0.00
City of Pryor	<u>\$ 0</u>	100%	<u>\$ 0</u>	<u>\$ 0.00</u>
Total	\$ 32,754,790		\$ 32,754,790	\$2,560.97

COMPOSITION AND GROWTH OF THE NET ASSESSED VALUATION

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

Property	Mayes County	Total	Percentage to Assessed Valuation
Gross Real	\$ 365,292,213	\$ 365,292,213	
Homestead	\$ 4,374,199	\$ 4,374,199	
Net Real Estate	\$ 360,918,014	\$ 360,918,014	36.87%
Personal	\$ 610,015,519	\$ 610,015,519	62.32%
Public Service	\$ 7,906,592	\$ 7,906,592	0.81%
Gross Valuation	\$ 983,214,324	\$ 983,214,324	
Net Valuation	\$ 978,840,125	\$ 978,840,125	

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

Fiscal Year	Valuation	Fiscal Year	Valuation
2023-2024	\$ 978,840,125	2018-2019	\$ 557,575,562
2022-2023	\$ 919,060,784	2017-2018	\$ 532,991,204
2021-2022	\$ 844,137,490	2016-2017	\$ 430,676,814
2020-2021	\$ 725,366,164	2015-2016	\$ 325,584,169
2019-2020	\$ 650,830,055	2014-2015	\$ 209,458,787

SINKING FUND TAX COLLECTIONS

Fiscal Year	Net Levy	Gross Levy	Net Collections	Gross Collections
2023-2024	\$14,428,44	\$15,149,865	in progress	in progress
2022-2023	\$13,431,303	\$14,102,868	\$14,072,646	\$14,111,635
2021-2022	\$13,003,751	\$13,653,939	\$13,680,032	\$13,717,282
2020-2021	\$10,047,158	\$10,549,516	\$10,656,871	\$10,691,577
2019-2020	\$10,631,921	\$11,163,517	\$11,117,253	\$11,150,347
2018-2019	\$8,849,431	\$9,291,903	\$8,252,769	\$ 9,281,434
2017-2018	\$5,432,320	\$5,703,936	\$5,791,705	\$ 6,240,097
2016-2017	\$4,717,051	\$4,952,903	\$4,521,540	\$ 4,549,278
2015-2016	\$3,870,874	\$4,064,418	\$4,095,138	\$ 4,139,208
2014-2015	\$2,441,296	\$2,685,425	\$2,619,437	\$ 3,049,114

PERCENTAGE OF TAXES COLLECTED

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

Fiscal Year	Ratio of Net Tax Collection to Net Levy	Ratio of Gross Tax Receipts to Net Levy
2022-2023	104.77%	105.07%
2021-2022	105.20%	105.49%
2020-2021	106.07%	106.41%
2019-2020	104.56%	104.88%
2018-2019	93.26%	104.88%
2017-2018	106.62%	114.87%
2016-2017	95.86%	96.44%
2015-2016	105.58%	106.32%
2014-2015	107.30%	124.90%
2013-2014	94.67%	97.92%

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

Fiscal Year	Ratio of Net Tax Collection to Gross Levy	Ratio of Gross Tax Receipts to Gross Levy
2022-2023	99.79%	100.06%
2021-2022	100.19%	100.46%
2020-2021	101.02%	101.35%
2019-2020	99.59%	99.88%
2018-2019	88.82%	99.89%
2017-2018	101.54%	109.40%
2016-2017	91.29%	91.85%
2015-2016	100.76%	101.84%
2014-2015	97.54%	113.54%
2013-2014	90.16%	93.25%

TREND OF TAX RATES OF MAJOR TAXING UNITS

Fiscal Year	Pryor School District	City of Pryor	Mayes County	Vo-Tech District	Total Levy
2023-2024	\$56.38	\$ 0.00	\$ 16.01	\$11.33	\$83.72
2022-2023	\$56.24	\$ 0.00	\$ 16.01	\$11.33	\$83.58
2021-2022	\$57.08	\$ 0.00	\$ 16.01	\$11.33	\$84.42
2020-2021	\$55.44	\$ 0.00	\$ 16.01	\$11.33	\$82.78
2019-2020	\$58.05	\$ 0.00	\$ 16.01	\$11.33	\$85.39
2018-2019	\$57.56	\$ 0.00	\$ 16.01	\$11.33	\$84.90
2017-2018	\$51.60	\$ 0.00	\$ 16.01	\$11.33	\$78.94
2016-2017	\$52.40	\$ 0.00	\$ 16.01	\$11.33	\$79.74
2015-2016	\$53.38	\$ 0.00	\$ 16.01	\$11.33	\$80.72
2014-2015	\$53.70	\$ 0.00	\$ 16.01	\$11.33	\$81.04

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

INDEPENDENT SCHOOL DISTRICT NO. 1 MAYES COUNTY, OKLAHOMA

Pryor Public Schools serves the City of Pryor (population: 9,450) and the surrounding rural communities. The School District encompasses approximately one hundred eleven (111) square miles and is located approximately forty-five miles east of Tulsa, Oklahoma. It contains single and multi-family housing and is predominately agricultural in nature and economy.

The School District currently employs 296 certified teachers and has an enrollment of 2,889 resulting in a teacher-student ratio of 1:10. The School District operates twelve (12) regular school bus routes, transporting approximately 54% of the enrollment daily. The School District is fully accredited by the Oklahoma State Department of Education.

STUDENT ENROLLMENT TREND

School Year	Total Enrollment	Percentage Change
2023-24	2,889	1.44%
2022-23	2,848	0.00%
2021-22	2,849	4.86%
2020-21	2,717	0.50%
2019-20	2,703	4.00%
2018-19	2,599	3.38%
2017-18	2,514	-1.71%
2016-17	2,557	1.83%
2015-16	2,511	1.45%
2014-15	2,475	-0.28%
2013-14	2,482	-3.06%
2012-13	2,558	

ECONOMIC INDICES

Unemployment Rate (Twelve Month Moving Average)

	June 2023	June 2022	June 2021
United States	3.6%	3.6%	5.9%
State of Oklahoma	2.7%	2.9%	3.7%
Mayes County	3.1%	3.5%	6.5%

Source: US Bureau of Labor Statistics

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

<u>Name</u>	<u>Type of Business</u>	<u>NAV</u>
Google, LLC	Technology	\$193,014,770
MYALL LLC XM-3	Technology	\$149,401,711
MYALL LLC XM 1	Technology	\$129,569,848
MYALL, LLC	Technology	\$102,355,279
MYALL LLC XM 4	Technology	\$80,897,529
MYALL LLC XM 3	Technology	\$53,194,791
Google XM 4	Technology	\$24,021,986
Google LLC	Technology	\$14,278,202
Cascades Holding	Paper Production	\$9,212,162
Gold Bond Building Products	Manufacturing	\$6,678,966

Sales Tax Collections

The City levies a three and four percent (4.00%) local sales tax, which together with the State sales tax of four and one-half percent (4.5%) places the total City and State sales tax rate at 8.50%. Mayes County levies a 1.38% sales tax, bringing the total sales tax rate to 9.88%. Historical sales tax collections for the City are shown below:

<u>Fiscal Year</u>	<u>Total Collections</u>	<u>% Change</u>
2023		
2022		
2021	9,915,481	3.98%
2020	9,536,370	6.46%
2019	8,958,004	9.51%
2018	8,180,258	27.59%
2017	6,411,236	-6.43%
2016	6,823,608	-3.86%
2015	7,087,386	-11.50%

Source: City of Pryor

RECORD DATE

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

RATINGS

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

UNDERWRITING

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

LITIGATION

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

APPROVAL OF LEGALITY

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

TAX MATTERS

OPINION OF BOND COUNSEL

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

In the opinion of bond counsel, under existing statutes interest on the 2024 Taxable Combined Purpose Building Bonds shall be exempt from Oklahoma income taxation pursuant to Section 2358.5 of Title 68, Oklahoma Statutes, 2021.

Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the 2024 Taxable Combined Purpose Building 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 Taxable Combined Purpose Building 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 Taxable Combined Purpose Building 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 Taxable Combined Purpose Building Bonds.

In general, interest paid on the 2024 Taxable Combined Purpose Building Bonds, original issue discount, if any, and market discount, if any, will be treated as ordinary income to the owners of the 2024 Taxable Combined Purpose Building 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 Taxable Combined Purpose Building Bond for a cost greater than its remaining stated redemption price at maturity and holds such 2024 Taxable Combined Purpose Building Bond as a capital asset will be considered to have purchased such 2024 Taxable Combined Purpose Building 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 Taxable Combined Purpose Building Bond premium that reduces interest payments under Section 171 of the Code. 2024 Taxable Combined Purpose Building Bond premium is generally amortized over the 2024 Taxable Combined Purpose Building Bond's term using constant yield principles, based on the purchaser's yield to maturity. Investors of any 2024 Taxable Combined Purpose Building Bond purchased with a 2024 Taxable Combined Purpose Building Bond premium should consult their own tax advisors as to the effect of such 2024 Taxable Combined Purpose Building Bond premium with respect to their own tax situation and as to the treatment of 2024 Taxable Combined Purpose Building Bond premium for state tax purposes.

MARKET DISCOUNT

An investor that acquires a 2024 Taxable Combined Purpose Building Bond for a price less than the adjusted issue price of such 2024 Taxable Combined Purpose Building Bond (or an investor who purchases a 2024 Taxable Combined Purpose Building 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 Taxable Combined Purpose Building Bond originally issued at a discount, the amount by which the issue price of such 2024 Taxable Combined Purpose Building 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 Taxable Combined Purpose Building Bond not originally issued at a discount, the amount by which the stated redemption price of such 2024 Taxable Combined Purpose Building Bond at maturity exceeds the initial tax basis of the owner therein. Under Section 1276 of the Code, the owner of such a 2024 Taxable Combined Purpose Building 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 Taxable Combined Purpose Building 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 Taxable Combined Purpose Building 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 Taxable General Obligation Combined Purpose Bond with original issue discount, in proportion to the accrual of original issue discount.

An owner of a 2024 Taxable Combined Purpose Building Bond that acquired such 2024 Taxable Combined Purpose Building Bond at a market discount also may be required to defer, until the maturity date of such 2024 Taxable Combined Purpose Building 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 Taxable Combined Purpose Building 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 Taxable Combined Purpose Building 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 Taxable Combined Purpose Building Bond for the days during the taxable year on which the owner held such 2024 Taxable Combined Purpose Building 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 Taxable Combined Purpose Building 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 Taxable Combined Purpose Building Bond sells the 2024 Taxable Combined Purpose Building 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 Taxable Combined Purpose Building 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 Taxable Combined Purpose Building 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 Taxable Combined Purpose Building 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 Taxable Combined Purpose Building Bond should consult its own tax advisor concerning the circumstances in which such 2024 Taxable Combined Purpose Building Bond would be deemed reissued and the likely effects, if any, of such reissuance.

DEFEASANCE

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

BACKUP WITHHOLDING

An owner of a 2024 Taxable Combined Purpose Building Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to the 2024 Taxable Combined Purpose Building Bond, if such owner, upon issuance of the 2024 Taxable Combined Purpose Building Bond, 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 Taxable Combined Purpose Building 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 Taxable Combined Purpose Building Bond will generally not be subject to United States income or withholding tax in respect of a payment on a 2024 Taxable Combined Purpose

Building 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 Taxable Combined Purpose Building Bond owned by foreign investors. In those instances in which payments of interest on the 2024 Taxable Combined Purpose Building Bond 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 Taxable Combined Purpose Building Bond 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 Taxable Combined Purpose Building 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 Taxable Combined Purpose Building Bond incurs acquisition indebtedness with respect to such 2024 Taxable Combined Purpose Building 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 Taxable Combined Purpose Building 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 Taxable Combined Purpose Building Bond 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 Taxable Combined Purpose Building Bond 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 Taxable Combined Purpose Building Bond 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 Taxable Combined Purpose Building Bond 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 Taxable General Obligation Combined Purpose Bonds. The sale of the 2024 Taxable Combined Purpose Building Bond 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 Taxable Combined Purpose Building Bond 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 Taxable Combined Purpose Building Bond should consult with their tax advisor concerning this additional tax as it may apply to interest earned on the 2024 Taxable Combined Purpose Building Bond as well as gain on the sale of a 2024 Taxable Combined Purpose Building 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 Taxable Combined Purpose Building Bond. 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 Taxable Combined Purpose Building Bond. 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 Taxable Combined Purpose Building Bond or the market value thereof would be impacted thereby. Purchasers of the 2024 Taxable Combined Purpose Building Bond 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 Taxable Combined Purpose Building Bond, and Bond Counsel expresses no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

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

REGISTRATION AND TRANSFER

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

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

BOOK-ENTRY-ONLY SYSTEM

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

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

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

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

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

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

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

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

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

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

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

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

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

CONCLUDING STATEMENT

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

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

INDEPENDENT SCHOOL DISTRICT NUMBER 1
MAYES COUNTY, OKLAHOMA

/s/ FRED H. SORDAHL
President, Board of Education

ATTEST:

/s/ WES MILLER
Clerk, Board of Education

ADDENDUM “A”

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by Independent School District No. 1 of Mayes County, Oklahoma, (the “Issuer”) in connection with the issuance of \$13,570,000 Taxable Combined Purpose Building Bonds of 2024 (the “Bonds”). The Bonds are being issued pursuant to a Resolution dated the 17th day of April, 2024. The Issuer covenants and agrees as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 3. Provision of Annual Reports.

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

(b) If the Issuer is unable to provide to the Repositories an Annual Report by the date required in subsection (a), the Issuer shall send a notice to each Repository in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

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

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

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

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

SECTION 5. Reporting of Significant Events.

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 13. Previous Undertaking. The School District notes that during the previous five years it failed to timely file its financial statements and/or failed to provide certain financial information and operating date of the District for one or more of such years. The district has hired UMB Bank, n.a., to serve as it's Dissemination Agent to ensure that the annual audits are submitted within the 10 month time frame following the end of the School District's fiscal year.

INDEPENDENT SCHOOL DISTRICT NO. 1
MAYES COUNTY, OKLAHOMA

By: _____
President, Board of Education

APPENDIX A

FINANCIAL INFORMATION AND OPERATING DATA

SCHEDULE OF OUTSTANDING INDEBTEDNESS

(Including the Bonds)

Date of Issue	Original Principal Amount	Remaining Maturities	Maturity Date	Total Outstanding
6/1/2024	\$13,570,000	\$13,570,000	6/1/2026	\$13,570,000
6/1/2023	\$13,590,000	\$13,590,000	6/1/2025	\$13,590,000
6/1/2022	\$22,645,000	\$22,645,000	6/1/2024	\$22,645,000
Total Outstanding Indebtedness				\$49,805,000

ESTIMATED SCHEDULED PRINCIPAL AND INTEREST PAYMENTS

(Including the Bonds)

Fiscal Year Ending 6-30	Maturing Principal-All Bonds	Interest Due All Bonds*	Total Principal and Interest - All Bonds
2024	\$ 22,645,000.00	\$ 1,046,347.50	\$ 23,691,347.50
2025	\$ 13,590,000.00	\$ 1,351,205.00	\$ 14,941,205.00
2026	<u>\$ 13,570,000.00</u>	<u>\$ 678,500.00</u>	<u>\$ 14,248,500.00</u>
Totals	\$ 49,805,000.00	\$ 3,076,052.50	\$ 52,881,052.50

*Assumes 5.00% interest on the Bonds.

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

Fiscal Year Ending 6/30	Principal Levy- All Bonds	Interest Levy All Bonds* ^o	Total Levy - All Bonds
2024	\$13,695,000.00	\$ 1,413,775.00	\$15,108,775.00
2025	\$13,840,000.00	\$ 1,351,687.92	\$15,191,687.92
2026	\$12,570,000.00	\$ 621,958.33	\$13,191,958.33
Total	\$40,105,000.00	\$ 3,387,421.25	\$43,492,421.25
	ADD: SINKING FUND BALANCE		<u>\$17,050,209.56</u>
	TOTAL		\$60,542,630.81

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

^o Assumes 5.00% interest on the Bonds.

OVERLAPPING AND UNDERLYING INDEBTEDNESS

Direct, underlying and overlapping indebtedness within the School District includes debt of the District, City of Pryor, Northeast Vo-Tech #11, and Mayes County as shown.

Municipality	Net Debt	Percent Applicable to School District	Overlapping Debt to School District	Per Capita Debt
Pryor Schools	\$ 32,754,790	100%	\$ 32,754,790	\$2,560.97
Mayes County	\$ 0	n/a	\$ 0	\$ 0.00
Northeast Vo-Tech #11	\$ 0	n/a	\$ 0	\$ 0.00
City of Pryor	<u>\$ 0</u>	100%	<u>\$ 0</u>	<u>\$ 0.00</u>
Total	\$ 32,754,790		\$ 32,754,790	\$2,560.97

COMPOSITION AND GROWTH OF THE NET ASSESSED VALUATION

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

Property	Mayes County	Total	Percentage to Assessed Valuation
Gross Real	\$ 365,292,213	\$ 365,292,213	
Homestead	\$ 4,374,199	\$ 4,374,199	
Net Real Estate	\$ 360,918,014	\$ 360,918,014	36.87%
Personal	\$ 610,015,519	\$ 610,015,519	62.32%
Public Service	\$ 7,906,592	\$ 7,906,592	0.81%
Gross Valuation	\$ 983,214,324	\$ 983,214,324	
Net Valuation	\$ 978,840,125	\$ 978,840,125	

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

Fiscal Year	Valuation	Fiscal Year	Valuation
2023-2024	\$ 978,840,125	2018-2019	\$ 557,575,562
2022-2023	\$ 919,060,784	2017-2018	\$ 532,991,204
2021-2022	\$ 844,137,490	2016-2017	\$ 430,676,814
2020-2021	\$ 725,366,164	2015-2016	\$ 325,584,169
2019-2020	\$ 650,830,055	2014-2015	\$ 209,458,787

SINKING FUND TAX COLLECTIONS

Fiscal Year	Net Levy	Gross Levy	Net Collections	Gross Collections
2023-2024	\$14,428,44	\$15,149,865	in progress	in progress
2022-2023	\$13,431,303	\$14,102,868	\$14,072,646	\$14,111,635
2021-2022	\$13,003,751	\$13,653,939	\$13,680,032	\$13,717,282
2020-2021	\$10,047,158	\$10,549,516	\$10,656,871	\$10,691,577
2019-2020	\$10,631,921	\$11,163,517	\$11,117,253	\$11,150,347
2018-2019	\$8,849,431	\$9,291,903	\$8,252,769	\$ 9,281,434
2017-2018	\$5,432,320	\$5,703,936	\$5,791,705	\$ 6,240,097
2016-2017	\$4,717,051	\$4,952,903	\$4,521,540	\$ 4,549,278
2015-2016	\$3,870,874	\$4,064,418	\$4,095,138	\$ 4,139,208
2014-2015	\$2,441,296	\$2,685,425	\$2,619,437	\$ 3,049,114

PERCENTAGE OF TAXES COLLECTED

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

Fiscal Year	Ratio of Net Tax Collection to Net Levy	Ratio of Gross Tax Receipts to Net Levy
2022-2023	104.77%	105.07%
2021-2022	105.20%	105.49%
2020-2021	106.07%	106.41%
2019-2020	104.56%	104.88%
2018-2019	93.26%	104.88%
2017-2018	106.62%	114.87%
2016-2017	95.86%	96.44%
2015-2016	105.58%	106.32%
2014-2015	107.30%	124.90%
2013-2014	94.67%	97.92%

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

Fiscal Year	Ratio of Net Tax Collection to Gross Levy	Ratio of Gross Tax Receipts to Gross Levy
2022-2023	99.79%	100.06%
2021-2022	100.19%	100.46%
2020-2021	101.02%	101.35%
2019-2020	99.59%	99.88%
2018-2019	88.82%	99.89%
2017-2018	101.54%	109.40%
2016-2017	91.29%	91.85%
2015-2016	100.76%	101.84%
2014-2015	97.54%	113.54%
2013-2014	90.16%	93.25%

TREND OF TAX RATES OF MAJOR TAXING UNITS

Fiscal Year	Pryor School District	City of Pryor	Mayes County	Vo-Tech District	Total Levy
2023-2024	\$56.38	\$ 0.00	\$ 16.01	\$11.33	\$83.72
2022-2023	\$56.24	\$ 0.00	\$ 16.01	\$11.33	\$83.58
2021-2022	\$57.08	\$ 0.00	\$ 16.01	\$11.33	\$84.42
2020-2021	\$55.44	\$ 0.00	\$ 16.01	\$11.33	\$82.78
2019-2020	\$58.05	\$ 0.00	\$ 16.01	\$11.33	\$85.39
2018-2019	\$57.56	\$ 0.00	\$ 16.01	\$11.33	\$84.90
2017-2018	\$51.60	\$ 0.00	\$ 16.01	\$11.33	\$78.94
2016-2017	\$52.40	\$ 0.00	\$ 16.01	\$11.33	\$79.74
2015-2016	\$53.38	\$ 0.00	\$ 16.01	\$11.33	\$80.72
2014-2015	\$53.70	\$ 0.00	\$ 16.01	\$11.33	\$81.04

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

STUDENT ENROLLMENT TREND

School Year	Total Enrollment	Percentage Change
2023-24	2,889	1.44%
2022-23	2,848	0.00%
2021-22	2,849	4.86%
2020-21	2,717	0.50%
2019-20	2,703	4.00%
2018-19	2,599	3.38%
2017-18	2,514	-1.71%
2016-17	2,557	1.83%
2015-16	2,511	1.45%
2014-15	2,475	-0.28%
2013-14	2,482	-3.06%
2012-13	2,558	

ECONOMIC INDICES

Unemployment Rate (Twelve Month Moving Average)

	June 2023	June 2022	June 2021
United States	3.6%	3.6%	5.9%
State of Oklahoma	2.7%	2.9%	3.7%
Mayes County	3.1%	3.5%	6.5%

Source: US Bureau of Labor Statistics

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

<u>Name</u>	<u>Type of Business</u>	<u>NAV</u>
Google, LLC	Technology	\$193,014,770
MYALL LLC XM-3	Technology	\$149,401,711
MYALL LLC XM 1	Technology	\$129,569,848
MYALL, LLC	Technology	\$102,355,279
MYALL LLC XM 4	Technology	\$80,897,529
MYALL LLC XM 3	Technology	\$53,194,791
Google XM 4	Technology	\$24,021,986
Google LLC	Technology	\$14,278,202
Cascades Holding	Paper Production	\$9,212,162
Gold Bond Building Products	Manufacturing	\$6,678,966

Sales Tax Collections

The City levies a three and four percent (4.00%) local sales tax, which together with the State sales tax of four and one-half percent (4.5%) places the total City and State sales tax rate at 8.50%. Mayes County levies a 1.38% sales tax, bringing the total sales tax rate to 9.88%. Historical sales tax collections for the City are shown below:

<u>Fiscal Year</u>	<u>Total Collections</u>	<u>% Change</u>
2023		
2022		
2021	9,915,481	3.98%
2020	9,536,370	6.46%
2019	8,958,004	9.51%
2018	8,180,258	27.59%
2017	6,411,236	-6.43%
2016	6,823,608	-3.86%
2015	7,087,386	-11.50%

Source: City of Pryor

Pryor School District No. I-1
Mayes County, Oklahoma

FINANCIAL STATEMENTS AND
ACCOMPANYING
INDEPENDENT AUDITOR'S REPORTS
June 30, 2023

DAVID CLANIN CPA PLLC

35988 HIGHWAY 82, VINITA, OK 74301
(918) 519-8336 PHONE
(918) 512-4646 FAX
DAVID@CLANINCPA.COM

**Pryor School District No. I-1
Mayes County, Oklahoma
School District Officials
June 30, 2023**

Board of Education

President	Fred Sordahl
Vice-President	Paul Melchior
Clerk	Wes Miller
Member	Dean Robertson
Member	Branson Perry

Superintendent of Schools

Dr. Lisa Muller

School District Treasurer

Jason Johnson

Minute Clerk

Belinda Jones

Encumbrance Clerk

Stephanie Applegate

**Pryor School District No. I-1
Mayes County, Oklahoma
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Office:
35988 Highway 82
Vinita, OK 74301
(918) 782-3773



Mailing:
PO Box 745
Langley, OK 74350
(918) 519-8336

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education
Pryor School District No. I-1
Mayes County, Oklahoma

Opinions

We have audited the accompanying combined fund type and account group financial statements-regulatory basis of Pryor School District No. I-1, Mayes County, Oklahoma as of and for the year ended June 30, 2023, as listed in the table of contents.

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" 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 the aforementioned school district, as of June 30, 2023, the changes in its net position and, where applicable, cash flows for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, 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 aforementioned school district as of June 30, 2023, and the revenues collected and expenditures paid and encumbered, of each fund type, for the year then ended, in accordance with the regulatory basis of accounting described in Note I.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the aforementioned school district, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting regulations prescribed or permitted by the Oklahoma State Department of Education as described in Note I, to meet the financial reporting requirements of the State of Oklahoma; this includes determining 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 objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the fund type and account group financial statements-regulatory basis within the combined financial statements. The other supplemental information, including the schedule of expenditures of federal awards, are presented for purposes of additional analysis and are not a required part of the combined financial statements of the District. Also, the accompanying 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 Guidance Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, (the Uniform Guidance) and is also not a required part of the basic financial statements.

The combining statements-regulatory basis and the other supplementary information, including the schedule of expenditures of federal awards is the responsibility of management and was derived from and relates 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 certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information, and the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the combined financial statements taken as a whole in accordance with the regulatory basis of accounting described in Note I.

Other Matters

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the statement of statutory fidelity and honesty bonds and schedule of accountant's professional liability insurance affidavit but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2024, on our consideration of the aforementioned school district's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.

The image shows a handwritten signature in black ink. The signature appears to read "David Clam" followed by "CPA PLLC" in a slightly larger, more formal script. The signature is written in a cursive style.

February 5, 2024

Office:
35988 Highway 82
Vinita, OK 74301
(918) 782-3773



Mailing:
PO Box 745
Langley, OK 74350
(918) 519-8336

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
COMBINED FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

The Honorable Board of Education
Pryor School District No. I-1
Mayes County, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the fund type and account group financial statements of the aforementioned school 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 5, 2024 which was adverse with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in the United States because the presentation followed the regulatory basis of accounting for Oklahoma school districts and did not conform to the presentation requirements of the Governmental Accounting Standards Board. However, our report was unmodified with respect to the presentation of financial statements on the regulatory basis of accounting authorized by the Oklahoma State Board of Education.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the school 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 school district's internal control. Accordingly, we do not express an opinion on the effectiveness of the school district's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "David Clann CPA PLLC". The signature is written in a cursive, flowing style.

February 5, 2024

Office:
35988 Highway 82
Vinita, OK 74301
(918) 782-3773



Mailing:
PO Box 745
Langley, OK 74350
(918) 519-8336

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

The Honorable Board of Education
Pryor School District No. I-1
Mayes County, Oklahoma

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the aforementioned School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2023. The School 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, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Example School District's compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control over Compliance

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

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

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

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

 CPA PLLC

February 5, 2024

**Pryor School District No. I-1
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023**

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an adverse opinion on the financial statements in conformity with generally accepted accounting principles and an unmodified opinion in conformity with the regulatory basis of accounting prescribed by the Oklahoma Department of Education.
2. No deficiencies relating to the audit of the financial statements is reported in the Schedule of Findings and Questioned Costs.
3. No instances of noncompliance material to the financial statements of Pryor School District No. I-1 were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs during the audit are reported in the Independent Auditor's Report on Compliance with Requirement that could have a direct material effect on each major Program and Internal Control over Compliance with OMB Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs for Pryor School District No. I-1 expresses an unqualified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with Section 200.510(a) of the Uniform Guidance are reported in this schedule.
7. The programs tested as major programs included:

CFDA Number	<u>Name of Federal Program</u>
84.425U, 84.425D	ARP / ESSER
10.555, 10.553	Child Nutrition Cluster

8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. Pryor School District No. I-1 is not a low-risk auditee.

FINDINGS – FINANCIAL STATEMENT AUDIT

1. None

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

1. None

Pryor School District No. I-1
Schedule of Expenditure of Federal Awards
For the Fiscal Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Grantor's Number	Pass-Through Entity Identifying Number	Approved Amount	Balance at June 30, 2022	Receipts	Federal Expenditures	Receivables / (Payables) Balance at June 30, 2023
U.S. Department of Education								
<i>Direct Programs:</i>								
Title VI, Part A - Indian Education	84.060	561	S060A222270	\$ 264,966.00	\$ 74,669.48	\$ 146,290.81	\$ 246,473.89	\$ 174,852.56
<i>Passed Through State Department of Education:</i>								
Special Education Cluster:								
IDEA-B FlowThrough	84.027	621	H027A220051	533,467.06	517,924.83	517,924.83	532,014.76	532,014.76
IDEA-B FlowThrough ARP	84.027X	628			-	-	92,993.77	92,993.77
IDEA-B Preschool	84.173	641	H173A220084	16,291.07	16,063.68	16,063.68	16,291.07	16,291.07
IDEA-B Preschool	84.027X	643		-	-	-	7,562.37	7,562.37
Cluster Subtotal				<u>549,758.13</u>	<u>533,988.51</u>	<u>533,988.51</u>	<u>648,861.97</u>	<u>648,861.97</u>
Title I, Part A - Improving Basic Programs	84.010	511	S010A220036	705,518.49	403,279.87	605,348.28	613,159.33	411,090.92
Title II, Part A - Teacher and Principal Training and Recruiting Fund	84.367	541	S367A220035	102,166.67	65,736.85	99,596.75	101,539.89	67,679.99
Title VI, Part B - REAP	84.358	587		-	-	29,000.52	70,560.65	41,560.13
Title IV, Part A - Student Support	84.424	552	S424A220037	41,157.68	41,811.31	41,811.31	41,339.81	41,339.81
Subtotal				<u>848,842.84</u>	<u>510,828.03</u>	<u>775,756.86</u>	<u>826,599.68</u>	<u>561,670.85</u>
ARP - ESSSER IIII	84.425U	725		-	-	5,247.00	5,247.00	-
ARP - ESSSER III Science of Reading	84.425U	726		-	-	3,876.00	3,876.00	-
CARES - ESSSER I	84.425D	788	S425D210024	4,120.08	4,120.08	4,120.08	-	-
CRRSA - ESSER II	84.425D	793		43,597.28	46,823.56	90,419.56	43,596.00	-
ARP - ESSER III	84.425D	795	S425D210024	3,031,032.73	615,481.39	2,210,771.03	1,951,799.85	356,510.21
ARP / ESSER Subtotal				<u>3,078,750.09</u>	<u>666,425.03</u>	<u>2,314,433.67</u>	<u>2,004,518.85</u>	<u>356,510.21</u>
<i>Passed Through Oklahoma Department of Vocational Education:</i>								
Carl Perkins Programs	84.048	421		33,981.11	15,831.29	33,981.11	33,823.97	15,674.15
Carl Perkins Programs Supplemental	84.048	424		-	-	44,700.00	44,700.00	-
Subtotal				<u>33,981.11</u>	<u>15,831.29</u>	<u>78,681.11</u>	<u>78,523.97</u>	<u>15,674.15</u>
Total U.S. Department of Education				<u>\$ 4,776,298.17</u>	<u>\$ 1,801,742.34</u>	<u>\$ 3,849,150.96</u>	<u>\$ 3,804,978.36</u>	<u>\$ 1,757,569.74</u>

Pryor School District No. I-1
Schedule of Expenditure of Federal Awards
For the Fiscal Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Grantor's Number	Pass-Through Entity Identifying Number	Approved Amount	Balance at June 30, 2022	Receipts	Federal Expenditures	Receivables / (Payables) Balance at June 30, 2023
U.S. Department of Agriculture								
<i>Passed Through State Department of Education:</i>								
Child Nutrition Cluster:								
CCC-Supply Chain Assistance	10.555	759		N/A	\$ (17,976.82)	\$ 79,841.61	\$ 97,818.43	\$ -
National School Breakfast Program	10.553	764		N/A	-	332,597.02	332,597.02	-
National School Lunch Program	10.555	763		N/A	(493,731.54)	924,479.54	1,118,341.10	(299,869.98)
Cluster Subtotal					<u>(511,708.36)</u>	<u>1,336,918.17</u>	<u>1,548,756.55</u>	<u>(299,869.98)</u>
P-EBT Program	10.649	760		N/A	<u>-</u>	<u>3,135.00</u>	<u>3,135.00</u>	<u>-</u>
Passed Through Department of Health & Human Services								
Commodities - Note 4	10.550			N/A	<u>-</u>	<u>133,216.23</u>	<u>133,216.23</u>	<u>-</u>
Total U.S. Department of Agriculture				N/A	<u>\$ (511,708.36)</u>	<u>\$ 1,473,269.40</u>	<u>\$ 1,685,107.78</u>	<u>\$ (299,869.98)</u>
Other Federal Assistance								
Johnson O'Malley Program	15.130	563		-	19,181.04	41,882.11	34,996.40	12,295.33
Flood Control Act Lands	15.433	771		-	(11,379.56)	6,002.30	-	(17,381.86)
Subtotal					<u>-</u>	<u>47,884.41</u>	<u>34,996.40</u>	<u>(5,086.53)</u>
TOTAL FEDERAL ASSISTANCE					<u>\$ 4,776,298.17</u>	<u>\$ 1,297,835.46</u>	<u>\$ 5,370,304.77</u>	<u>\$ 5,525,082.54</u>
								<u>\$ 1,452,613.23</u>

Pryor School District No. I-1
Schedule of Expenditure of Federal Awards
For the Fiscal Year Ended June 30, 2023
(continued)

Note 1. Basis of Presentation

This accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the District 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 a selected portion of operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the regulatory basis of accounting. Such expenditures recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement.

Note 3. Indirect Cost Rate

The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance. The District elected not to charge indirect costs to federal programs.

Note 4. Food Distribution

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

**Pryor School District No. I-1
Mayes County, Oklahoma
Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2023**

PRIOR AUDIT FINDINGS

None.

Pryor School District No. I-1
Mayes County, Oklahoma
Combined Statement of Assets, Liabilities and Fund Balances
Regulatory Basis – All Fund Types and Account Groups
June 30, 2023

	Governmental Fund Types				Fiduciary Fund Types		Account Group			Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Agency	Trusts	General Long-Term Debt	General Fixed Assets Account Group	Lease Accounts Held at UMB Bank	June 30, 2023
ASSETS										
Cash and Cash Equivalents	\$ 22,975,670.05	\$ 8,361,538.15	\$ 10,442,605.97	\$ 26,437,290.09	\$ 732,229.89	\$ 254,580.32	\$ -	\$ -	\$ -	\$ 69,203,914.47
Cash and Cash Equivalents-Restricted	-	-	-	-	-	-	-	-	50,754,941.24	50,754,941.24
General Fixed Assets	-	-	-	-	-	-	-	169,707,112.98	-	169,707,112.98
Amounts Available in Debt Service Fund	-	-	-	-	-	-	10,442,605.97	-	-	10,442,605.97
Amounts to be Provided for Retirement of General Long-Term Debt	-	-	-	-	-	-	25,792,394.03	-	-	25,792,394.03
Amounts to be Provided for Capitalized Lease Agreements	-	-	-	-	-	-	112,875,575.38	-	-	112,875,575.38
Total Assets	\$ 22,975,670.05	\$ 8,361,538.15	\$ 10,442,605.97	\$ 26,437,290.09	\$ 732,229.89	\$ 254,580.32	\$ 149,110,575.38	\$ 169,707,112.98	\$ 50,754,941.24	\$ 438,776,544.07
LIABILITIES AND FUND BALANCE										
Liabilities:										
Warrants Payable	\$ 4,595,687.92	\$ 141,330.41	\$ -	\$ -	\$ 32,680.17	\$ -	\$ -	\$ -	\$ -	\$ 4,769,698.50
Encumbrances	65,248.73	161,361.37	-	-	-	-	-	-	-	226,610.10
Due to Activity Groups	-	-	-	-	699,549.72	-	-	-	-	699,549.72
General Obligation Bonds Payable	-	-	-	-	-	-	36,235,000.00	-	-	36,235,000.00
Capitalized Lease Obligations Payable	-	-	-	-	-	-	112,875,575.38	-	-	112,875,575.38
Total Liabilities	4,660,936.65	302,691.78	-	-	732,229.89	-	149,110,575.38	-	-	154,806,433.70
Fund Balance:										
Restricted to:										
Restricted Assets at UMB Bank	-	-	-	-	-	-	-	-	50,754,941.24	50,754,941.24
General Fixed Assets	-	-	-	-	-	-	-	169,707,112.98	-	169,707,112.98
Trusts Fund	-	-	-	-	-	254,580.32	-	-	-	254,580.32
Capital Projects Fund	-	-	-	26,437,290.09	-	-	-	-	-	26,437,290.09
Sinking Fund	-	-	10,442,605.97	-	-	-	-	-	-	10,442,605.97
Co-Op Fund	-	209,041.42	-	-	-	-	-	-	-	209,041.42
Building Fund	-	7,849,804.95	-	-	-	-	-	-	-	7,849,804.95
Unassigned	18,314,733.40	-	-	-	-	-	-	-	-	18,314,733.40
Total Fund Balance	18,314,733.40	8,058,846.37	10,442,605.97	26,437,290.09	-	254,580.32	-	169,707,112.98	50,754,941.24	283,970,110.37
Total Liabilities and Fund Balance	\$ 22,975,670.05	\$ 8,361,538.15	\$ 10,442,605.97	\$ 26,437,290.09	\$ 732,229.89	\$ 254,580.32	\$ 149,110,575.38	\$ 169,707,112.98	\$ 50,754,941.24	\$ 438,776,544.07

The accompanying Notes to the Financial Statements are an integral part of this statement.

Pryor School District No. I-1
Mayes County, Oklahoma
Combined Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances
Regulatory Basis – All Governmental Fund Types
For the Fiscal Year Ended June 30, 2023

	Governmental Fund Types				Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Revenues:					
Local Sources	\$ 33,770,289.71	\$ 5,853,929.02	\$ 14,111,591.02	\$ 13,590,000.00	\$ 67,325,809.75
Intermediate Sources	1,898,392.82	-	-	-	1,898,392.82
State Sources	4,690,641.47	78,143.05	44.20	-	4,768,828.72
Federal Sources	5,237,088.54	-	-	-	5,237,088.54
Total Revenues	<u>45,596,412.54</u>	<u>5,932,072.07</u>	<u>14,111,635.22</u>	<u>13,590,000.00</u>	<u>79,230,119.83</u>
Expenditures:					
Instruction	22,353,438.19	252,512.17	-	-	22,605,950.36
Support Services	17,612,365.57	2,381,742.88	-	107,405.75	20,101,514.20
Non-Instruction Services	1,972,408.52	-	-	-	1,972,408.52
Capital Outlay	-	730,249.25	-	9,708,433.78	10,438,683.03
Other Outlays	2,278.79	-	-	-	2,278.79
Debt Service	-	-	6,005,000.00	-	6,005,000.00
Interest	-	-	780,312.50	-	780,312.50
Total Expenditures	<u>41,940,491.07</u>	<u>3,364,504.30</u>	<u>6,785,312.50</u>	<u>9,815,839.53</u>	<u>61,906,147.40</u>
Excess (Deficit) of Revenues Over (Under) Expenditures	<u>3,655,921.47</u>	<u>2,567,567.77</u>	<u>7,326,322.72</u>	<u>3,774,160.47</u>	<u>17,323,972.43</u>
Adjustments to Prior Year					
Encumbrances	11,847.81	30,974.64	-	-	42,822.45
Prior Year Estopped Warrants	2,242.01	-	-	-	2,242.01
Total Prior Year Adjustments	<u>14,089.82</u>	<u>30,974.64</u>	<u>-</u>	<u>-</u>	<u>45,064.46</u>
Net Change in Fund Balance	3,670,011.29	2,598,542.41	7,326,322.72	3,774,160.47	17,369,036.89
Fund Balance Beginning of Year	<u>14,644,722.11</u>	<u>5,460,303.96</u>	<u>3,116,283.25</u>	<u>22,663,129.62</u>	<u>45,884,438.94</u>
Fund Balance End of Year	<u>\$ 18,314,733.40</u>	<u>\$ 8,058,846.37</u>	<u>\$ 10,442,605.97</u>	<u>\$ 26,437,290.09</u>	<u>\$ 63,253,475.83</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Pryor School District No. I-1
Mayes County, Oklahoma
Combined Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances
Budget and Actual - Regulatory Basis – Budgeted Governmental Fund Types
June 30, 2023

	General Fund			Special Revenue Funds			Debt Service Fund		
	Original	Final	Actual	Original	Final	Actual	Original	Final	Actual
Revenues:									
Local Sources	\$ 32,403,952.39	\$ 32,403,952.39	\$ 33,770,289.71	\$ 5,071,125.37	\$ 5,071,125.37	\$ 5,853,914.30	\$ 13,431,303.00	\$ 13,431,303.00	\$ 14,111,591.02
Intermediate Sources	1,593,914.33	1,593,914.33	1,898,392.82	-	-	-	-	-	-
State Sources	4,382,138.44	4,382,138.44	4,690,641.47	81,698.03	81,698.03	78,157.77	-	-	44.20
Federal Sources	6,406,405.80	6,406,405.80	5,237,088.54	-	-	-	-	-	-
Total Revenues Collected	44,786,410.96	44,786,410.96	45,596,412.54	5,152,823.40	5,152,823.40	5,932,072.07	13,431,303.00	13,431,303.00	14,111,635.22
Expenditures Paid:									
Instruction	23,195,640.96	22,875,640.96	22,353,438.19	550,000.00	550,000.00	252,512.17	-	-	-
Support Services	22,243,500.00	23,043,500.00	17,612,365.57	4,351,000.00	4,351,000.00	2,381,742.88	-	-	-
Non-Instruction Services	3,873,000.00	3,893,000.00	1,972,408.52	65,000.00	65,000.00	-	-	-	-
Capital Outlay	5,000.00	5,000.00	-	3,442,500.00	3,442,500.00	730,249.25	-	-	-
Other Outlays	56,100.00	56,100.00	2,278.79	60,000.00	60,000.00	-	-	-	-
Other Uses	10,057,892.11	9,557,892.11	-	-	-	-	-	-	-
Principal Retirement	-	-	-	-	-	-	6,005,000.00	6,005,000.00	6,005,000.00
Interest & Fiscal Agent	-	-	-	-	-	-	780,312.50	780,312.50	780,312.50
Annual Accrual on Unmatured Bonds	-	-	-	-	-	-	9,762,273.75	9,762,273.75	-
Total Expenditures	59,431,133.07	59,431,133.07	41,940,491.07	8,468,500.00	8,468,500.00	3,364,504.30	16,547,586.25	16,547,586.25	6,785,312.50
Excess (Deficit) of Revenues Collected Over (Under) Expenditures Paid	(14,644,722.11)	(14,644,722.11)	3,655,921.47	(3,315,676.60)	(3,315,676.60)	2,567,567.77	(3,116,283.25)	(3,116,283.25)	7,326,322.72
Prior Year Encumbrances									
Appropriated	-	-	11,847.81	-	-	30,974.64	-	-	-
Prior Year Estopped Warrants	-	-	2,242.01	-	-	-	-	-	-
Total Prior Year Adjustments	-	-	14,089.82	-	-	30,974.64	-	-	-
Net Change in Fund Balance	(14,644,722.11)	(14,644,722.11)	3,670,011.29	(3,315,676.60)	(3,315,676.60)	2,598,542.41	(3,116,283.25)	(3,116,283.25)	7,326,322.72
Fund Balance									
Beginning of Year	14,644,722.11	14,644,722.11	14,644,722.11	5,460,303.96	5,460,303.96	5,460,303.96	3,116,283.25	3,116,283.25	3,116,283.25
Fund Balance									
End of Year	\$ -	\$ -	\$ 18,314,733.40	\$ -	\$ -	\$ 8,058,846.37	\$ -	\$ -	\$ 10,442,605.97

The accompanying Notes to the Financial Statements are an integral part of this statement.

Pryor School District No. I-1
Mayes County, Oklahoma
Notes to the Combined Financial Statements
June 30, 2023

I. Summary of Significant Accounting Policies

The basic financial statements of the Pryor School District, No. I-1, Mayes County, Oklahoma (the “District”) have been prepared in conformity with another comprehensive basis of accounting as prescribed by the Oklahoma State Department of Education. The more significant of the District’s accounting policies are described below.

A. Reporting Entity

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

The governing body of the District is the Board of Education (Board) 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 the 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 upon the application of these criteria, there are no potential component units included in the District’s reporting entity. The District has various supporting groups. However, the District does not appoint any Board members or exercise any oversight authority over these groups and the dollar amounts are not material to the District.

B. Fund Accounting and Description of Funds

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

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

Funds are classified into two categories: governmental and fiduciary. Each category, in turn, is divided into separate “fund types”.

Pryor School District No. I-1
Mayes County, Oklahoma
Notes to the Combined Financial Statements
June 30, 2023

I. Summary of Significant Accounting Policies (continued)

B. Fund Accounting and Description of Funds (continued)

Governmental Fund Types

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

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

Special Revenue Fund - the special revenue funds are composed of the District's Building Fund and Co-op Fund.

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 software to be used on or for school district property, for paying energy and utility costs, for purchasing telecommunications services, for paying fire and casualty insurance premiums for school facilities, for purchasing security systems, and for paying salaries of security personnel.

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

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, interest and related costs. The primary revenue sources are local property taxes levied specifically for debt service and interest 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.

Pryor School District No. I-1
Mayes County, Oklahoma
Notes to the Combined Financial Statements
June 30, 2023

I. Summary of Significant Accounting Policies (continued)

B. Fund Accounting and Description of Funds (continued)

Fiduciary Fund Types

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or so behalf of other funds within the District. Agency funds generally are used for assets that the District holds on behalf of others as their agent and do not involve measurement of result of operations.

Agency Fund – 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.

Trusts Fund – The agency fund is the Trusts Fund, which is used to account for monies collected principally through donations to provide student scholarships. The administration is responsible, under the authority of the Board, for collecting, disbursing and accounting for these trust funds.

Account Groups

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

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 provided in future years to complete retirement of the debt principal.

General Fixed Asset Account Group – this account group is used to account for property, plant and equipment of the school district.

Lease Accounts Held at UMB Bank Account Group – this account group is used to account for lease monies of the school district that are administered by UMB Bank.

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 the 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 in the aggregation of this data.

C. Basis of Accounting and Presentation

The District prepares its financial statements in a presentation format that is prescribed by the Oklahoma State Department of Education. This format is essentially the generally accepted form of presentation used by the 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.

Pryor School District No. I-1
Mayes County, Oklahoma
Notes to the Combined Financial Statements
June 30, 2023

I. Summary of Significant Accounting Policies (continued)

C. Basis of Accounting and Presentation (continued)

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

- Encumbrances represented by purchase orders, contracts, and other commitments for the expenditure of monies and are recorded as expenditures when approved.
- Investments are recorded as assets when purchased.
- Inventories of school supplies are recorded as expenditures and not as assets.
- Warrants payable are recorded as liabilities when issued.
- Long-term debt is recorded when incurred.
- Compensated absences are recorded as an expenditure and liability when the obligation is paid.
- Capital assets are recorded when acquired.

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

D. Budgets and Budgetary Accounting

The District is required by state law to prepare an annual budget. The Board of Education requests an initial temporary appropriations budget from the County Excise Board before June 30. Then no later than October 1, The Board of Education prepares financial statements and the estimate of needs and files it with the applicable County Clerk and the State Department of Education.

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

E. Assets, Liabilities, and Fund Balance

Cash and Cash Equivalents – the District considers all cash on hand, demand deposits, and highly liquid investments, with an original maturity of three months or less when purchased, to be cash and cash equivalents.

Restricted Cash and Cash Equivalents – the District considers all cash on hand, demand deposits, and highly liquid investments, with an original maturity of three months or less when purchased, to be cash and cash equivalents. Restricted cash is lease monied held at and administered by UMB Bank.

Investments – investments consist of direct obligations of the United States Government and Agencies with maturities greater than three months when purchased. All investments are recorded at cost, which approximates market value.

Pryor School District No. I-1
Mayes County, Oklahoma
Notes to the Combined Financial Statements
June 30, 2023

I. Summary of Significant Accounting Policies (continued)

E. Assets, Liabilities, and Fund Balance (continued)

Property Tax Revenues – 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 for submission to the County Treasurer. Property taxes are levied on November 1 and are due on receipt of the tax bill. The first half of taxes 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 assessment. If not paid by following October 1, the property is offered for sale for the amount of taxes due. The owner has two years to redeem the property by paying the taxes and penalty owed. If at the end of two years the owner has not done so, the purchaser is issued a deed to the property.

Inventories – the value of consumable inventories at June 30, 2023, is not material to the financial statements.

Construction in Progress – consists of construction and improvements made to campus-wide facilities through lease monies held at UMB Bank. The expenditures will be added to the Capital Asset Schedule when the lease is paid in full.

Capital Assets – Fixed assets used in government fund-type operations (general fixed assets) are recorded for as capital outlay expenditures of the governmental fund-type upon acquisition and are recorded as property, plant and equipment in the General Fixed Asset Account Group. All fixed assets are valued at historical cost or estimated cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation. Depreciation and accumulated depreciation are not reported against general fixed assets.

The District's General Fixed Assets at June 30, 2023 are as follows:

Governmental Activities:	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Capital Lease Assets	\$ 87,276,357.85	\$ 3,027,226.39	\$ -	\$ 90,303,584.24
Land	386,500.00	199,452.00	-	585,952.00
Buildings and Improvements	72,225,561.11	75,000.00	-	72,300,561.11
Transportation Equipment	3,042,156.66	876,010.60	-	3,918,167.26
Equipment	2,217,232.37	381,616.00	-	2,598,848.37
Total	77,871,450.14	1,332,626.60	-	79,403,528.74
Governmental Activities Capital Assets	\$ 165,147,807.99	\$ 4,359,852.99	\$ -	\$ 169,707,112.98

Pryor School District No. I-1
Mayes County, Oklahoma
Notes to the Combined Financial Statements
June 30, 2023

I. Summary of Significant Accounting Policies (continued)

E. Assets, Liabilities and Fund Balance (continued)

Compensated Absences – vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. There are no amounts of vested or accumulated vacation leave that re expected to be liquidated with expendable available financial resources.

No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. Vested accumulated rights to receive sick pay benefits have been reported in the general long-term debt account group since none of the vested sick leave is expected to be liquidated with expendable available financial resources.

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

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

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

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

Committed fund balance represents amounts that are usable only for specific purposes by formal action of the government’s highest level of decision making authority. Such amounts are not subject to legal enforceability (like restricted amounts), but cannot be used for any other purpose unless the government removes or changes by taking action similar to that which imposed the commitment. The District’s Board of Education is the highest level of decision making authority of the District.

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

Pryor School District No. I-1
Mayes County, Oklahoma
Notes to the Combined Financial Statements
June 30, 2023

I. Summary of Significant Accounting Policies (continued)

E. Assets, Liabilities and Fund Balance (continued)

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

Resource Use Policy

It is in the District's policy for all funds that when an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources, including fund balances, are available, the District considers the restricted amounts to be spent first before any unrestricted amounts are used. Furthermore, it is the District's policy that when an expenditure/expense is incurred for purposes for which committed, assigned or unassigned resources, including fund balances, are available, the District considers committed, amounts to be spent first, followed by assigned amounts, and lastly, unassigned amounts.

F. Revenue, Expenses and Expenditures

State Revenues – revenues from state sources for current operations are primarily governed by state aid formula under the provisions of 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 years 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 be 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.

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 expenditure/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

Pryor School District No. I-1
Mayes County, Oklahoma
Notes to the Combined Financial Statements
June 30, 2023

II. Deposit and Investment Risks

The District held the following deposits and investments at June 30, 2023:

Deposits	<u>Carrying Value</u>
Cash in Bank	\$ 68,217,104.26
Cash in Bank - Activity Fund	732,229.89
Cash in Bank - Trusts Fund	<u>254,580.32</u>
Total Deposits	<u><u>\$ 69,203,914.47</u></u>
Restricted Cash Held at UMB Bank	<u><u>\$ 50,754,941.24</u></u>

Custodial Credit Risk

Exposure to custodial credit related to deposits exists when the District holds deposits that are uninsured and uncollateralized; collateralized with securities held by pledging financial institution, or by its trust department or agent but not in the District's name; or collateralized without written or approved collateral agreement. Exposure to custodial credit risk related to investments exists when the District holds investments that are uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the District's name.

The District's policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than market value, at least at a level of 100 percent of the uninsured deposits and accrued interest thereon. The investment policy and state law also limits acceptable collateral to U.S. Treasury and agency securities and direct debt obligations of the state, municipalities, counties, and school districts in the state of Oklahoma, surety bonds and letters of credit. As required by Federal 12 U.S.C.A, Section 1823e, all financial institutions pledging collateral to the district must have a written collateral agreement approved by the board of directors or loan committee.

At June 30, 2023, the district was not exposed to custodial credit as defined above.

**Pryor School District No. I-1
Mayes County, Oklahoma
Notes to the Combined Financial Statements
June 30, 2023**

II. Deposit and Investment Risks (continued)

Investment Credit Risk

The District's investment policy limits investments to those allowed in state law applicable to school districts as follows:

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

Investment credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District has no formal policy limiting investments based on credit rating but discloses any such credit risk associated with their investments by reporting the credit quality ratings of investments in debt securities as determined by nationally recognized statistical rating organizations-rating agencies-as of the year end. Unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

At June 30, 2023, the District was not exposed to custodial credit as defined.

Investment Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an instrument. The District's investment policy limits investments to those with maturity no more than three years from the date of purchase, except for reserve funds, as a means of managing exposure to fair value losses arising from increasing interest rates. The District discloses its exposure to interest risk by disclosing the maturity dates of its various investments.

Pryor School District No. I-1
Mayes County, Oklahoma
Notes to the Combined Financial Statements
June 30, 2023

II. Deposit and Investment Risks (continued)

Concentration of Investment Risk

Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the District (any over 5 percent are disclosed). Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools and other pooled investments are excluded from the consideration. The District's investment policy requires diversification of investments and indicates that, with the exception of U.S. Treasury securities and authorized pools, no more than 50 percent of the District's total investment portfolio will be invested in a single financial institution.

At June 30, 2023, the District was not exposed to custodial credit as defined above.

III. General Long-Term Debt

State statutes prohibit the District from becoming indebted in an amount exceeding the revenue to be received for any fiscal year without approval by the District's voters. Bond issues have been approved by the voters and issued by the District for various capital improvements. These bonds are required to be fully paid serially within 25 years from the date of issue.

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

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

	Balance June 30, 2022	Proceeds	Payments	Balance June 30, 2023	Due Within One Year
Bonds Payable	\$ 28,650,000.00	\$ 13,590,000.00	\$ 6,005,000.00	\$ 36,235,000.00	\$ 22,645,000.00
Lease Obligations	68,418,045.57	52,399,000.00	7,932,470.19	112,884,575.38	10,040,073.22
Total	<u>\$ 97,068,045.57</u>	<u>\$ 65,989,000.00</u>	<u>\$ 13,937,470.19</u>	<u>\$ 149,119,575.38</u>	<u>\$ 32,685,073.22</u>

Pryor School District No. I-1
Mayes County, Oklahoma
Notes to the Combined Financial Statements
June 30, 2023

III. General Long-Term Debt (continued)

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

The District issued combine purpose bonds in the amount of \$6,005,000 on June 1, 2021. The bond maturities began June 1, 2022 with an interest only payment of \$33,027.50 and an annual payment of \$6,005,000 plus interest due June 1, 2023. This bond was paid off in the 2022-2023 fiscal year.

The District issued combine purpose bonds in the amount of \$22,645,000 on June 1, 2022. The bond maturities began June 1, 2023 with an interest only payment of \$747,285.00 and an annual payment of \$22,645,000 plus interest due June 1, 2024.

Debt service requirements for the 2022 combined purpose bonds are as follows:

Year Ended June 30,	General Obligation Bonds		Interest	Total Requirements
	Rate	Principal		
2024	3.300%	\$ 22,645,000.00	\$ 747,285.00	\$ 23,392,285.00

The District issued combine purpose bonds in the amount of \$13,590,000 on June 1, 2023. The bond maturities begin June 1, 2024 with an interest only payment of \$672,705.00 and an annual payment of \$13,590,000 plus interest due June 1, 2025.

Debt service requirements for the 2023 combined purpose bonds are as follows:

Year Ended June 30,	General Obligation Bonds		Interest	Total Requirements
	Rate	Principal		
2024	4.950%	\$ -	\$ 672,705.00	\$ 672,705.00
2025	4.950%	13,590,000.00	672,705.00	14,262,705.00
Totals		\$ 13,590,000.00	\$ 1,345,410.00	\$ 14,935,410.00

Debt service requirements for all bonds are as follows:

Year Ended June 30,	General Obligation Bonds		Interest	Total Requirements
	Rate	Principal		
2024	Various	\$ 22,645,000.00	\$ 1,419,990.00	\$ 24,064,990.00
2025	4.950%	13,590,000.00	672,705.00	14,262,705.00
Totals		\$ 36,235,000.00	\$ 2,092,695.00	\$ 38,327,695.00

Pryor School District No. I-1
Mayes County, Oklahoma
Notes to the Combined Financial Statements
June 30, 2023

III. General Long-Term Debt (continued)

Leases

The District executed a lease to construct, equip and furnish a new classroom addition at Roosevelt Elementary, a new common area, kitchen, library and classroom addition at the High School, renovations at the Washington/Junior High/ Administration and Alternative Education facilities on July 16, 2015. The amount of the lease is \$24,000,000, with interest at 2.360%, payable in annual installments. The District will receive monthly lease advances until June 16, 2017. The total lease advances received in the current year were \$9,667,000. The lease maturities began on September 15, 2016. Future payments are as follows:

Year Ended June 30,	Principal	Interest	Total Requirements
2024	\$ 5,187,573.27	\$ 122,426.73	\$ 5,310,000.00

The District executed a lease to construct, equip and furnish and make renovations at the Vo-Ag Facility, High School, Jefferson Elementary, Lincoln Elementary and the Junior High School on November 7, 2018. The amount of the lease is \$41,325,000, with interest at 3.450%, payable in annual installments. The lease maturities began on August 20, 2019.

This lease was refinanced on February 18, 2021 amount of the lease is \$38,984,000, with interest at 2.650%, payable in annual installments. The lease maturities will begin on August 20, 2021. Future payments are as follows:

Year Ended June 30,	Principal	Interest	Total Requirements
2024	\$ 2,065,000.00	\$ 975,147.00	\$ 3,040,147.00
2025	5,781,000.00	920,424.50	6,701,424.50
2026	6,059,000.00	767,228.00	6,826,228.00
2027	6,379,000.00	606,664.50	6,985,664.50
2028	6,674,000.00	437,621.00	7,111,621.00
2029	9,840,000.00	260,760.00	10,100,760.00
Totals	\$ 36,798,000.00	\$ 3,967,845.00	\$ 40,765,845.00

Pryor School District No. I-1
Mayes County, Oklahoma
Notes to the Combined Financial Statements
June 30, 2023

III. General Long-Term Debt (continued)

Leases (continued)

The District executed a lease to construct, equip and furnish and make renovations at the High School, Lincoln Elementary and the Junior High School on May 15, 2020. The amount of the lease is \$20,550,000, with interest at 2.500%, payable in annual installments. The lease maturities began on September 25, 2020. Future payments are as follows:

Year Ended June 30,	Principal	Interest	Total Requirements
2024	\$ 1,082,499.95	\$ 462,500.05	\$ 1,545,000.00
2025	2,919,562.45	435,437.55	3,355,000.00
2026	3,052,551.51	362,448.49	3,415,000.00
2027	3,203,865.29	286,134.71	3,490,000.00
2028	3,343,961.93	206,038.07	3,550,000.00
2029	4,897,560.98	122,439.02	5,020,000.00
Totals	<u>\$ 18,500,002.11</u>	<u>\$ 1,874,997.89</u>	<u>\$ 20,375,000.00</u>

The District executed a lease to construct, equip and furnish and make renovations on July 28, 2022. The amount of the lease is \$52,390,000, with interest at 2.650%, payable in annual installments. The lease maturities begin on August 20, 2023. Future payments are as follows:

Year Ended June 30,	Principal	Interest	Total Requirements
2024	\$ 1,705,000.00	\$ 1,805,651.39	\$ 3,510,651.39
2025	1,685,000.00	1,648,416.00	3,333,416.00
2026	1,545,000.00	1,595,791.00	3,140,791.00
2027	1,365,000.00	1,547,506.00	2,912,506.00
2028	1,270,000.00	1,504,801.00	2,774,801.00
2029-2033	26,605,000.00	6,313,030.00	32,918,030.00
2034-2035	18,215,000.00	974,059.00	19,189,059.00
Totals	<u>\$ 52,390,000.00</u>	<u>\$ 15,389,254.39</u>	<u>\$ 67,779,254.39</u>

Pryor School District No. I-1
Mayes County, Oklahoma
Notes to the Combined Financial Statements
June 30, 2023

III. General Long-Term Debt (continued)

Leases (continued)

Debt service requirements for all leases are as follows:

Year Ended June 30,	Principal	Interest	Total Requirements
2024	10,040,073.22	3,878,372.12	13,918,445.34
2025	10,385,562.45	3,004,278.05	13,389,840.50
2026	10,656,551.51	2,725,467.49	13,382,019.00
2027	10,947,865.29	2,440,305.21	13,388,170.50
2028	11,287,961.93	2,148,460.07	13,436,422.00
2029-2033	41,342,560.98	6,696,229.02	48,038,790.00
2034-2035	18,215,000.00	974,059.00	19,189,059.00
Totals	<u>\$ 112,875,575.38</u>	<u>\$ 21,867,170.96</u>	<u>\$ 134,742,746.34</u>

IV. Employee Retirement System

Description of Plan

The District participates in the state-administered Oklahoma Teachers' Retirement System, which is cost-sharing, multiple-employer defined benefit public employee retirement system (PERS) administered by the Board of Trustees of the Oklahoma Teachers' Retirement System (the "System"). Under the System, the District, the State of Oklahoma, and the participating employees make contributions. Participation is required for all teachers and other certified employees and is optional for all other regular employees of public educational institutions who work at least 20 hours per week. A participant's date of membership is the date the first contribution is made to the System. The System is administered by a board of trustees which acts as a fiduciary for investing the funds and governing the administration of the System. The District has no responsibility or authority for the operation and administration of the System nor has it any liability, except for the current contribution requirements.

The System issues an independent financial report, financial statements and required supplementary information that can be obtained by writing to the Oklahoma Teachers' Retirement System, P.O. Box 53524, Oklahoma City, OK 73152 or by calling (405) 521-2387.

Pryor School District No. I-1
Mayes County, Oklahoma
Notes to the Combined Financial Statements
June 30, 2023

IV. Employee Retirement System (continued)

Funding Policy

The District, the State of Oklahoma, and the participating employee may 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.

Annual Pension Cost

The District's contributions to the System for the year ending June 30, 2023 was \$2,371,680.

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

V. Contingencies

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

Pryor School District No. I-1
Mayes County, Oklahoma
Notes to the Combined Financial Statements
June 30, 2023

VI. 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 is a member of Oklahoma Schools Insurance Group (OSIG) and purchases commercial insurance to cover these risks, including general and auto liability, property damage, and public officials' liability. The District and all other OSIG members had the following insurance coverage during the year: commercial property-\$700,000,000; general liability-\$1,000,000; and educators' liability- \$1,000,000. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

The District also participates in a risk pool for Workers' Compensation coverage in which there is a transfer or pooling of risks among the participants of that pool. In accordance with regulatory basis, the District 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 District's losses for the last five years. OSAG provides coverage in excess of the loss fund so the District's liability for claim loss is limited to the balance of the loss fund. If the District does not use their loss fund in three years it is returned to them with no interest.

The District is also a member of the Oklahoma State School Boards Association (OSSBA). In this program the District is required to maintain a minimum funding level for unemployment insurance. At June 30, 2023, the District had \$9,000 in deposits with the OSSBA and had claims in 2022-2023 totaling \$3,087.52. The funds for each district are kept separate and districts can contribute more of their payroll if they elect to. The money contribution by each District earns interest and is fully insured. If the District has claims in excess of the amount in their account, they would be liable for the excess.

**Pryor School District No. I-1
Mayes County, Oklahoma
Notes to the Combined Financial Statements
June 30, 2023**

VII. Surety Bonds

The Superintendent is bonded by Western Surety Company, bond number 72381089, for the sum of \$100,000 for the term July 7, 2022 to July 7, 2023.

The Treasurer is bonded by Western Surety Company, bond number 72042079, for the sum of \$100,000 for the term July 1, 2022 to July 1, 2023.

The Encumbrance Clerk is bonded by Western Surety Company, bond number 72472432, for the sum of \$100,000 for the term July 1, 2022 to July 1, 2023.

The Payroll Clerk is bonded by Western Surety Company, bond number 72042075, for the sum of \$100,000 for the term July 1, 2022 to July 1, 2023.

The Activity Fund Treasurer is bonded by Western Surety Company, bond number 72042077, for the sum of \$100,000 for the term July 1, 2022 to July 1, 2023.

The Activity Fund Clerk is bonded by Western Surety Company, bond number 72042082, for the sum of \$100,000 for the term July 1, 2022 to July 1, 2023.

VIII. Subsequent Events

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

OTHER SUPPLEMENTARY INFORMATION

Pryor School District No. I-1
Mayes County, Oklahoma
Combining Statement of Assets, Liabilities and Fund Balances
Regulatory Basis – All Special Revenue Funds
June 30, 2023

	Special Revenue Funds		Total
	Building Fund	Co-Op Fund	Special Revenue Funds
ASSETS			
Cash and Cash Equivalents	\$ 8,124,567.56	\$ 236,970.59	\$ 8,361,538.15
LIABILITIES AND FUND BALANCE			
Liabilities:			
Warrants Payable	\$ 113,401.24	\$ 27,929.17	\$ 141,330.41
Encumbrances	161,361.37	-	161,361.37
Total Liabilities	274,762.61	27,929.17	302,691.78
Fund Balance:			
Restricted to:			
Co-Op Fund	-	209,041.42	209,041.42
Building Fund	7,849,804.95	-	7,849,804.95
Total Fund Balance	7,849,804.95	209,041.42	8,058,846.37
Total Liabilities and Fund Balance	\$ 8,124,567.56	\$ 236,970.59	\$ 8,361,538.15

Pryor School District No. I-1
Mayes County, Oklahoma
Combining Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances
Regulatory Basis – All Special Revenue Funds
For the Fiscal Year Ended June 30, 2023

	Building Fund	Co-op Fund	Total
Revenues:			
Local Sources	\$ 5,342,415.89	\$ 511,513.13	\$ 5,853,929.02
State Sources	-	78,143.05	78,143.05
Total Revenues	<u>5,342,415.89</u>	<u>589,656.18</u>	<u>5,932,072.07</u>
Expenditures:			
Instruction	12,446.37	240,065.80	252,512.17
Support Services	2,079,719.69	302,023.19	2,381,742.88
Capital Outlay	730,249.25	-	730,249.25
Total Expenditures	<u>2,822,415.31</u>	<u>542,088.99</u>	<u>3,364,504.30</u>
Excess (Deficit) of Revenues Over (Under) Expenditures	2,520,000.58	47,567.19	2,567,567.77
Adjustments to Prior Year Encumbrances	<u>30,874.64</u>	<u>100.00</u>	<u>30,974.64</u>
Net Change in Fund Balance	2,550,875.22	47,667.19	2,598,542.41
Fund Balance Beginning of Year	<u>5,298,929.73</u>	<u>161,374.23</u>	<u>5,460,303.96</u>
Fund Balance End of Year	<u><u>\$ 7,849,804.95</u></u>	<u><u>\$ 209,041.42</u></u>	<u><u>\$ 8,058,846.37</u></u>

Pryor School District No. I-1
Mayes County, Oklahoma
Combining Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances
Budget and Actual - Regulatory Basis – All Special Revenue Funds
For the Fiscal Year Ended June 30, 2023

	Building Fund			Co-Op Fund			Total		
	Original	Final	Actual	Original	Final	Actual	Original	Final	Actual
Revenues:									
Local Sources	\$ 4,559,612.24	\$ 4,559,612.24	\$ 5,342,401.17	\$ 511,513.13	\$ 511,513.13	\$ 511,513.13	\$ 5,071,125.37	\$ 5,071,125.37	\$ 5,853,914.30
State Sources	-	-	14.72	81,698.03	81,698.03	78,143.05	81,698.03	81,698.03	78,157.77
Total Revenues Collected	<u>4,559,612.24</u>	<u>4,559,612.24</u>	<u>5,342,415.89</u>	<u>593,211.16</u>	<u>593,211.16</u>	<u>589,656.18</u>	<u>5,152,823.40</u>	<u>5,152,823.40</u>	<u>5,932,072.07</u>
Expenditures Paid:									
Instruction	205,000.00	205,000.00	12,446.37	345,000.00	345,000.00	240,065.80	550,000.00	550,000.00	252,512.17
Support Services	3,975,000.00	3,975,000.00	2,079,719.69	376,000.00	376,000.00	302,023.19	4,351,000.00	4,351,000.00	2,381,742.88
Non-Instruction Services	65,000.00	65,000.00	-	-	-	-	65,000.00	65,000.00	-
Capital Outlay	3,442,500.00	3,442,500.00	730,249.25	-	-	-	3,442,500.00	3,442,500.00	730,249.25
Other Outlays	50,000.00	50,000.00	-	10,000.00	10,000.00	-	60,000.00	60,000.00	-
Other Uses	2,121,142.30	2,121,142.30	-	23,585.39	23,585.39	-	-	-	-
Total Expenditures	<u>9,858,642.30</u>	<u>9,858,642.30</u>	<u>2,822,415.31</u>	<u>754,585.39</u>	<u>754,585.39</u>	<u>542,088.99</u>	<u>8,468,500.00</u>	<u>8,468,500.00</u>	<u>3,364,504.30</u>
Excess (Deficit) of Revenues Collected Over (Under)									
Expenditures Paid	<u>(5,299,030.06)</u>	<u>(5,299,030.06)</u>	<u>2,520,000.58</u>	<u>(161,374.23)</u>	<u>(161,374.23)</u>	<u>47,567.19</u>	<u>(5,460,404.29)</u>	<u>(5,460,404.29)</u>	<u>2,567,567.77</u>
Prior Year Encumbrances									
Appropriated	<u>100.33</u>	<u>100.33</u>	<u>30,874.64</u>	<u>-</u>	<u>-</u>	<u>100.00</u>	<u>-</u>	<u>-</u>	<u>30,974.64</u>
Net Change in Fund Balance	<u>(5,298,929.73)</u>	<u>(5,298,929.73)</u>	<u>2,550,875.22</u>	<u>(161,374.23)</u>	<u>(161,374.23)</u>	<u>47,667.19</u>	<u>(5,460,404.29)</u>	<u>(5,460,404.29)</u>	<u>2,598,542.41</u>
Fund Balance									
Beginning of Year	<u>5,298,929.73</u>	<u>5,298,929.73</u>	<u>5,298,929.73</u>	<u>161,374.23</u>	<u>161,374.23</u>	<u>161,374.23</u>	<u>5,460,303.96</u>	<u>5,460,303.96</u>	<u>5,460,303.96</u>
Fund Balance									
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,849,804.95</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 209,041.42</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,058,846.37</u>

Pryor School District No. I-1
Notes to the Budgetary Information
For the Fiscal Year Ended June 30, 2023

BUDGETARY INFORMATION

The District is required by state law to prepare an annual Estimate of Needs. The annual Estimate of Needs is then approved by the Board and subsequently filed with the County Clerk and approved by the County Excise Board. Supplemental appropriations can be made during the year.

Encumbrances represent commitments related to unperformed contracts for goods and 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. Purchase orders or contracts document encumbrances for goods or purchased services. Under Oklahoma law, unencumbered appropriations lapse at year-end.

Pryor School District No. I-1
Mayes County, Oklahoma
Combining Statement of Assets, Liabilities and Fund Balances
Regulatory Basis – All Capital Project Funds
June 30, 2023

	Capital Project Funds			Total
	Bond 31	Bond 33	Bond 34	Capital Project Funds
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 12,847,290.09	\$ 13,590,000.00	\$ 26,437,290.09
LIABILITIES AND FUND BALANCE				
Liabilities:				
Warrants Payable	\$ -	\$ -	\$ -	\$ -
Fund Balance:				
Restricted to:				
Bond 31	-	-	-	-
Bond 32	-	-	-	-
Bond 33	-	12,847,290.09	-	12,847,290.09
Bond 34	-	-	13,590,000.00	13,590,000.00
Total Fund Balance	-	12,847,290.09	13,590,000.00	26,437,290.09
Total Liabilities and Fund Balance	\$ -	\$ 12,847,290.09	\$ 13,590,000.00	\$ 26,437,290.09

Pryor School District No. I-1
Mayes County, Oklahoma
Combining Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances
Regulatory Basis – All Capital Project Funds
For the Fiscal Year Ended June 30, 2023

	Bond 31	Bond 33	Bond 34	Total
Revenues:				
Local Sources	\$ -	\$ -	\$ 13,590,000.00	\$ 13,590,000.00
Expenditures:				
Instruction	-	-	-	-
Support Services	-	107,405.75	-	107,405.75
Capital Outlay	23,158.62	9,685,275.16	-	9,708,433.78
Total Expenditures	23,158.62	9,792,680.91	-	9,815,839.53
Excess (Deficit) of Revenues Over (Under) Expenditures	(23,158.62)	(9,792,680.91)	13,590,000.00	3,774,160.47
Fund Balance				
Beginning of Year	23,158.62	22,639,971.00	-	22,663,129.62
Fund Balance				
End of Year	\$ -	\$ 12,847,290.09	\$ 13,590,000.00	\$ 26,437,290.09

Pryor School District No. I-1
Mayes County, Oklahoma
Combining Statement of Assets, Liabilities and Fund Balance -
Regulatory Basis – Activity Fund
June 30, 2023

	School Activity Fund
	<hr/>
ASSETS	
Cash and Cash Equivalents	\$ 732,229.89
	<hr/> <hr/>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Warrants Payable	\$ 32,680.17
Fund Balance:	
Restricted to:	
Activity Groups	699,549.72
	<hr/>
Total Liabilities and Fund Balance	\$ 732,229.89
	<hr/> <hr/>

Pryor School District No. I-1
Mayes County, Oklahoma
Combining Statement of Changes in Assets and Liabilities -
Regulatory Basis – Activity Fund
For the Year Ended June 30, 2023

School Activity Funds					
	Balance July 1, 2022	Receipts	Adjustments	Disbursements	Balance June 30, 2023
Assets					
Cash:					
High School	\$ 415,231.57	\$ 735,895.60	\$ -	\$ 611,038.62	\$ 540,088.55
Middle School	52,204.81	68,620.44	-	63,480.98	57,344.27
Elementary	91,087.56	151,034.07	-	143,245.69	98,875.94
District-Wide	193.20	3,957.37	-	909.61	3,240.96
	<u>\$ 558,717.14</u>	<u>\$ 959,507.48</u>	<u>\$ -</u>	<u>\$ 818,674.90</u>	<u>\$ 699,549.72</u>
Liabilities:					
Due to student groups:					
High School:					
Academic Excellence	\$ 1,954.32	\$ 1,896.80	\$ -	\$ 471.73	\$ 3,379.39
Alternative School	1,921.32	-	-	-	1,921.32
Annual PHS	95.52	10,842.50	-	10,676.58	261.44
Archery	657.42	-	-	-	657.42
Athletics	69,718.28	222,791.37	-	198,603.33	93,906.32
Band	34,948.87	54,381.37	-	40,395.56	48,934.68
Band Trip	15,644.22	37,906.20	-	39,883.50	13,666.92
Bass Fishing Club	976.78	500.00	-	-	1,476.78
BPA	736.14	1,112.00	-	1,201.74	646.40
Cheerleaders PHS	4,463.24	20,003.36	-	15,538.37	8,928.23
Child Nutrition Donation	-	6,008.96	-	1,769.71	4,239.25
Chinese Club	322.00	-	-	-	322.00
Chrome BKS	-	100.00	-	-	100.00
Comfort Closet	1,622.24	6,000.00	-	620.13	7,002.11
COOP Secondary	845.22	-	-	-	845.22
District Hospitality	18,746.68	44,297.93	-	38,143.83	24,900.78
Drama	81.02	-	-	-	81.02
DECA	112.00	3,768.00	-	3,594.19	285.81
FCA PHS	17.93	-	-	-	17.93
FCCLA PHS	6,337.38	13,645.50	-	12,594.98	7,387.90
FCCLA-2 PHS	1,193.73	10,961.00	-	10,397.80	1,756.93
FFA	155,812.62	124,663.36	-	97,723.25	182,752.73
German Club	961.61	-	-	-	961.61
Library Club	3,031.90	-	-	-	3,031.90
Life Smarts	309.00	1,443.25	-	1,371.19	381.06
Maintenance	1,027.83	2,871.53	-	3,141.30	758.06
MU Alpha Theta Math	6,731.12	245.00	-	620.00	6,356.12
NHS	4,645.57	355.00	-	684.68	4,315.89
NHS Technical	40.00	-	-	-	40.00
NOW Account Interest	2,624.30	9,410.09	-	-	12,034.39
PAEF Spring	10,280.30	26,637.10	-	29,316.48	7,600.92
PAEF Fall	2,489.82	29,296.61	-	25,623.43	6,163.00
PAEF Professional	-	4,000.00	-	-	4,000.00
PHS Courtesy	438.53	518.40	-	-	956.93
Photography Club	324.07	-	-	-	324.07
Pom Pom Girls	1,520.17	7,370.00	-	3,609.28	5,280.89
School Musical	13,633.27	15,482.66	-	8,878.31	20,237.62
Spanish Club PHS	802.20	1,322.85	-	1,497.53	627.52
Student Activity Pass	-	200.00	-	200.00	-
Student Council PHS	2,209.10	819.00	-	1,459.40	1,568.70
Technology	608.64	1,582.00	-	1,380.85	809.79
Testing	2,216.59	1,053.00	-	924.00	2,345.59
The Rock	65.26	-	-	-	65.26
Tiger Card - Football	38,661.09	62,576.76	-	52,052.13	49,185.72
Tiger Video	1,223.47	-	-	-	1,223.47
Vocal Music	5,180.80	11,834.00	-	8,665.34	8,349.46

Continued on the next page

Pryor School District No. I-1
Mayes County, Oklahoma
Combining Statement of Changes in Assets and Liabilities -
Regulatory Basis – Activity Fund
For the Year Ended June 30, 2023

	School Activity Funds				
	Balance July 1, 2022	Receipts	Adjustments	Disbursements	Balance June 30, 2023
Continued	\$ 415,231.57	\$ 735,895.60	\$ -	\$ 611,038.62	\$ 540,088.55
Middle School:					
Annual PJH	6,714.71	6,288.00	-	1,999.57	11,003.14
Cheerleaders PJH	496.94	14,082.79	-	13,994.27	585.46
Christmas Charity	13,637.74	4,175.00	-	3,909.29	13,903.45
FCA PJH	42.91	-	-	-	42.91
FCCLA PJH	1,349.95	2,827.07	-	2,996.54	1,180.48
1st Robotics	513.57	-	-	375.00	138.57
JH Art Club	615.46	-	-	-	615.46
JH Activity	1,524.77	1,158.60	-	168.60	2,514.77
JH Choir	6,423.49	18,395.30	-	16,399.95	8,418.84
JH Leadership	392.79	-	-	-	392.79
JH Library	1,896.52	4,817.76	-	3,242.57	3,471.71
JH Washington DC	3,265.26	6,553.94	-	6,340.00	3,479.20
Jr Tech Students Assoc	901.67	94.39	-	353.78	642.28
Physical Education	0.92	-	-	-	0.92
PJH Archery	1,326.87	-	-	-	1,326.87
PJH Courtesy	214.72	184.00	-	-	398.72
Special Tigers	9,622.83	10,013.59	-	13,701.41	5,935.01
Student Council PJH	2,361.66	-	-	-	2,361.66
Industrial Arts	902.03	30.00	-	-	932.03
Elementary:					
Annual Elementary	1,569.52	510.00	-	344.50	1,735.02
Elementary Choir	756.74	-	-	200.34	556.40
Elem Pryor Tiger Robot	695.51	-	-	-	695.51
Elementary School	67,583.83	108,330.03	-	101,645.85	74,268.01
Jefferson Courtesy	1,558.35	565.00	-	101.52	2,021.83
Jefferson Library	1,185.58	6,569.00	-	6,560.98	1,193.60
Lincoln ECC Courtesy	914.44	-	-	914.44	-
Lincoln Courtesy	1,932.06	2,060.24	-	1,047.08	2,945.22
Lincoln Culture	1,585.95	549.00	-	1,100.00	1,034.95
Lincoln Library	6,475.48	16,553.85	-	11,763.94	11,265.39
Roosevelt Library	6,256.21	15,896.95	-	19,389.04	2,764.12
Roosevelt Courtesy	573.89	-	-	178.00	395.89
District-Wide:					
Car Connect	-	1,615.34	-	909.61	705.73
Teacher Incentive	193.20	-	-	-	193.20
Refreshment Fund	-	2,342.03	-	-	2,342.03
Total Liabilities	<u>\$ 558,717.14</u>	<u>\$ 959,507.48</u>	<u>\$ -</u>	<u>\$ 818,674.90</u>	<u>\$ 699,549.72</u>

Pryor School District No. I-1
Mayes County, Oklahoma
Combining Statement of Assets, Liabilities and Fund Balance -
Regulatory Basis – Trusts Fund
June 30, 2023

	J.W. Elam Agri Trust Fund	Phillips Schlorship Fund	Saffell Schlorship Fund	Weber Schlorship Fund	Total Trust Funds
ASSETS					
Cash and Cash Equivalents	\$ 126,281.90	\$ 45,417.70	\$ 72,221.67	\$ 10,659.05	\$ 254,580.32
LIABILITIES AND FUND BALANCE					
Fund Balance:					
Restricted to:					
J.W. Elam Agri Trust	126,281.90	-	-	-	126,281.90
Phillips Schlorship Trust	-	45,417.70	-	-	45,417.70
Saffell Schlorship Trust			72,221.67	-	72,221.67
Weber Schlorship Trust	-	-	-	10,659.05	10,659.05
Total Fund Balance	<u>126,281.90</u>	<u>45,417.70</u>	<u>72,221.67</u>	<u>10,659.05</u>	<u>254,580.32</u>
Total Liabilities and Fund Balance	<u>\$ 126,281.90</u>	<u>\$ 45,417.70</u>	<u>\$ 72,221.67</u>	<u>\$ 10,659.05</u>	<u>\$ 254,580.32</u>

Pryor School District No. I-1
Mayes County, Oklahoma
Combining Statement of Revenues Collected, Expenditures Paid and Fund Balances -
Regulatory Basis – Trusts Fund
June 30, 2023

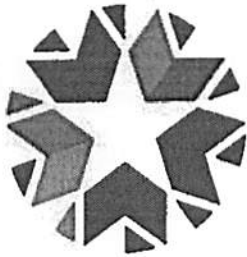
	J.W. Elam Agri Trust Fund	Phillips Schlorship Fund	Saffell Schlorship Fund	Weber Schlorship Fund	Total
Revenues:					
Local Sources	\$ 2,190.00	\$ 684.61	\$ 944.78	\$ 24,949.85	\$ 28,769.24
Expenditures:					
Non-Instruction Services	1,628.30	2,141.85	70.63	14,290.80	18,131.58
Excess (Deficit) of Revenues Over (Under) Expenditures	561.70	(1,457.24)	874.15	10,659.05	10,637.66
Fund Balance					
Beginning of Year	125,720.20	46,874.94	71,347.52	-	243,942.66
Fund Balance					
End of Year	\$ 126,281.90	\$ 45,417.70	\$ 72,221.67	\$ 10,659.05	\$ 254,580.32

OTHER DEPARTMENT OF EDUCATION REQUIRED INFORMATION

Notary Stamp

**Pryor School District No. I-1
Mayes County, Oklahoma
Oklahoma State Department of Education
Schedule of Statutory, Fidelity, and Honesty Bonds
For the Year Ending June 30, 2023**

<u>Position</u>	<u>Bonded By</u>	<u>Policy Number</u>	<u>Term</u>	<u>Amount</u>
Superintendent	Western Surety Co.	72381089	07-07-22/07-07-23	\$100,000.00
Treasurer	Western Surety Co.	72042079	07-01-22/07-01-23	\$100,000.00
Encumbrance/ Minutes Clerk	Western Surety Co.	72042072	07-01-22/07-01-23	\$100,000.00
Activity Fund Custodian	Western Surety Co.	72042082	07-01-22/07-01-23	\$100,000.00
Payroll Clerk	Western Surety Co.	72042075	07-01-22/07-01-23	\$100,000.00
Student Activities Treasurer	Western Surety Co.	72042077	07-01-22/07-01-23	\$100,000.00



OKLAHOMA Education

Audit
Acknowledgement Audit
Year: 2022-2023

District Name Pryor

District Number 1-1

County Name Mayes

County Code 46

The annual independent audit was presented to the Board of Education in a meeting conducted in accordance with the Open Meeting Act 25 O.S. Section 301-314 on Feb 5, 2024

The audit was presented by David Clanin, CPA

(Independent Auditor)

Date of Meeting

(Independent Auditor's Signature)

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

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

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

Signature of the Board of Education:

Lisa Muller
Superintendent
[Signature]
Board of Education President

[Signature]
Board of Education Vice President
[Signature]
Board of Education Member

Board of Education Member

[Signature]
Board of Education Member

[Signature]
Board of Education Member

Subscribed and sworn before me on 2/5/24
Belinda G. Jones
(Notary Public)

My Commission expires 12-10-24
Belinda G. Jones
Notary Public
State of Oklahoma
Commission #12011612

Updated 7/2023