

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

PRELIMINARY OFFICIAL STATEMENT DATED MAY 8, 2024

NEW ISSUE – Book-Entry Only

Oklahoma #1

It is anticipated that prior to delivery of the Bonds, Bond Counsel will render an opinion which states interest on the Bonds is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In addition, such interest is not treated as a preference item in calculating the alternative minimum tax imposed on individuals under the Code. Interest on the Bonds is exempt from State of Oklahoma income tax under existing law. See "TAX MATTERS" herein.

THE BONDS WILL BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS

INDEPENDENT SCHOOL DISTRICT NUMBER 99 CUSTER COUNTY, OKLAHOMA (Clinton School District)

\$2,025,000

General Obligation Building Bonds, Series 2024A

Dated: June 1, 2024

Due: June 1, As Shown Below

Interest on the \$2,025,000 Independent School District Number 99, Custer County, Oklahoma, General Obligation Building Bonds, Series 2024A (the "Bonds" or the "2024A Bonds") will accrue from June 1, 2024, (the "Dated Date") and will be payable June 1 and December 1 of each year commencing June 1, 2025, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of the Depository Trust Company ("DTC") pursuant to the Book-Entry Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the owners thereof. Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "The Bonds – Book-Entry Only System" herein. The initial Paying Agent/Registrar is UMB Bank, n.a. (the "Paying Agent/Registrar").

The 2024A Bonds constitute direct and general obligations of Independent School District No. 99 of Custer County, Oklahoma, payable from ad valorem taxes levied against all taxable property located therein, excepting homestead exemptions, without limitation as to rate or amount. The 2024A Bonds are being issued in accordance with the provisions contained in the Oklahoma Constitution, and laws of the State of Oklahoma supplementary and amendatory thereto.

MATURITY SCHEDULE

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP 231831</u>
6-1-2027	\$235,000			
6-1-2028	\$235,000			
6-1-2029	\$235,000			
6-1-2030	\$235,000			
6-1-2031	\$235,000			
6-1-2032	\$235,000			
6-1-2033	\$235,000			
6-1-2034	\$380,000			

The 2024A Bonds are offered subject to the approval of legality by the Attorney General of the State of Oklahoma and The Public Finance Law Group PLLC, Oklahoma City, Oklahoma, Bond Counsel. It is anticipated that the 2024A Bonds in definitive form will be available for delivery on or about June 27, 2024.

Financial Advisor

BOK Financial Securities, Inc.

Official Statement Dated: May __, 2024

REGARDING USE OF THE OFFICIAL STATEMENT

This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy within any jurisdiction to any person to whom it is unlawful to make such offer or solicitation within such jurisdiction. In connection with the offering of the 2024A Bonds, no dealer, salesman or any other person has been authorized to give any information or to make any representation other than contained herein. If given or made, such information or representation must not be relied upon.

The information contained in this Official Statement, including the cover page and exhibits hereto, has been obtained from public officials, official records and from other sources which are deemed to be reliable. No representation or warranty is made, however, as to the accuracy or completeness of such information and nothing contained in this Official Statement is or shall be relied upon as a promise or representation by the Financial Advisor. The delivery of this Official Statement does not at any time imply that information contained herein is correct as of any time subsequent to its date.

Any statements, contained in this Official Statement involving matters of opinion, estimations or projections, whether or not expressly so stated, are intended as such and not as representations of facts. This Official Statement shall not be construed as a contract or agreement between the Board of Education of Independent School District No. 99 of Custer County, Oklahoma, and the purchasers or holders of any of the 2024A Bonds.

FOR PURPOSES OF COMPLIANCE WITH RULE 15C2-12(B)(1) OF THE SECURITIES AND EXCHANGE COMMISSION, THIS PRELIMINARY OFFICIAL STATEMENT IS DEEMED FINAL (EXCEPT FOR PERMITTED OMISSIONS) AS OF THE DATE HEREOF; HOWEVER, IT IS SUBJECT TO REVISION, AMENDMENT AND COMPLETION AS A FINAL OFFICIAL STATEMENT.

TABLE OF CONTENTS

Introduction	1
The Bonds	1
The Clinton School District.....	6
Financial Information.....	7
Absence of Material Litigation	11
Legal Matters	11
Continuing Disclosure	11
Tax Matters	12
Global Risks	15
Ratings	15
Underwriting	15
Financial Advisor.....	15
Miscellaneous	16
Financial Statements with Auditor's Report for the Year Ended June 30, 2023.	Exhibit A
Continuing Disclosure Agreement	Exhibit B

OFFICIAL STATEMENT

INDEPENDENT SCHOOL DISTRICT NO. 99 CUSTER COUNTY, OKLAHOMA (Clinton School District)

\$2,025,000

General Obligation Building Bonds, Series 2024A

INTRODUCTION

Independent School District No. 99 of Custer County, Oklahoma, also known as the Clinton School District (the "School District") is issuing its \$2,025,000 General Obligation Building Bonds, Series 2024A (the "Bonds" or the "2024A Bonds") to provide funds for the purpose of making capital improvements and purchasing equipment within and for the benefit of the School District. The 2024A Bonds are being issued in accordance with the provisions of the Oklahoma Constitution and laws of the State of Oklahoma supplementary and amendatory thereto. The 2024A Bonds constitute direct and general obligations of the School District payable from ad valorem taxes levied against all taxable property, excepting homestead exemptions, located therein without limitation as to rate or amount.

The School District is located in west central Oklahoma, in Custer County, approximately 85 miles west of the City of Oklahoma City. The School District, encompassing approximately 139 square miles, serves the City of Clinton and the surrounding rural area in Custer and Washita Counties. According to the US Census Bureau, the estimated population of the School District as of 2022 was 9,506 people. The School District employs 165 certified teachers and has an enrollment of approximately 2,059 (as of April 2024). The School District is fully accredited by the Oklahoma State Department of Education.

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

THE BONDS

Description

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

Redemption Prior to Maturity

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

Registration

The Bonds will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository for the Bonds. Individual purchases may be made in book entry form only, in the principal amount of \$5,000 and integral multiples thereof.

Purchasers will not receive certificates representing their interest in the Bonds purchased. See “Book-Entry Only System” below.

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

Book-Entry Only System

The information in this section concerning The Depository Trust Company (“DTC”) and DTC’s Book-Entry Only system has been obtained from DTC, and the School District and the Underwriters take no responsibility for the accuracy thereof.

DTC 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) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC at the office of the Paying Agent on behalf of DTC utilizing the DTC FAST system of registration.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the

Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 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 Direct Participants with DTC (or the Paying Agent on behalf of DTC utilizing the DTC FAST system of registration) are registered in the name of DTC's partnership nominee, Cede & Co or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC (or the Paying Agent on behalf of DTC utilizing the DTC FAST system of registration) and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

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

Redemption proceeds, distributions and dividend payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the School District or the Paying Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or the School District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments on the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the School District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

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

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

Security for the Bonds

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

	<u>Custer County</u>	<u>Washita County</u>
Real Estate	11.00%	11.00%
Personal	10.00%	15.00%
Public Service Property*	22.85%	22.85%

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

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

Authority for Issuance and Purpose of Bonds

The Bonds are issued pursuant to the provisions of and in full compliance with the Constitution and Laws of the State of Oklahoma, particularly Article X, Section 26 of the Constitution of the State of Oklahoma and Title 70, Article XV of the Oklahoma Statutes 2011, and laws supplementary and amendatory thereto,

and a resolution of the Board of Education to be adopted on May 15, 2024. Under state law, school districts cannot become indebted beyond one year for an amount in excess of the income and revenue provided in such year without the approval of three-fifths (60 percent) of the voters within the district at an election held for such purpose.

2024 Authorization

The School District had a successful election on April 2, 2024. The special election authorized the issuance of a total of \$2,025,000 in bonds. The 2024A Bonds include the entire \$2,025,000 in authorized bonds from this election.

2022 Authorization

The School District had a successful election on April 5, 2022. The special election authorized the issuance of a total of \$50,850,000 in bonds. The School District has previously issued \$5,075,000 of the authorized bonds. The School District is in the process of separately issuing its General Obligation Building Bonds, Federally Taxable Series 2024B Bonds, in the principal amount of \$1,925,000, which represent the third series of bonds under this authorization. The School District anticipates issuing the remaining bonds under this authorization in varying amounts and in separate series annually through 2039.

Tax Levy and Collection Procedures

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

After review and approval by the Board of Education of the School District, copies of the Sinking Fund Estimates are submitted to the County Excise Board to determine the ad valorem tax levy appropriations. This submission is required to be made by September 1st of each year. The estimates are for the purposes of determining ad valorem taxes required to fund the Sinking Fund. The amounts contained in the estimate of needs are verified by the County Excise Board and, upon verification, the levies contained therein are ordered to be certified to the County Assessor in order that the County Assessor may extend said levies upon the tax rolls for the year for which the estimate of needs is being submitted. The County Excise Board further certifies that the appropriations contained in the estimate of needs and the mill rate levies are within the limitations provided by law.

The County Assessor is required to file a tax roll report on or before October 1st each year with the County Treasurer indicating the net assessed valuation for each municipality within the County. This report includes the assessed valuation for all real, personal and public service property (public service property assessed valuations are determined by the Oklahoma Tax Commission). The County Treasurer must begin collecting taxes by July 1. The first half of taxes is due and payable on or before January 1. The second half becomes due and payable on or before April 1. If the first half is not paid by January 1, it all becomes due and payable on January 2.

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

Record Date

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

THE CLINTON SCHOOL DISTRICT

The School District is located in west central Oklahoma, in Custer County, approximately 85 miles west of the City of Oklahoma City. The School District, encompassing approximately 139 square miles, serves the City of Clinton and the surrounding rural area in Custer and Washita Counties. According to the US Census Bureau, the estimated population of the School District as of 2022 was 9,506 people. The School District employs 165 certified teachers and has an enrollment of approximately 2,059 (as of April 2024). The School District is fully accredited by the Oklahoma State Department of Education.

Residents of the School District are employed at businesses in the City of Clinton and surrounding communities. No separate employment figures are available for the School District; however, as of March 2024 the unemployment rates for the counties included in the school district are as follows:

	Unemployment Rate
Custer County	2.7%*
Washita County	3.1%*
State of Oklahoma	3.5%
United States	3.8%

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

* Preliminary.

Source: U.S. Bureau of Labor Statistics and Oklahoma Employment Security Commission

Board of Education and School Administration

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

Board of Education

David Mosburg	President and Member
Kim Meacham	Vice President & Member
Susanna Williams	Clerk & Member
Luke Adams	Member
CaraLea Kreizenback	Member

School Administration

Tyler Bridges	Superintendent of Schools
Donna Warnick	District Treasurer

FINANCIAL INFORMATION

Compliance with Constitutional Debt Limitation

2023-24 Estimated Market Value	\$760,746,083
2023-24 Assessed Valuation, including Homestead & Other Exemptions	\$90,493,287
2023-24 Assessed Valuation, excluding Homestead & Other Exemptions	\$88,460,309

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

County	District Net Assessed Valuation	District Unadjusted Legal Debt Limit ¹	Millage Adjustment Factor	District Adjusted Legal Debt Limit ²
Custer County	\$74,172,423	\$7,417,242	1.025147	\$7,603,764
Washita County	\$14,287,886	\$1,428,789	1.026900	\$1,467,223
				<u>\$9,070,987</u>

(1) Net Assessed Valuation times 10%.

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

General Obligation Bonds Outstanding*	\$10,845,000
Less: Estimated Sinking Fund Balance (April 22, 2024)	<u>2,374,155</u>
Net General Obligation Bonds Outstanding	\$8,470,845
Remaining Legal Debt Margin	\$600,142
Ratio of Net G.O. Indebtedness to NAV	9.58%
Ratio of Net G.O. Indebtedness to Estimated Full Market Value	1.11%

* This figure is as of April 22, 2024 and includes the Bonds and the District's 2024B Bonds to be dated July 1, 2024.

Source: School District.

Authorized but Unissued Bonds

2024 Authorization

The School District had a successful election on April 2, 2024. The special election authorized the issuance of a total of \$2,025,000 in bonds. The 2024A Bonds include the entire \$2,025,000 in authorized bonds from this election.

2022 Authorization

The School District had a successful election on April 5, 2022. The special election authorized the issuance of a total of \$50,850,000 in bonds. The School District has previously issued \$5,075,000 of the authorized bonds. The School District is in the process of separately issuing its General Obligation Building Bonds, Federally Taxable Series 2024B Bonds, in the principal amount of \$1,925,000, which represent the third series of bonds under this authorization. The School District anticipates issuing the remaining bonds under this authorization in varying amounts and in separate series annually through 2039.

Composition and Growth of the Net Assessed Valuation

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

Property	Custer County	Washita County	Total	Percentage
Real Property	\$ 45,202,582	\$ 2,495,249	\$ 47,697,831	53.92%
Personal Property	\$ 18,588,589	\$ 11,230,341	\$ 29,818,930	33.71%
Public Service Property	\$ 10,381,252	\$ 562,296	\$ 10,943,548	12.37%
TOTAL	\$ 74,172,423	\$ 14,287,886	\$ 88,460,309	100.00%

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

Fiscal Year	Valuation	% Change
2023-24	\$88,460,309	5.96%
2022-23	\$83,484,142	6.11%
2021-22	\$78,678,136	-1.17%
2020-21	\$79,612,813	-1.84%
2019-20	\$81,103,792	4.61%
2018-19	\$77,530,197	3.82%
2017-18	\$74,680,266	-1.52%
2016-17	\$75,836,390	0.82%
2015-16	\$75,219,375	1.58%
2014-15	\$74,047,812	

During this period, the Net Assessed Valuation of the School District increased \$14,412,497 or 19.46%.

General Obligation Bonded Debt Outstanding*

Date of Issuance	Original Principal	Remaining Maturities	Maturity Dates	Total Outstanding
7/1/2020	\$5,165,000	\$1,820,000	7/1/2024	\$1,820,000
7/1/2022	\$3,200,000	\$800,000	7/1/24-27	\$3,200,000
7/1/2023	\$1,875,000	\$1,875,000	7/1/2025	\$1,875,000
6/1/2024	\$2,025,000	\$235,000 \$380,000	6/1/27-33 6/1/2034	\$2,025,000
7/1/2024	\$1,925,000	\$1,925,000	7/1/2026	\$1,925,000
TOTAL				\$10,845,000

*As of May 7, 2024, and includes the Bonds and the District's 2024B GO Bonds to be dated July 1, 2024.

Annual Debt Service Requirements of General Obligation Bonded Debt Outstanding

Fiscal Year	Existing Bonds ¹		2024A Bonds ²		Total New Debt Service Requirement
	Principal	Interest	Principal	Interest	
2024-2025	\$2,620,000.00	\$259,100.00		\$91,125.00	\$2,970,225.00
2025-2026	2,675,000.00	255,525.00		91,125.00	3,021,650.00
2026-2027	2,725,000.00	230,500.00	\$235,000.00	91,125.00	3,281,625.00
2027-2028	800,000.00	12,800.00	235,000.00	80,550.00	1,128,350.00
2028-2029			235,000.00	69,975.00	304,975.00
2029-2030			235,000.00	59,400.00	294,400.00
2030-2031			235,000.00	48,825.00	283,825.00
2031-2032			235,000.00	38,250.00	273,250.00
2032-2033			235,000.00	27,675.00	262,675.00
2033-2034			380,000.00	17,100.00	397,100.00
TOTAL	\$8,820,000.00	\$757,925.00	\$2,025,000.00	\$615,150.00	\$12,218,075.00

¹ As of May 7, 2024, and includes the District's Series 2024B GO Bonds to be dated July 1, 2024. The estimated average annual interest rate on the 2024B Bonds is assumed to be 5.00%.

² The average annual interest rate on the 2024A Bonds is assumed to be 4.50%.

Net Direct, Overlapping and Underlying General Obligation Bonded Indebtedness

Municipality	Amount		Ratio to Assessed	Per Capita Debt
	Net Indebtedness	Applying to School District		
Clinton School District	\$ 8,470,845.00	\$ 8,470,845.00	9.58%	\$ 891.11
City of Clinton*	\$ -	\$ -	0.00%	\$ -
Custer County*	\$ -	\$ -	0.00%	\$ -
Washita County*	\$ -	\$ -	0.00%	\$ -
TOTAL	\$ 8,470,845.00	\$ 8,470,845.00	9.58%	\$ 891.11

Figures for the School District are as of April 22, 2024 and include the Bonds and the District's 2024B Bonds to be dated July 1, 2024. Figures for all other entities are as of June 30, 2023.

* Source: *Analysis of Sinking Fund Budgets 2022-2023* compiled and published by The Municipal Rating Committee of Oklahoma, Inc.

Sinking Fund Tax Collections

Fiscal Year	Total Tax Levy	Current Tax Collections	Percentage of Levy Collected	Total Tax Collections	Percentage of Total Collected to Total Levy
2022-2023	\$1,847,568	\$1,803,036	97.59%	\$1,855,967	100.45%
2021-2022	1,607,245	1,518,267	94.46%	1,563,340	97.27%
2020-2021	1,778,243	1,730,396	97.31%	1,775,983	99.87%
2019-2020	1,780,467	1,718,803	96.54%	1,762,709	99.00%
2018-2019	1,640,369	1,577,655	96.18%	1,615,223	98.47%
2017-2018	1,505,452	1,413,615	93.90%	1,455,120	96.66%
2016-2017	1,487,782	1,437,518	96.62%	1,481,990	99.61%
2015-2016	1,383,421	1,337,381	96.67%	1,375,434	99.42%
2014-2015	1,398,126	1,336,878	95.62%	1,408,448	100.74%
2013-2014	1,205,781	1,195,818	99.17%	1,212,949	100.59%

Source: School District Administration and Budgets.

Trend of Tax Rates: Major Taxing Units*

Fiscal Year	Clinton School District	City of Clinton	Custer County	Technology Center	Total Levy
2023-24	73.31	0.00	20.56	12.31	106.18
2022-23	63.15	0.00	20.56	12.31	96.02
2021-22	61.45	0.00	20.56	12.31	94.32
2020-21	63.36	0.00	20.56	12.31	96.23
2019-20	62.97	0.00	20.56	12.31	95.84
2018-19	62.18	0.00	20.56	12.31	95.05
2017-18	61.18	0.00	20.56	12.31	94.05
2016-17	60.64	0.00	20.56	12.31	93.51
2015-16	59.41	0.00	20.56	12.31	92.28
2014-15	59.90	0.00	20.56	12.31	92.77

Source: County Assessors.

Largest Taxpayers (Custer County Only)

Taxpayer	Net Assessed Value	% of Net Assessed Value
1 Public Service Co. of Oklahoma	\$ 3,961,319	4.48%
2 Bar S Foods Co.	\$ 3,514,536	3.97%
3 Enable Products LLC 1	\$ 2,626,927	2.97%
4 A E P Oklahoma Transmission Co.	\$ 2,358,465	2.67%
5 Hills Pet Nutrition Manufacturing	\$ 2,293,274	2.59%
6 Enable Gas Gathering LLC-0	\$ 2,154,487	2.44%
7 AES Drilling Fluids	\$ 1,038,890	1.17%
8 ONEOK Gas Transportation LLC	\$ 956,735	1.08%
9 Schumacher Farms LLC	\$ 873,348	0.99%
10 HPN Manufacturing LLC	\$ 843,222	0.95%
	\$ 20,621,203	23.31%

Source: Custer County Assessor.

Retail Sales

Year	City of Clinton
2022-23	\$140,999,645
2021-22	\$133,787,231
2020-21	\$119,141,888
2019-20	\$121,687,778
2018-19	\$127,702,867
2017-18	\$126,945,911
2016-17	\$120,373,286
2015-16	\$131,461,674

Source: Oklahoma Tax Commission.

School Enrollment

Fiscal Year	Total Enrollment	Percent Change
2022-23	2,078	0.19%
2021-22	2,074	1.07%
2020-21	2,052	-5.44%
2019-20	2,170	-1.36%
2018-19	2,200	-1.17%
2017-18	2,226	1.18%
2016-17	2,200	-0.68%
2015-16	2,215	-3.90%
2014-15	2,305	-0.39%
2013-14	2,314	

As of April 22, 2024, the District's enrollment was 2,059.

Source: School District.

Population

	<u>Year</u>	<u>City of Clinton</u>
Actual	2000	8,833
	2010	9,033
	2020	8,521
Estimate	2022	8,282

Source: U.S. Census Bureau.

ABSENCE OF MATERIAL LITIGATION

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

LEGAL MATTERS

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

CONTINUING DISCLOSURE

The School District has covenanted for the benefit of Bondholders to provide certain financial and operating information for the School District not later than ten months following the end of the fiscal year in which the bonds are issued (as of the date of this document, June 30 is the end of the fiscal year), or later as such information becomes publicly available, and each fiscal year thereafter, and to provide notice of the occurrence of certain events. The specific nature of the financial information and operating data to be provided and the events for which notice must be provided is described in the Continuing Disclosure Agreement (the "Disclosure Agreement"), the form of which is attached hereto as Exhibit B.

These covenants have been made in order to assist the Underwriters in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission ("Rule 15c2-12").

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

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

Rule 15c2-12 requires that an issuer or other obligated person disclose in an official statement any instances in the previous five years in which such issuer or other obligated person failed to comply, in all material respects, with any previous undertakings in a written contract or agreement specified in paragraph (b)(5)(i) of Rule 15c2-12. In connection with certain bonds previously issued by or for the benefit of the School District, the School District agreed to provide certain annual financial information and notice of certain events pursuant to continuing disclosure undertakings similar to the Disclosure Agreement (the "Prior Undertakings"). With respect to the Clinton Public Works Authority Educational Facilities Lease Revenue Bonds (Clinton Public Schools Project), Series 2010A and Series 2010B (the "2010 Authority Lease Revenue Bonds"), the School District failed to comply with certain requirements by failing to timely file its annual financial information and operating data for the Fiscal Years ended June 30, 2017-2019, and failing to file notice of such failure. With respect to the School District's General Obligation Bonds, the School District failed to comply with certain requirements by failing to file its annual financial information and operating data for the Fiscal Year ended June 30, 2020.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Bond Counsel, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the 2024A Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the 2024A Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals under the Code; however, it should be noted that with respect to certain corporations (as defined for federal income tax purposes), for taxable years beginning before January 1, 2018, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. No federal alternative minimum tax applies to corporations for taxable years beginning after December 31, 2017. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the School District in connection with the 2024A Bonds, and Bond Counsel has assumed compliance by the School District with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the 2024A Bonds from gross income under Section 103 of the Code.

The Code provides that commercial banks, thrift institutions and other financial institutions may not deduct the portion of their interest expense allocable to tax-exempt obligations acquired after August 7,

1986, (other than certain "qualified" obligations). **The 2024A Bonds are "qualified" obligations for this purpose.**

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

Certain Ongoing Federal Tax Requirements and Covenants

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the 2024A Bonds in order that interest on the 2024A Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the 2024A Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the 2024A Bonds to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The School District has covenanted to comply with certain applicable requirements of the Code to assure the exclusion of interest on the 2024A Bonds from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the 2024A Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a 2024A Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the 2024A Bonds.

Prospective owners of the 2024A Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the 2024A Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

"Original issue discount" ("OID") is the excess of the sum of all amounts payable at the stated maturity of a 2024A Bond (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the "issue price" of a maturity (a bond with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the 2024A Bonds. In general, the issue price for each maturity of 2024A Bonds is expected to be the initial public offering price set forth on the cover page of the Official Statement. Bond Counsel further is of the opinion that, for any 2024A Bonds having OID (a "Discount Bond"), OID that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the 2024A Bonds.

In general, under Section 1288 of the Code, OID on a Discount Bond accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Bond. An owner's adjusted basis in a Discount

Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such 2024A Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Bond even though there will not be a corresponding cash payment.

Owners of Discount Bonds should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Bonds.

Bond Premium

In general, if an owner acquires a 2024A Bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the 2024A Bond after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “bond premium” on that 2024A Bond (a “Premium Bond”). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner’s yield over the remaining term of the Premium Bond determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost. Owners of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, including the 2024A Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification,” or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a 2024A Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the 2024A Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner’s federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the 2024A Bonds under federal or state law or otherwise prevent beneficial owners of the 2024A Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the 2024A Bonds.

No Other Opinion

Bond Counsel expresses no opinion regarding any other federal or state tax consequences with respect to the 2024A Bonds. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action hereafter taken or not taken, or any facts or circumstances that may hereafter come to its attention, or changes in law or in interpretations thereof that may hereafter occur, or for any other reason. Bond Counsel expresses no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for federal income tax purposes of interest on the 2024A Bonds, or under state and local tax law.

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

GLOBAL RISKS

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

RATINGS

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

UNDERWRITING

The General Obligation Building Bonds, Series 2024A are being purchased at competitive sale by _____, (the "Underwriter"). The Underwriter has agreed to purchase the 2024A Bonds at a price equal to \$_____ plus accrued interest from June 1, 2024.

FINANCIAL ADVISOR

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

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

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

MISCELLANEOUS

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

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

INDEPENDENT SCHOOL DISTRICT NO. 99
OF CUSTER COUNTY, OKLAHOMA

BY: _____
President, Board of Education

EXHIBIT A

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

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORTS
CLINTON INDEPENDENT SCHOOL
DISTRICT NO. 99
CUSTER COUNTY, OKLAHOMA
JUNE 30, 2023**

CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
CUSTER COUNTY, OKLAHOMA
JUNE 30, 2023

TABLE OF CONTENTS

School District Officials

Independent Auditor's Report

Combined Financial Statements

Combined Balance Sheet - Regulatory Basis - All Fund Types and Account Groups	Schedule 1-00
--	---------------

Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Regulatory Basis - All Governmental Fund Types	Schedule 2-00
--	---------------

Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Regulatory Basis - Budget and Actual - Budgeted Governmental Fund Types	Schedule 3-00
--	---------------

Notes to Combined Financial Statements – Regulatory Basis

Supplementary Information

Combining Financial Statements

Combining Statement of Assets, Liabilities and Fund Balances - Regulatory Basis - All Special Revenue Funds	Schedule 4-00
---	---------------

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Regulatory Basis - All Special Revenue Funds	Schedule 5-00
---	---------------

Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Regulatory Basis - Budget and Actual - All Special Revenue Funds	Schedule 6-00
---	---------------

CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
CUSTER COUNTY, OKLAHOMA
JUNE 30, 2023

TABLE OF CONTENTS, (CONTINUED)

Combing Financial Statements, (Continued)

Combining Statement of Assets, Liabilities and Fund Balances - Regulatory Basis - Capital Project Funds	Schedule 7-00
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Regulatory Basis All Capital Projects Funds	Schedule 8-00
Combining Statement of Assets, Liabilities and Fund Balances - Regulatory Basis - Fiduciary Fund Types	Schedule 9-00
Combining Statement of Changes in Assets and Liabilities - Regulatory Basis - All Agency Funds	Schedule 10-00
Schedule of Expenditures of Federal Awards.....	Schedule 11-00

Reports Required by Government Auditing Standards

Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and other Matters Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards

Independent Auditor's Report on Compliance for Each Major Federal Program and on
Internal Control over Compliance Required by the Uniform Guidance

Schedule of Findings and Questioned Costs

Summary Schedule of Prior Year Audit Findings

Other Department of Education Required Information

Schedule of Accountant's Professional Liability Insurance Affidavit

**CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
CUSTER COUNTY, OKLAHOMA
SCHOOL DISTRICT OFFICIALS
JULY 1, 2022 THROUGH JUNE 30, 2023**

Board of Education

President	Luke Adams
Vice President	David Mosburg
Clerk	Kim Meacham
Member	Dr. Floyd Simon Jr
Member	Susanna Williams

Superintendent of Schools

Tyler Bridges

School District Treasurer

Donna Warnick



BRITTON, KUYKENDALL, & MILLER
CERTIFIED PUBLIC ACCOUNTANTS

JAMES M. KUYKENDALL
RICK D. MILLER

204 E. FRANKLIN - P.O. BOX 507
WEATHERFORD, OK 73096
580-772-3596
FAX 580-772-3085

INDEPENDENT AUDITOR'S REPORT

To the Honorable Board of Education
Clinton Independent School District No. 99
Clinton, Custer County, Oklahoma

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying combined fund type and account group financial statements-regulatory basis of Clinton Independent School District No. 99, Oklahoma, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Clinton Independent School District No. 99, Oklahoma's basic financial statements as listed in the table of contents.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on Regulatory Basis of Accounting" section of our report, the combined financial statements referred to above 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 Clinton Independent School District No. 99, Oklahoma, as of June 30, 2023, and the revenues it received and expenditures it paid and encumbered for the year then ended, in accordance with the financial reporting provisions of the Oklahoma State Department of Education as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" section of our report, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Clinton Independent School District No. 99, Oklahoma, as of June 30, 2023, or the revenues, expenses, and changes in net position and, where applicable, cash flows thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of Clinton Independent School District No. 99, Oklahoma and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and qualified audit opinions.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 1, the financial statements referred to above do not include the General Fixed Asset Account Group, which is a departure from the regulatory basis of accounting prescribed or permitted by the Oklahoma State Department of Education. The amount that should be recorded in the General Fixed Asset Account Group is not known.

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

As described in Note 1 to the financial statements, the financial statements are prepared by Clinton Independent School District No. 99, Oklahoma, on the basis of the financial reporting provisions prescribed or permitted by the Oklahoma State Department of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Oklahoma State Department of Education. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions prescribed or permitted by the Oklahoma State Department of Education as described in Note 1, to meet the financial reporting requirements of the State of Oklahoma; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Clinton Independent School District No. 99, Oklahoma's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Clinton Independent School District No. 99, Oklahoma'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 Clinton Independent School District No. 99, Oklahoma's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the fund type and account group financial statements-regulatory basis that collectively comprise Clinton Independent School District No. 99, Oklahoma's basic financial statements. The accompanying combining financial statements-regulatory basis and other supplementary information and schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the

combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements-regulatory basis. The 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-regulatory basis and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the financial statements being prepared in compliance with the regulatory basis as prescribed by the Oklahoma State Department of Education as discussed in Note 1, the combining financial statements-regulatory basis and other supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the combined financial statements-regulatory basis as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2024, on our consideration of Clinton Independent School District No. 99, Oklahoma's, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Clinton Independent School District No. 99, Oklahoma's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Clinton Independent School District No. 99, Oklahoma's internal control over financial reporting and compliance.



BRITTON, KUYKENDALL & MILLER
Certified Public Accountants

Weatherford, Oklahoma
March 20, 2024

COMBINED FINANCIAL STATEMENTS
OF
CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
CUSTER COUNTY, OKLAHOMA

CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
CUSTER COUNTY, OKLAHOMA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS-REGULATORY BASIS
JUNE 30, 2023

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS				
Cash and Investments	\$ 6,671,222.86	\$ 2,951,020.70	\$ 130,889.56	\$ 1,004,010.36
Amount available in Debt Service Fund	0.00	0.00	0.00	0.00
Amount to be provided for retirement of general long-term debt	0.00	0.00	0.00	0.00
Total Assets	\$ 6,671,222.86	\$ 2,951,020.70	\$ 130,889.56	\$ 1,004,010.36
LIABILITIES AND FUND BALANCE				
Liabilities:				
Warrants payable	\$ 1,745,861.26	\$ 76,919.94	\$ 0.00	\$ 873,371.40
Encumbrances	0.00	0.00	0.00	0.00
Due to others	0.00	0.00	0.00	0.00
Capital lease payable	0.00	0.00	0.00	0.00
General obligation bonds payable	0.00	0.00	0.00	0.00
Total Liabilities	1,745,861.26	76,919.94	0.00	873,371.40
Fund Equity:				
Restricted For:				
Building Programs	0.00	2,290,995.64	0.00	0.00
Child Nutrition Programs	0.00	583,105.12	0.00	0.00
Cooperative Programs	0.00	0.00	0.00	0.00
Debt Service	0.00	0.00	130,889.56	0.00
Capital Projects	0.00	0.00	0.00	130,638.96
Unassigned	4,925,361.60	0.00	0.00	0.00
Total fund balances	4,925,361.60	2,874,100.76	130,889.56	130,638.96
Total Liabilities and Fund Balances	\$ 6,671,222.86	\$ 2,951,020.70	\$ 130,889.56	\$ 1,004,010.36

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

<u>Fiduciary Fund Types Trust and Agency</u>	<u>Account Group General Long-Term Debt</u>	<u>Total (Memorandum Only - Note 1) 2023</u>
\$ 499,016.71	\$ 0.00	\$ 11,256,160.19
0.00	130,889.56	130,889.56
<u>0.00</u>	<u>51,859,110.44</u>	<u>51,859,110.44</u>
<u>\$ 499,016.71</u>	<u>\$ 51,990,000.00</u>	<u>\$ 63,246,160.19</u>
\$ 0.00	\$ 0.00	\$ 2,696,152.60
0.00	0.00	0.00
499,016.71	0.00	499,016.71
0.00	46,970,000.00	46,970,000.00
<u>0.00</u>	<u>5,020,000.00</u>	<u>5,020,000.00</u>
<u>499,016.71</u>	<u>51,990,000.00</u>	<u>55,185,169.31</u>
0.00	0.00	2,290,995.64
0.00	0.00	583,105.12
0.00	0.00	0.00
0.00	0.00	130,889.56
0.00	0.00	130,638.96
<u>0.00</u>	<u>0.00</u>	<u>4,925,361.60</u>
<u>0.00</u>	<u>0.00</u>	<u>8,060,990.88</u>
<u>\$ 499,016.71</u>	<u>\$ 51,990,000.00</u>	<u>\$ 63,246,160.19</u>

CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
CUSTER COUNTY, OKLAHOMA
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - REGULATORY BASIS -
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2023

	Governmental Fund Types				Total (Memorandum Only - Note 1) 2023
	General	Special Revenue	Debt Service	Capital Projects	
Revenues:					
Local sources	\$ 3,511,071.40	\$ 1,152,398.46	\$ 1,890,475.15	\$ 1,316,121.71	\$ 7,870,066.72
Intermediate sources	659,530.22	0.00	0.00	0.00	659,530.22
State sources	12,475,167.00	364,922.06	2.52	0.00	12,840,091.58
Federal Sources	6,044,219.54	1,403,031.10	0.00	0.00	7,447,250.64
Total Revenues Collected	<u>22,689,988.16</u>	<u>2,920,351.62</u>	<u>1,890,477.67</u>	<u>1,316,121.71</u>	<u>28,816,939.16</u>
Expenditures:					
Instruction	11,678,271.89	0.00	0.00	0.00	11,678,271.89
Support services	9,208,449.73	187,814.93	0.00	0.00	9,396,264.66
Non - Instructional services	129,084.06	2,075,149.87	0.00	0.00	2,204,233.93
Capital Outlay	0.00	0.00	0.00	0.00	0.00
Other Outlays	260.00	0.00	0.00	4,422,982.75	4,423,242.75
Debt service:					
Principal retirement	0.00	0.00	1,760,000.00	0.00	1,760,000.00
Interest	0.00	0.00	35,800.00	0.00	35,800.00
Judgement Paid	0.00	0.00	0.00	0.00	0.00
Total Expenditures	<u>21,016,065.68</u>	<u>2,262,964.80</u>	<u>1,795,800.00</u>	<u>4,422,982.75</u>	<u>29,497,813.23</u>
Excess of revenue over (under) expenditur	1,673,922.48	657,386.82	94,677.67	(3,106,861.04)	(680,874.07)
Bond sale proceeds	0.00	0.00	0.00	3,173,500.00	3,173,500.00
Adjustments to prior year encumbrances	6,080.60	0.00	0.00	0.00	6,080.60
Excess of revenues and other sources over (under) expenditures and other uses	1,680,003.08	657,386.82	94,677.67	66,638.96	2,498,706.53
Beginning fund balance	<u>3,245,358.52</u>	<u>2,216,713.94</u>	<u>36,211.89</u>	<u>64,000.00</u>	<u>5,562,284.35</u>
Ending fund balance	<u>\$ 4,925,361.60</u>	<u>\$ 2,874,100.76</u>	<u>\$ 130,889.56</u>	<u>\$ 130,638.96</u>	<u>\$ 8,060,990.88</u>

CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
CUSTER COUNTY, OKLAHOMA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - REGULATORY BASIS
BUDGETED GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund		
	Original Budget	Final Budget	Actual
Beginning fund balances, budgetary basis	\$ 3,245,358.52	\$ 3,245,358.52	\$ 3,245,358.52
Revenues:			
Local sources	2,724,511.42	2,724,511.42	3,511,071.40
Intermediate sources	543,947.93	543,947.93	659,530.22
State sources	12,139,196.93	12,160,483.60	12,475,167.00
Federal sources	6,725,642.06	9,126,559.82	6,044,219.54
Total Revenue, budgetary basis	<u>22,133,298.34</u>	<u>24,555,502.77</u>	<u>22,689,988.16</u>
Expenditures:			
Instruction	14,389,761.47	16,811,965.90	11,678,271.89
Support services	10,840,977.36	10,840,977.36	9,208,449.73
Non - Instructional services	146,640.27	146,640.27	129,084.06
Capital Outlay	0.00	0.00	0.00
Other Outlays	1,277.76	1,277.76	260.00
Debt Service:			
Principal retirement	0.00	0.00	0.00
Interest	0.00	0.00	0.00
Judgments paid	0.00	0.00	0.00
Total Expenditures, budgetary basis	<u>25,378,656.86</u>	<u>27,800,861.29</u>	<u>21,016,065.68</u>
Excess of revenue and beginning fund balances over (under) expenditures - budgetary basis	0.00	0.00	4,919,281.00
Other financing sources (uses):			
Bond sale proceeds	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Excess of revenues and other sources over (under) expenditures and other uses	0.00	0.00	4,919,281.00
Adjustments to prior year encumbrances	<u>0.00</u>	<u>0.00</u>	<u>6,080.60</u>
Ending fund balances	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 4,925,361.60</u>

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

Special Revenue Funds			Debt Service Fund		
Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
\$ 2,216,713.94	\$ 2,216,713.94	\$ 2,216,713.94	\$ 36,211.89	\$ 36,211.89	\$ 36,211.89
544,939.99	544,939.99	1,152,398.46	1,759,588.11	1,759,588.11	1,890,475.15
0.00	0.00	0.00	0.00	0.00	0.00
64,185.67	64,185.67	364,922.06	0.00	0.00	2.52
778,982.59	926,976.86	1,403,031.10	0.00	0.00	0.00
<u>1,388,108.25</u>	<u>1,536,102.52</u>	<u>2,920,351.62</u>	<u>1,759,588.11</u>	<u>1,759,588.11</u>	<u>1,890,477.67</u>
0.00	0.00	0.00	0.00	0.00	0.00
1,659,441.13	1,659,441.13	187,814.93	0.00	0.00	0.00
1,945,381.06	2,093,375.33	2,075,149.87	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	1,760,000.00	1,760,000.00	1,760,000.00
0.00	0.00	0.00	35,800.00	35,800.00	35,800.00
0.00	0.00	0.00	0.00	0.00	0.00
<u>3,604,822.19</u>	<u>3,752,816.46</u>	<u>2,262,964.80</u>	<u>1,795,800.00</u>	<u>1,795,800.00</u>	<u>1,795,800.00</u>
0.00	0.00	2,874,100.76	0.00	0.00	130,889.56
<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
0.00	0.00	2,874,100.76	0.00	0.00	130,889.56
<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 2,874,100.76</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 130,889.56</u>

NOTES TO COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
OF
CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
CUSTER COUNTY, OKLAHOMA

CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
CUSTER COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1. **Summary of Significant Accounting Policies**

The basic financial statements of the Clinton Independent School District No. 99 (the "District") have been prepared in conformity with an other comprehensive basis of accounting as prescribed or permitted by the Oklahoma State Department of Education that conform to the system of accounting authorized by the State of Oklahoma. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America. The District's accounting policies are described in the following notes that are an integral part of the District's financial statements.

A. Reporting Entity

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

The governing body of the District is the Board of Education composed of five elected members. The appointed superintendent is the executive officer of the District. The Board, constituting an on-going entity, is the level of government which has governance responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the Local Independent School District. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. The District is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards, since Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

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

CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
CUSTER COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Summary of Significant Accounting Policies, (Continued)

Reporting Entity, (Continued)

governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the District and/or its citizens, or whether the activity is conducted within the geographic boundaries of the District and is generally available to its patrons. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, there are no potential component units included in the District's reporting entity.

B. Measurement Focus

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

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

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

Governmental Fund Types - Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (Special Revenue Funds), the acquisition or construction of general fixed assets (Capital Projects Funds), and the servicing of general long-term debt (Debt Service Funds).

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

CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
CUSTER COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Summary of Significant Accounting Policies, (Continued)

Measurement Focus, (Continued)

Special Revenue Fund - The Special Revenue Funds of the District consist of the Building Fund and Child Nutrition Fund.

Building Fund - The Building Fund consists of monies derived from property taxes levied for the purpose of erecting, remodeling, or repairing buildings and for purchasing furniture and equipment.

Child Nutrition Fund - The Child Nutrition Fund consists of monies derived from federal and state reimbursements from the National School Lunch and Breakfast programs and local food service collections and is expended on food, supplies and salaries to operate the breakfast and lunch programs.

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 earnings from temporary investments.

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

Fiduciary Fund Types

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

CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
CUSTER COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Summary of Significant Accounting Policies, (Continued)

Measurement Focus, (Continued)

Account Groups - Account groups are not funds and consist of a self-balancing set of accounts used only to establish accounting control over long-term debt and general fixed assets 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 to be provided in future years to complete retirement of the debt principal. It is also used to account for liabilities for compensated absences and early retirement incentives which are to be paid from funds provided in future years.

General Fixed Asset Account Group - This account group is used to account for property, plant and equipment of the school district. The District does not maintain a record of its general fixed assets, and accordingly, a statement of general fixed assets, required by the regulatory basis of accounting prescribed or permitted by the State Department of Education, is not included in the financial statements. Land, buildings, nonstructural improvements, and all other physical assets in all funds are considered expenditures in the year of acquisition and are not recorded as assets for financial statement purposes.

Memorandum Only - Total Column

The total column on the financial statements is captioned "memorandum only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position or results of operations 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 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 differs significantly from that required by GASB 34.

CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
CUSTER COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Summary of Significant Accounting Policies, (Continued)

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 as follows:

- Encumbrances represented by purchase orders, contracts and other commitments for the expenditure of monies are recorded as expenditures when approved.
- Investments are recorded as assets when purchased.
- School supplies are recorded as expenditures and not as inventory assets.
- Warrants payable are recorded as liabilities when issued.
- Long-term debt is recorded in the General Long-Term Debt Account Group and not in the basic financial statements.
- Accrued compensated absences are recorded as expenditures when paid and not recorded as a liability.
- Fixed assets are recorded in the General Fixed Asset Account Group and not in the basic financial statements. Fixed assets are not depreciated.
- A Management's Discussions and Analysis (MD&A) is not required to be presented when the financial statements are prepared on the regulatory basis of accounting.

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

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurements made, regardless of the measurement focus applied. All governmental type funds are accounted for using the regulatory (statutory) basis of accounting. Revenues are recognized when they are received rather than earned. Under the regulatory basis of accounting, expenditures are generally recognized when encumbered rather than at the time the related fund liability is incurred. Fiduciary type funds are accounted for using the cash basis of accounting. These practices differ from generally accepted accounting principles.

CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
CUSTER COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Summary of Significant Accounting Policies, (Continued)

D. Budgets and Budgetary Accounting

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

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.

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

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

Fixed Assets and Property, Plant and Equipment - The District has not maintained a record of general fixed assets and accordingly, a General Fixed Asset Account Group, required by the regulatory basis of accounting, prescribed by the State Board of Education, is not presented. The amount that should be recorded in the General Fixed Asset Account Group is not known. General fixed assets purchased are recorded as expenditures in the various funds at the time of purchase.

CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
CUSTER COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Summary of Significant Accounting Policies, (Continued)

Assets, Liabilities and Fund Balance, (Continued)

Compensated Absences – Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources has not been reported as an expenditure of the governmental fund that will pay it since the combined financial statements have been prepared on the regulatory basis of accounting. Vested accumulated rights to receive sick pay benefits have not been reported in the general long-term debt account group since the combined financial statements have been prepared on the regulatory basis of accounting. These practices differ from generally accepted accounting principles.

No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. Vested accumulated rights to receive sick pay benefits have not been reported in the general long-term debt account group since the amount is not material to the financial statements.

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. Certain other lease obligations not expected to be financed with current available financial resources are also reported in the general long-term debt account group.

Fund Balance – Fund balance represents the funds not encumbered by purchase order, legal contracts, and outstanding warrants. In the fund financial statements, governmental funds report the hierarchy of fund balances. The hierarchy is based primarily on the degree of spending constraints placed upon use of resources for specific purposes versus availability of appropriation. An important distinction that is made in reporting fund balance is between amounts that are considered *non-spendable* (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.

CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
CUSTER COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Summary of Significant Accounting Policies, (Continued)

Assets, Liabilities and Fund Balance, (Continued)

Fund Balance, (Continued)

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

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

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

Unassigned fund balance is the residual classification for the general fund. It represents 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 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 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 School considers committed amounts to be spent first, followed by assigned amounts and lastly unassigned amounts.

CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
CUSTER COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Summary of Significant Accounting Policies, (Continued)

F. Revenue, Expenses, and Expenditures

Property Tax Revenues and Other Local 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 roll for submission to the County Treasurer prior to October 1. The County Treasurer must commence tax collection within fifteen days of receipt of the tax rolls. The first half of taxes is due prior to January 1. The second half is due prior to April 1. If the first payment is not made timely, the entire tax becomes due and payable on January 2. Second half taxes become delinquent on April 1 of the year following the year of assessment. If not paid by the following October 1, the property is offered for sale for the amount of taxes due. The owner has two years to redeem the property by paying the taxes and penalty owed. If, at the end of two years, the owner has not done so, the purchaser is issued a deed to the property. No provision has been made for uncollected taxes, as all taxes are deemed collectable. Other local sources of revenues can include tuition, fees, rents, disposals, reimbursements, etc.

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

State Revenues - Revenues from state sources for current operations are primarily governed by the state aid formula under the provisions of Article XVIII, Title 70, Oklahoma Statutes. The State Board of Education administers the allocation of state aid funds to school districts based on information accumulated from the districts. After review and verification of reports and supporting documentation, the State Department of Education may adjust subsequent fiscal period allocations of money for prior year errors disclosed by review. Normally, such adjustments are treated as reductions or additions of revenue of the year when the adjustments are made.

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

CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
CUSTER COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Summary of Significant Accounting Policies, (Continued)

Revenues, Expenses, and Expenditures, (Continued)

Federal Revenues – Federal revenues consist of revenues from the federal government in the form of operating grants or entitlements. An operating grant is a contribution to be used for a specific purpose, activity or facility. A grant may be received either directly from the federal government or indirectly as a pass through from another government, such as the state. Entitlement is the amount of payment to which the District is entitled pursuant to an allocation formula contained in applicable statutes. The majority of the federal revenues received by the District are apportioned to the general fund. The District may maintain a separate child nutrition fund and the federal revenues received for the child nutrition programs would be apportioned there.

Non-Monetary Transactions – The District receives commodities from the U.S. Department of Agriculture. The value of these commodities has been included in the Schedule of Expenditures of Federal Awards; however, they have not been reflected in the combined financial statements as either revenue or expense since they are not reported under the regulatory basis of accounting.

Interfund Transactions - Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund or expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers. There were no operating transfers or residual equity transfers during fiscal year 2023.

G. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders and other commitments of resources are recorded as expenditures of the applicable fund, is utilized in all governmental funds of the District. Appropriations not used or encumbered will lapse at the end of the year.

CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
CUSTER COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

2. **Cash and Investments**

The District's investment policies are governed by state statute. Permissible investments include direct obligations of the United States Government and Agencies; certificates of deposit of savings and loan associations, and bank and trust companies; and savings accounts or savings certificates of savings and loan associations, and trust companies. Collateral is required for demand deposits and certificates of deposit for all amounts not covered by federal deposit insurance.

Custodial Credit Risk – Custodial credit risk exists when the District holds deposits or investments that are uninsured and uncollateralized. The District's cash deposits and investments at financial institutions as of June 30, 2023 was \$11,256,160.19. The District's cash deposits, including interest-bearing certificates of deposit, are entirely covered by Federal Depository Insurance (FDIC) or direct obligations of the U.S. Government insured or collateralized with securities held by the District or by its agent in the District's name

Investment Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

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

**CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
CUSTER COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Cash and Investments, (Continued)

Investment Credit Risk, (Continued)

The cash and investments held by the District at year end are as follows:

	<u>Average Maturity (Months)</u>	<u>Credit Rating</u>	<u>Market Value</u>	<u>Cost</u>
Money Market	N/A	N/A	\$ 11,256,160.19	\$ 11,256,160.19
Certificates of Deposit	6	N/A	<u>0.00</u>	<u>0.00</u>
Total			<u>\$ 11,256,160.19</u>	<u>\$ 11,256,160.19</u>

Concentration of Investment Credit Risk – Exposure to concentration of investment credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the District. 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 this consideration. The District places no limit on the amount it may invest in any one issuer. The District had no concentration of credit risk as defined above.

3. **Interfund Receivables and Payables**

There were no interfund receivable or payables at June 30, 2023.

4. **Investment Income**

Investment income deposits are receipted as allocated by the Treasurer. School District Funds held by the Treasurer are required to be invested in accordance with Title 70 of the Oklahoma Statutes. Interest income on cash funds totaled \$349,550.87.

5. **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.

CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
CUSTER COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

General Long-term Debt, (Continued)

General long-term debt of the District consists of bonds payable and capital leases. Obligations for compensated absences, and early retirement incentives have not been presented. Debt service requirements for bonds are payable solely from fund balance and future revenues of the Debt Service Fund. Capital leases can be paid from the District's general fund, building fund and capital projects funds.

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

	<u>Bonds Payable</u>	<u>Capital Leases</u>	<u>Total</u>
Balance 7/1/22	\$ 3,580,000.00	\$ 0.00	\$ 3,580,000.00
Additions	3,200,000.00	46,970,000.00	50,170,000.00
Retirements	<u>(1,760,000.00)</u>	<u>0.00</u>	<u>(1,760,000.00)</u>
Balance 6/30/23	\$ <u>5,020,000.00</u>	\$ <u>46,970,000.00</u>	\$ <u>51,990,000.00</u>

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

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
General Obligation of 2022	3-4.00%	7/1/27	\$ 3,200,000.00	\$ 3,200,000.00
General Obligation of 2020	1.00%	7/1/24	<u>5,165,000.00</u>	<u>1,820,000.00</u>
			<u>\$ 8,365,000.00</u>	<u>\$ 5,020,000.00</u>

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

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
6/30/24	\$ 0.00	\$ 9,100.00	\$ 9,100.00
6/30/25	2,620,000.00	259,100.00	2,879,100.00
6/30/26	800,000.00	62,400.00	862,400.00
6/30/27	800,000.00	38,000.00	838,000.00
6/30/28	<u>800,000.00</u>	<u>12,800.00</u>	<u>812,800.00</u>
	\$ <u>5,020,000.00</u>	\$ <u>381,400.00</u>	\$ <u>5,401,400.00</u>

CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
CUSTER COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

General Long-term Debt, (Continued)

Interest expense on long-term debt on bond issues paid during the current year totaled \$35,800.00.

The District has entered into lease agreements as lessee, that qualify as capital leases for accounting purposes since title transfers at the end of the lease term and it has been recorded at the present value of the future minimum lease payments. The lease contains a clause, which gives the District the ability to terminate the lease agreements at the end of each fiscal year. The District records any current year payments on capital leases as expenditures and records a liability for future lease payment in the general long-term debt account group.

As disclosed in Note 1 of the financial statements, the District does not record fixed assets in the financial statements. Consistent with this, the District has not recorded the lease equipment as assets in the General Fixed Assets Account Group. The District has recorded the liability for future lease payments in the General Long-term Debt Account Group. The District has entered into lease agreements as lessee, that qualify as capital leases for accounting purposes since title transfers at the end of the lease term and it has been recorded at the present value of the future minimum lease payments. The lease contains a clause, which gives the District the ability to terminate the lease agreements at the end of each fiscal year. The District records any current year payments on capital leases as expenditures and records a liability for future lease payment in the general long-term debt account group.

The District voters authorized and approved an amount not to exceed \$50,850,000.00 in general obligation bonds during a special election on April 5, 2022. The bond proceeds are to be used for a new Junior High School, a multi-classroom addition to include a safe room at Nance Elementary School, and a multi-classroom addition to include a safe room at Southwest Elementary School. The District has entered into an agreement with the Clinton Public Works Authority to lease certain real property which in turn will be subleased to the District to be known as Clinton Public Works Authority Educational Facilities Lease Revenue Bonds (Clinton Public Schools Project) Series 2022. The Authority issued bonds in the aggregate principal amount of \$30,885,000.00. Together with the Districts 2022 GO Bonds the amounts are expected to fund the improvement costs. A lease purchase agreement was approved and authorized between the Authority and District. The District intends to issue the voter approved bonds over the next seventeen years. Monies derived from the issuance are to be used to make lease purchase acquisition payments under the sublease.

CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
CUSTER COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

A brief description of the outstanding lease purchases at June 30, 2023, is set forth below:

	<u>Final Payment</u>	<u>Interest Rate</u>	<u>Total Acquisition Payment</u>	<u>Amount Outstanding</u>
Clinton Public Works Authority Lease Revenue Bonds Series 2022	10/1/39	4.250824%	\$ 46,970,000.00	\$ 46,970,000.00
Total Capital Lease			<u>\$ 46,970,000.00</u>	<u>\$ 46,970,000.00</u>

Presented below is a schedule of future minimum lease obligations as follows:

<u>Year Ending</u>	<u>Lease Payment</u>	<u>Total</u>
6/30/2024	\$ 1,835,000.00	\$ 1,835,000.00
6/30/2025	1,885,000.00	1,885,000.00
6/30/2026	1,910,000.00	1,910,000.00
6/30/2027	2,725,000.00	2,725,000.00
6/30/2028	2,755,000.00	2,755,000.00
2029/2033	14,300,000.00	14,300,000.00
2034/2038	15,210,000.00	15,210,000.00
2039/2043	6,350,000.00	6,350,000.00
Totals	<u>\$ 46,970,000.00</u>	<u>\$ 46,970,000.00</u>

Interest expense on long-term debt on lease purchases paid during the current year totaled \$0.00.

6. Employee Retirement System

Plan Description - The District participates in the state-administered Oklahoma Teachers' Retirement System (the "System"), which is a cost-sharing, multiple-employer public employee retirement system (PERS) and is administered by the Board of Trustees of the System. The System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Oklahoma State Statutes establishes benefit provisions and may be amended only through legislative action. The System issues a publicly available financial report that includes 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.

CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
CUSTER COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Employee Retirement System, (Continued)

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

Funding Policy - Under the System, contributions are made by the District, the State of Oklahoma, and the participating employees. 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. The contribution rates for the District, which are not actuarially determined, and its employees are established by statute and applied to the employee's earnings, plus employer-paid fringe benefits. The District is required by statute to contribute 9.5% of applicable compensation effective January 1, 2011 and thereafter. The District is allowed by the Oklahoma Teacher's Retirement System to make the required contributions on behalf of the participating members. The required contribution for participating members is 7.0% of each member's total compensation. Contributions received by the System from the State of Oklahoma are used to offset required employer contributions by the local school district. In addition, if a member's salary is paid in part by federal or private funds, the contribution on that portion of the salary paid by those funds must be matched by the District at 7.70%. 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.

Annual Pension Cost - The District's contributions to the System for the years ending June 30, 2023, 2022, and 2021 were \$1,109,382.40, \$1,082,820.43, and \$1,024,173.74, respectively.

CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
CUSTER COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

7. **Risk Management**

The District purchases commercial insurance policies covering property casualty loss, public liability, school board member and administrator liability, and workers compensation. The District also purchases surety bonds for employees in all positions required by state law to be bonded. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District.

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; or acts of God. The District purchases commercial insurance to cover these risks, including general and auto liability, property damage, and public officials liability. Settled claims resulting from these risks have not exceeded the commercial insurance coverage for the current year or three prior 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 professional standards, the School reports the required contribution to the pool, net of refunds, as insurance expense. The risk pool is the Oklahoma School Assurance Group (OSAG), an organization formed for the purpose of providing workers' compensation coverage to participating schools in the State of Oklahoma.

In that capacity, OSAG is responsible for providing loss control services and certain fiscal activities, including obtaining contract arrangements for the underwriting, excess insurance agreements, claims processing, and legal defense for any and all claims submitted to them during the plan year. As a member of OSAG the District is required to pay fees set by OSG according to an established payment schedule. A portion of the fees paid by the District goes into a loss fund for the District. The fee for the loss fund is calculated by projecting losses based on the schools losses for the last five years. OSAG provides coverage in excess of the loss fund so the District's liability for claim loss is limited to the balance of the loss fund. If the District does not use their loss fund in three years it is returned to them with no interest.

The District is also a member of the Oklahoma Public Schools Unemployment Compensation Program. In this program the District is required to contribute 1.6% of their taxable payroll for unemployment insurance. The funds for each district are kept separate and districts can contribute more than 1.6% of their payroll if they elect to. The money contributed 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.

**CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
CUSTER COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

8. **Unpaid Vacation, Sick Leave Benefits, and Health Care Coverage**

The District provides sick leave benefits to the certified staff in accordance with Title 70, Article 6-104, of the Oklahoma Statutes, which provides for an annual accrual of sick leave of ten days and personal business days accrual of three days. Ten days are allowed to accumulate up to a total of sixty days per employee. None of the benefits are payable upon retirement or death.

During the year ended June 30, 2023, employees of the Clinton Independent School District No. 99, Oklahoma, were covered by a health insurance plan (the Plan). The teachers and support personnel may elect to be covered by the Plan. The Plan was authorized by House Bill 1731, 1988 Oklahoma Legislature (74 O.S. 1988, Supp. Section 1301-1322) with the Oklahoma State and Education Employers Group Insurance Board.

9. **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.

10. **Surety Bonds**

The superintendent is bonded by Ohio Casualty Insurance Company, bond number 999054959, for the penal sum of \$100,000.00 for the term of July 1, 2022 to July 1, 2023.

The treasurer is bonded by Ohio Casualty Insurance Company, bond number 601092124, for the penal sum of \$500,000.00 for the term of July 1, 2022 to July 1, 2023.

The assistant treasurer is bonded by Ohio Casualty Insurance Company, bond number 999005990, for the penal sum of \$200,000.00 for the term of July 1, 2022 to July 1, 2023.

The minute clerk is bonded by Ohio Casualty Insurance Company, bond number 601108010, for the penal sum of \$10,000.00 for the term of July 2, 2022 to July 2, 2023.

The athletic director is bonded by Western Surety Company, bond number 63659548, for the penal sum of \$10,000.00 for the term of July 1, 2022 to July 1, 2023.

CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
CUSTER COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Surety Bonds, Continued

The District has a public employee schedule bond with The Ohio Casualty Insurance Company, bond number LSF041339 in the amount of \$55,000.00 for the period of July 1, 2022 to July 30, 2023. The bond covers the following positions for the amounts listed: Elementary Secretary - \$5,000.00; Elementary Secretary - \$5,000.00; Elementary Secretary - \$5,000.00; Middle School Secretary - \$10,000.00; High School Secretary - \$10,000.00; Secretary - \$5,000.00; Encumbrance Clerk- \$5,000.00; and Activity Fund Custodian- \$10,000.00.

11. Use of Estimates

The preparation of financial statements in conformity with the regulatory basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

12. Subsequent Events

Management has evaluated subsequent events through March 20, 2024, which is the date the financial statements were available to be issued and have determined that no additional information needs to be added to the financial statements.

SUPPLEMENTARY INFORMATION
OF
CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
CUSTER COUNTY, OKLAHOMA

COMBINING FINANCIAL STATEMENTS
OF
CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
CUSTER COUNTY, OKLAHOMA

CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
 CUSTER COUNTY, OKLAHOMA
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
 - REGULATORY BASIS - ALL SPECIAL REVENUE FUNDS
 JUNE 30, 2023

	Building Fund	Child Nutrition Fund	Totals 2023
<u>ASSETS</u>			
Cash and Investments	\$ 2,290,995.64	\$ 660,025.06	\$ 2,951,020.70
Total Assets	\$ 2,290,995.64	\$ 660,025.06	\$ 2,951,020.70
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Warrants payable	\$ 0.00	\$ 76,919.94	\$ 76,919.94
Encumbrances	0.00	0.00	0.00
Total Liabilities	0.00	76,919.94	76,919.94
 Total fund balances - Restricted	 2,290,995.64	 583,105.12	 2,874,100.76
Total Liabilities and Fund Balances	\$ 2,290,995.64	\$ 660,025.06	\$ 2,951,020.70

CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
 CUSTER COUNTY, OKLAHOMA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - REGULATORY BASIS -
 ALL SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	Building Fund	Child Nutrition Fund	Totals 2023
Revenues:			
Local sources	\$ 957,907.40	\$ 194,491.06	\$ 1,152,398.46
Intermediate sources	0.00	0.00	0.00
State sources	250,801.72	114,120.34	364,922.06
Federal Sources	0.00	1,403,031.10	1,403,031.10
Total Revenues Collected	<u>1,208,709.12</u>	<u>1,711,642.50</u>	<u>2,920,351.62</u>
Expenditures:			
Instruction	0.00	0.00	0.00
Support services	187,814.93	0.00	187,814.93
Non - Instructional services	0.00	2,075,149.87	2,075,149.87
Capital Outlay	0.00	0.00	0.00
Other Outlays	0.00	0.00	0.00
Total Expenditures	<u>187,814.93</u>	<u>2,075,149.87</u>	<u>2,262,964.80</u>
Excess of revenue over (under) expenditures	1,020,894.19	(363,507.37)	657,386.82
Adjustments to prior year encumbrances	0.00	0.00	0.00
Beginning fund balance	<u>1,270,101.45</u>	<u>946,612.49</u>	<u>2,216,713.94</u>
Ending fund balance	<u>\$ 2,290,995.64</u>	<u>\$ 583,105.12</u>	<u>\$ 2,874,100.76</u>

CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
CUSTER COUNTY, OKLAHOMA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - REGULATORY BASIS
ALL SPECIAL REVENUE FUNDS
JUNE 30, 2023

	Building Fund			Child Nutrition Fund		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
Beginning fund balances, budgetary basis	\$ 1,270,101.45	\$ 1,270,101.45	\$ 1,270,101.45	\$ 946,612.49	\$ 946,612.49	\$ 946,612.49
Revenues:						
Local sources	389,339.68	389,339.68	957,907.40	155,600.31	155,600.31	194,491.06
Intermediate sources	0.00	0.00	0.00	0.00	0.00	0.00
State sources	0.00	0.00	250,801.72	64,185.67	64,185.67	114,120.34
Federal sources	0.00	0.00	0.00	778,982.59	926,976.86	1,403,031.10
Total Revenue, budgetary basis	389,339.68	389,339.68	1,208,709.12	998,768.57	1,146,762.84	1,711,642.50
Expenditures:						
Instruction	0.00	0.00	0.00	0.00	0.00	0.00
Support services	1,659,441.13	1,659,441.13	187,814.93	0.00	0.00	0.00
Non - Instructional services	0.00	0.00	0.00	1,945,381.06	2,093,375.33	2,075,149.87
Capital Outlay	0.00	0.00	0.00	0.00	0.00	0.00
Other Outlays	0.00	0.00	0.00	0.00	0.00	0.00
Total Expenditures, budgetary basis	1,659,441.13	1,659,441.13	187,814.93	1,945,381.06	2,093,375.33	2,075,149.87
Excess of revenue and beginning fund balances over (under) expenditures - budgetary basis	0.00	0.00	2,290,995.64	0.00	0.00	583,105.12
Other financing sources (uses):						
Bond sale proceeds	0.00	0.00	0.00	0.00	0.00	0.00
Excess of revenues and other sources over (under) expenditures and other uses	0.00	0.00	2,290,995.64	0.00	0.00	583,105.12
Adjustments to prior year encumbrances	0.00	0.00	0.00	0.00	0.00	0.00
Ending fund balances	\$ 0.00	\$ 0.00	\$ 2,290,995.64	\$ 0.00	\$ 0.00	\$ 583,105.12

CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
 CUSTER COUNTY, OKLAHOMA
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
 - REGULATORY BASIS - CAPITAL PROJECT FUNDS
 JUNE 30, 2023

	<u>Building Bond</u>	<u>Totals 2023</u>
<u>ASSETS</u>		
Cash and Investments	\$ 1,004,010.36	\$ 1,004,010.36
Total Assets	\$ <u>1,004,010.36</u>	\$ <u>1,004,010.36</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Warrants Payable	\$ 873,371.40	\$ 873,371.40
Encumbrances	<u>0.00</u>	<u>0.00</u>
Total Liabilities	<u>873,371.40</u>	<u>873,371.40</u>
 Total fund balances - Restricted	 <u>130,638.96</u>	 <u>130,638.96</u>
Total Liabilities and Fund Balances	\$ <u>1,004,010.36</u>	\$ <u>1,004,010.36</u>

CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
 CUSTER COUNTY, OKLAHOMA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - REGULATORY BASIS -
 CAPITAL PROJECT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	Building Bond	Totals 2023
Revenues:		
Local sources	\$ 1,316,121.71	\$ 1,316,121.71
Total Revenues Collected	<u>1,316,121.71</u>	<u>1,316,121.71</u>
Expenditures:		
Instruction	0.00	0.00
Support Services	0.00	0.00
Non-Instructional Services	0.00	0.00
Capital Outlay	<u>4,422,982.75</u>	<u>4,422,982.75</u>
Total Expenditures	<u>4,422,982.75</u>	<u>4,422,982.75</u>
Excess of revenue over (under) expenditures	(3,106,861.04)	(3,106,861.04)
Bond Proceeds	<u>3,173,500.00</u>	<u>3,173,500.00</u>
Excess of revenue and other sources over (under) expenditures and other uses	66,638.96	66,638.96
Beginning fund balance	<u>64,000.00</u>	<u>64,000.00</u>
Ending fund balance	<u>\$ 130,638.96</u>	<u>\$ 130,638.96</u>

CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
 CUSTER COUNTY, OKLAHOMA
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
 - REGULATORY BASIS - FIDUCIARY FUNDS
 JUNE 30, 2023

	<u>Agency Fund Activity Funds</u>	<u>Totals 2023</u>
<u>ASSETS</u>		
Cash and Investments	\$ 499,016.71	\$ 499,016.71
Total Assets	<u>\$ 499,016.71</u>	<u>\$ 499,016.71</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Due to others	\$ 499,016.71	\$ 499,016.71
Total Liabilities	<u>499,016.71</u>	<u>499,016.71</u>
Total fund balances	<u>0.00</u>	<u>0.00</u>
Total Liabilities and Fund Balances	<u>\$ 499,016.71</u>	<u>\$ 499,016.71</u>

CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
CUSTER COUNTY, OKLAHOMA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
- REGULATORY BASIS - ALL AGENCY FUNDS
July 1, 2022 through June 30, 2023

<u>ASSETS</u>	Beginning Balance As of 7-1-22	Total Receipts	Total Adjustments	Total Disbursements	Ending Balance As of 6-30-23
<u>ACTIVITIES</u>					
Child Nutrition Account	\$ 0.00	\$ 15,391.05	\$ 69,614.47	\$ 85,005.52	\$ 0.00
CPSF Grant	2,727.30	48,382.54	2,340.05	47,545.98	5,903.91
Interest	14,767.70	19,518.00	21,639.33	23,656.76	32,268.27
Petty Cash	0.00	200.00	0.00	200.00	0.00
Special Olympics	283.10	0.00	0.00	0.00	283.10
General Fund Refund Account	0.00	170.00	0.00	170.00	0.00
Indian Education Activity Account	0.00	1,045.50	0.00	0.00	1,045.50
Gifts & Rewards	4,399.88	90,329.85	1,085.00	59,597.71	36,217.02
Facility Rentals	0.00	0.00	0.00	0.00	0.00
Tiny Tornadoes Child Center	6,658.40	64,150.00	0.00	64,948.00	5,860.40
Holiday Feed Account	4,113.88	1,075.00	0.00	2,307.94	2,880.94
Summer Playground 2.0	0.00	12,180.00	0.00	12,180.00	0.00
Drivers Education	0.00	10,300.00	0.00	10,300.00	0.00
Anytime Fitness Acct	662.50	8,397.50	0.00	8,394.00	666.00
CPS Memorial Fund	380.70	0.00	0.00	0.00	380.70
Clinton Class of 2023	0.00	22,068.00	4,898.70	24,102.87	2,863.83
Clinton Class of 2026	1,880.00	0.00	0.00	0.00	1,880.00
Clinton Class of 2027	0.00	2,610.00	0.00	504.00	2,106.00
Clinton Class of 2028	2,450.00	0.00	0.00	1,234.00	1,216.00
Nance Elementary	53,473.54	20,501.54	519.80	25,394.70	49,100.18
Nance Teacher Fund	1,106.98	972.00	0.00	1,020.46	1,058.52
Elementary Yearbook Account	827.92	2,192.00	0.00	2,236.88	783.04
Washington Elementary	12,454.86	24,146.46	233.24	26,681.32	10,153.24
WES Teacher Fund	1,685.62	660.00	50.00	449.81	1,945.81
Southwest Elementary	31,703.42	22,435.30	105.23	24,401.48	29,842.47
Southwest Teacher Fund	37.44	700.00	0.00	693.02	44.42
CMS General Activity	3,562.76	3,024.69	449.15	4,997.49	2,039.11
CMS Academics	1,087.48	2,593.41	0.00	2,405.16	1,275.73
CMS Athletics	5,585.48	27,050.00	1,209.00	28,161.85	5,682.63
CMS Band	757.99	43,119.34	(285.00)	40,308.18	3,284.15
CMS Teacher Fund	148.10	710.00	0.00	673.14	184.96
CMS Newspaper/Annual	4,171.58	1,281.00	0.00	1,489.69	3,962.89
CMS Student Council	1,448.36	118.00	0.00	291.79	1,274.57
CMS Vocal Music	2,524.79	4,458.00	(443.00)	4,518.22	2,021.57
CMS Whirlwinds	2,069.91	11,947.50	1,118.00	12,720.64	2,414.77
Technology Education	62.64	0.00	0.00	0.00	62.64
CMS Food Bank	6,086.05	0.00	0.00	625.39	5,460.66
CMS Art	86.10	0.00	0.00	79.04	7.06
CMS Cheerleaders	2,793.61	12,200.30	(980.00)	8,859.63	5,154.28
Class of 2025	1,269.88	0.00	0.00	0.00	1,269.88
CMS C-Tap	100.00	0.00	0.00	68.81	31.19
CMS Outdoor ED/Archery	0.00	390.00	56.00	445.17	0.83
National Honor Society	2,712.98	2,281.93	(250.00)	3,143.56	1,601.35
Literary Club	1,023.03	0.00	0.00	0.00	1,023.03
CHS Annual	2,522.31	2,639.52	0.00	2,789.99	2,371.84
CHS Art	1,270.09	0.00	0.00	1,068.85	201.24

CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
CUSTER COUNTY, OKLAHOMA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
- REGULATORY BASIS -
ALL AGENCY FUNDS (CONTINUED)
July 1, 2022 through June 30, 2023

<u>ASSETS</u>	Beginning Balance As of 7-1-22	Total Receipts	Total Adjustments	Total Disbursements	Ending Balance As of 6-30-23
<u>ACTIVITIES</u>					
CHS Athletics	\$ 31,857.66	\$ 70,895.49	\$ 1,629.70	\$ 73,411.91	\$ 30,970.94
CHS Band	15,363.67	13,749.00	0.00	13,182.40	15,930.27
CHS Commons	3,672.59	0.00	0.00	760.49	2,912.10
CHS General Activity	8,476.75	13,185.79	45.42	9,683.77	12,024.19
CHS DECA (Broadcast)	879.51	8,889.00	490.65	8,977.55	1,281.61
CHS Teacher Fund	33.51	570.00	0.00	100.00	503.51
CHS FFA	6,670.58	77,280.00	(35.00)	74,658.42	9,257.16
CHS FCCLA	6,177.36	10,204.85	0.00	9,593.74	6,788.47
CHS Food Pantry	1,184.17	0.00	0.00	431.50	752.67
CHS Hispanic Club	1,414.41	0.00	0.00	0.00	1,414.41
Sociedad Honoraria Hispanica	275.10	0.00	0.00	0.00	275.10
CHS Science Club	610.06	33.00	0.00	109.93	533.13
CHS Legal Team	100.69	11,337.00	0.00	6,783.78	4,653.91
CHS Newspaper	37.60	0.00	27.80	55.60	9.80
CHS Cheerleaders	8,917.76	30,763.00	90.00	31,789.34	7,981.42
CHS Business Clothes Closet	0.00	0.00	0.00	0.00	0.00
CHS Weight Room	2,310.96	0.00	0.00	2,294.26	16.70
CHS Student Council	298.36	2,690.00	0.00	2,829.53	158.83
CHS Vocal Music	13,456.98	86,853.00	920.00	96,298.48	4,931.50
CHS C-Tap	0.00	0.00	0.00	0.00	0.00
CHS BPA	998.30	0.00	0.00	80.00	918.30
Key Club	2,413.54	850.00	58.00	947.84	2,373.70
Class of 2023/Senior	3,188.41	1,534.60	(210.30)	2,710.72	1,801.99
Class of 2024/Junior	0.00	6,334.16	1,026.97	4,767.43	2,593.70
Class of 2025/Sophomore	0.00	0.00	0.00	0.00	0.00
Class of 2026/Freshman	0.00	0.00	0.00	0.00	0.00
Whirlwind Booster Club	5,310.68	13,784.05	(186.00)	13,920.35	4,988.38
Clinton Cheer Booster Club	4,488.77	9,495.83	(35.00)	10,860.76	3,088.84
Clinton Wrestling Booster Club	29,880.11	30,722.99	74.48	27,032.34	33,645.24
CHS Football Booster Club	42,349.25	64,494.00	2,652.87	61,913.62	47,582.50
CHS Baseball Booster Club	13,485.08	20,630.84	250.00	19,490.60	14,875.32
CHS Basketball Booster Club	2,785.31	37,577.86	770.00	29,192.59	11,940.58
CHS Softball Booster Club	5,634.40	6,457.00	290.00	5,444.99	6,936.41
CHS Volleyball Booster Club	8,398.41	13,800.52	200.00	15,694.70	6,704.23
CHS Soccer Booster Club	16,695.72	36,947.67	10,508.82	48,482.45	15,669.76
Clinton Band Booster Club	5,338.43	17,178.81	231.69	16,041.79	6,707.14
CHS Tennis Booster Club	2,536.29	0.00	0.00	300.69	2,235.60
CHS Track Booster Club	1,579.74	10,761.86	1,400.00	8,767.42	4,974.18
CHS Golf Booster Club	1,269.14	9,806.00	1,258.00	8,289.88	4,043.26
CHS Baseball Booster Trip	814.94	0.00	0.00	0.00	814.94
CHS Slow Pitch Softball	323.19	0.00	0.00	0.00	323.19
Clinton E-Sports Account	0.00	1,626.00	0.00	1,046.00	580.00
TOTAL ASSETS	\$ 428,123.81	\$ 1,087,690.75	\$ 122,818.07	\$ 1,139,615.92	\$ 499,016.71
<u>LIABILITIES</u>					
Due to Student Groups	\$ 428,123.81	\$ 1,087,690.75	\$ 122,818.07	\$ 1,139,615.92	\$ 499,016.71
TOTAL LIABILITIES	\$ 428,123.81	\$ 1,087,690.75	\$ 122,818.07	\$ 1,139,615.92	\$ 499,016.71

CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
CUSTER COUNTY, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass Through Grantor/Program Title	Federal Assistance Listing Number	Project Reporting Number	Program Approved Amount	Balance at July 1, 2022	Receipts	Expenditures	Balance at June 30, 2023
U.S. Department of Education Direct Programs:							
Title VI Part A Indian Education	84.060	561	\$ 86,485.00	\$ 0.00	\$ 59,009.13	\$ 86,485.00	\$ (27,475.87)
Title VIII - Impact Aid	84.041	591	1,113,382.40	655,997.40	457,385.00	490,429.74	622,952.66
Title VIII - Impact Aid	84.041	592	82,459.42	73,497.42	9,962.00	625.29	82,834.13
Passed-through State Department of Education:							
2021-2022 Programs							
Title I, Part A	84.010	511	0.00	(77,259.39)	77,259.39	0.00	0.00
Title I, Part E, OK Strvg Rdrs Comp Litrcy Intve	84.374	538	0.00	(736.77)	736.77	0.00	0.00
Title II-Part A Training & Recruitment	84.367	541	0.00	(18,069.06)	18,069.06	0.00	0.00
Title IV 21st Century ESSER Summer Learning I	84.425U	558	0.00	(32,761.36)	32,761.36	0.00	0.00
Title IV 21st Century ESSER Comprehensive Aft	84.425U	559	0.00	(15,688.52)	15,688.52	0.00	0.00
Title III - Part A Language	84.365	572	0.00	(6,050.18)	6,050.18	0.00	0.00
Title IX - Education for Homeless	84.196	596	0.00	(11,722.22)	11,722.22	0.00	0.00
COVID 19 CDC Reopening Schools	93.323	723	0.00	(10,729.01)	10,729.01	0.00	0.00
COVID 19 CARES ESSER I Formula	84.425D	788	0.00	(4,376.25)	4,376.25	0.00	0.00
COVID 19 CRRSA ESSER II Formula	84.425D	793	0.00	(212,205.37)	212,205.37	0.00	0.00
COVID 19 ARP ESSER III	84.425U	795	0.00	(287,453.34)	287,453.34	0.00	0.00
COVID 19 ARP ESSER Homeless I	84.425U	796	0.00	(10,682.57)	10,682.57	0.00	0.00
IDEA-B Flowthrough	84.027	621	0.00	(56,954.92)	56,954.92	0.00	0.00
COVID 19 ARP IDEA-B Flowthrough	84.027X	628	0.00	(5,380.68)	5,380.68	0.00	0.00
IDEA-B Preschool	84.173	641	0.00	(47.61)	47.61	0.00	0.00
2022-2023 Programs							
Title I, Part A	84.010	511	1,074,746.85	0.00	877,849.43	955,076.14	(77,226.71)
Title II-Part A Training & Recruitment	84.367	541	95,455.30	0.00	74,449.48	82,247.00	(7,797.52)
Title IV 21st Century Part B Community Learning	84.287	553	300,000.00	0.00	113,155.18	208,855.68	(95,700.50)
Title IV 21st Century ESSER Summer Learning I	84.425U	558	141,520.64	0.00	19,028.98	41,073.91	(22,044.93)
Title IV 21st Century ESSER Comprehensive Aft	84.425U	559	153,448.48	0.00	85,008.49	107,763.11	(22,754.62)
Title III - Part A Language	84.365	572	50,735.64	0.00	43,472.52	49,526.68	(6,054.16)
Title IX - Education for Homeless	84.196	596	40,766.54	0.00	30,530.06	39,783.86	(9,253.80)
COVID 19 CDC Reopening Schools	93.323	723	456,433.56	0.00	292,144.73	456,433.56	(164,288.83)
COVID 19 Title IV ARP ESSER III Teacher Stipe	84.425U	725	6,996.00	0.00	6,996.00	6,996.00	0.00
COVID 19 CRRSA ESSER II Formula	84.425D	793	105,517.76	0.00	96,095.45	105,517.76	(9,422.31)
COVID 19 ARP ESSER III	84.425U	795	5,027,680.24	0.00	1,228,654.59	1,322,341.04	(93,686.45)
COVID 19 ARP ESSER Homeless I	84.425U	796	84,503.05	0.00	37,726.51	70,270.47	(32,543.96)
COVID 19 ARP ESSER Homeless II	84.425U	797	28,952.33	0.00	18,207.11	18,207.11	0.00
Special Education Cluster (IDEA)							
IDEA-B Discretionary Prof Devlpmnt Dist	84.027	615	3,128.19	0.00	2,672.00	2,672.00	0.00
IDEA-B Flowthrough	84.027	621	448,454.77	0.00	384,649.39	443,370.93	(58,721.54)
COVID 19 ARP IDEA-B Flowthrough	84.027X	628	23,243.08	0.00	23,243.08	23,243.08	0.00
IDEA-B Preschool	84.173	641	7,338.92	0.00	5,454.50	6,497.40	(1,042.90)
Total Special Education Cluster (IDEA)			482,164.96	0.00	416,018.97	475,783.41	(59,764.44)
Total Department of Education			8,048,921.35	(750,117.25)	4,089,454.75	3,939,875.73	(600,538.23)
Passed Through OK Dept. of Vocational & Technical Education:							
Carl D Perkins - Secondary	84.048	421	24,555.00	(11,114.74)	19,299.54	24,554.40	(16,369.60)
Passed Through OK Dept. of Rehabilitation:							
Job Training OJT	84.126	456	2,749.55	(369.75)	2,952.55	2,749.55	(166.75)
Passed Through OK State Regents for Higher Education:							
Gear Up	84.334	771	121,563.00	5,606.43	115,956.57	120,545.23	1,017.77
Passed Through Oklahoma Department of Health and Human Services:							
COVID 19 ARP Child Care Stabilization Grant	93.575	772	18,900.00	0.00	18,900.00	0.00	18,900.00
Environmental Protection Agency:							
Clean School Bus Program	66.045	778	1,185,000.00	0.00	1,185,000.00	32,661.50	1,152,338.50
Federal Communications Commission:							
COVID 19 Emergency Connectivity Fund Progra	32.009	770	105,974.53	0.00	86,300.00	105,974.53	(19,674.53)
U.S. Department of Agriculture:							
Passed Through State Dept. of Education:							
P-EBT Program	10.649	760	6,198.00	3,063.00	3,135.00	0.00	6,198.00
Child and Adult Care Food Program	10.558	769	81,829.96	0.00	81,829.96	58,119.20	23,710.76
Child Nutrition Cluster							
Cash Assistance:							
Commodity Credit Corporation	10.555	759	82,877.53	19,848.22	63,029.31	77,288.49	5,589.04
National School Lunch Program	10.555	763	1,183,712.46	409,285.20	774,427.26	907,082.56	276,629.90
School Breakfast Program	10.553	764	562,249.55	121,441.29	440,808.26	360,123.31	202,126.24
Summer Food Service Program	10.559	766	476,266.51	436,465.20	39,801.31	371,701.68	104,564.83
Non-Cash Assistance (Commodities):							
National School Lunch Program	10.555	n/a	106,568.64	0.00	106,568.64	106,568.64	0.00
Total Child Nutrition Cluster			2,411,674.69	987,039.91	1,424,834.78	1,822,764.68	588,910.01
Total Federal Assistance			\$ 13,289,692.90	\$ 963,602.42	\$ 7,553,819.28	\$ 6,684,784.85	\$ 1,832,636.85

Notes to Schedule of Expenditures of Federal Awards

Basis of Presentation - The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Clinton Independent School District No. 99, Custer County, Oklahoma 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 the operations of Clinton Independent School District No. 99, Custer County, Oklahoma, it is not intended to and does not present the financial position, changes in net position, or cash flows of Clinton Independent School District No. 99, Custer County, Oklahoma.

Summary of Significant Accounting Policies - Expenditures reported in the Schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts reflected in the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Nonmonetary assistance in the form of commodities is reported in the Schedule at the fair market value of the commodities received and disbursed. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance. Also, there were no awards passed through to sub-recipients.

REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS
OF
CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
CUSTER COUNTY, OKLAHOMA



BRITTON, KUYKENDALL, & MILLER
CERTIFIED PUBLIC ACCOUNTANTS

JAMES M. KUYKENDALL
RICK D. MILLER

204 E. FRANKLIN - P.O. BOX 507
WEATHERFORD, OK 73096
580-772-3596
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Honorable Board of Education
Clinton Independent School District No. 99
Clinton, Custer 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-regulatory basis of Clinton Independent School District No. 99, Oklahoma, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Clinton Independent School District No. 99, Oklahoma's basic financial statements, and have issued our report thereon dated March 20, 2024. As stated in our report, our opinion was adverse with respect to the financial statements not being prepared in conformity with accounting principles generally accepted in the United States of America because the presentation followed the regulatory basis of the financial reporting provisions of the Oklahoma State Department of Education. In addition, our opinion was qualified because the omission of the General Fixed Assets Account Group results in an incomplete presentation with respect to the financial statements being prepared following the regulatory basis of the financial reporting provisions of the Oklahoma State Department of Education.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Clinton Independent School District No. 99, Oklahoma's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Clinton Independent School District No. 99, Oklahoma'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* in the United States of America.

Purpose of this Report

This 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.



BRITTON, KUYKENDALL AND MILLER
Certified Public Accountants

Weatherford, Oklahoma
March 20, 2024



BRITTON, KUYKENDALL, & MILLER
CERTIFIED PUBLIC ACCOUNTANTS

JAMES M. KUYKENDALL
RICK D. MILLER

204 E. FRANKLIN - P.O. BOX 507
WEATHERFORD, OK 73096
580-772-3596
FAX 580-772-3085

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

To the Honorable Board of Education
Clinton Independent School District No. 99
Clinton, Custer County, Oklahoma

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Clinton Independent School District No. 99, Oklahoma's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Clinton Independent School District No. 99, Oklahoma's major federal programs for the year ended June 30, 2023. Clinton Independent School District No. 99, Oklahoma'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, Clinton Independent School District No. 99, Oklahoma, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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 Clinton Independent School District No. 99, Oklahoma and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Clinton Independent School District No. 99, Oklahoma's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Clinton Independent School District No. 99, Oklahoma'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 Clinton Independent School District No. 99, Oklahoma's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance 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 Clinton Independent School District No. 99, Oklahoma's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Clinton Independent School District No. 99, Oklahoma's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Clinton Independent School District No. 99, Oklahoma's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Clinton Independent School District No. 99, Oklahoma's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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.

Britton, Kuykendall & Miller

BRITTON, KUYKENDALL AND MILLER
Certified Public Accountants

Weatherford, Oklahoma
March 20, 2024

**CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
CUSTER COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements were prepared in accordance with GAAP:	Adverse Opinion
Type of auditor's report issued on whether the financial statements were prepared in accordance with the regulatory basis of accounting:	Qualified Opinion
Material weaknesses identified in internal control over financial reporting during the audit of the financial statements:	No
Significant deficiencies identified in internal control over financial reporting during the audit of the financial statements that are not considered to be material weaknesses:	None Reported
Disclosures of noncompliance material to the financial statements:	No

Federal Awards

Material weaknesses identified in internal control over major federal award programs:	No
Significant deficiencies identified in internal control over major federal award programs that are not considered to be material weaknesses:	None Reported
Type of auditor's report issued on compliance for major federal award programs:	Unmodified Opinion
Audit findings required to be reported in accordance with 2 CFR section 200.516(a):	No

Identification of Major Programs: 84.010 Title I Part A

84.425U Title IV 21st Century ESSER Summer Learning & Enrichment
84.425U Title IV 21st Century ESSER Comprehensive Afterschool
93.323 COVID 19 CDC Reopening Schools
84.425U COVID 19 Title IV ARP ESSER III Teacher Stipend
84.425D COVID 19 CRRSA ESSER II Formula
84.425U COVID 19 ARP ESSER Homeless I
84.425U COVID 19 ARP ESSER Homeless II
84.425U COVID 19 ARP ESSER III

Dollar threshold used to distinguish between Type A and B programs:	\$750,000
Auditee qualified as a low-risk auditee:	No

**CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
CUSTER COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2023**

SUMMARY OF AUDITOR'S RESULTS, CONTINUED

FINDINGS – FINANCIAL STATEMENTS AUDIT

None Reported

FINDINGS & QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None Reported

**CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
CUSTER COUNTY, OKLAHOMA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
JUNE 30, 2023**

FINANCIAL STATEMENT FINDINGS

None Reported

OTHER DEPARTMENT OF EDUCATION REQUIRED INFORMATION
OF
CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
CUSTER COUNTY, OKLAHOMA

CLINTON INDEPENDENT SCHOOL DISTRICT NO. 99
CUSTER COUNTY, OKLAHOMA
SCHEDULE OF ACCOUNTANTS' PROFESSIONAL
LIABILITY INSURANCE AFFIDAVIT
JULY 1, 2022 THROUGH JUNE 30, 2023

State of Oklahoma)
) ss
County of Custer)

The undersigned auditing firm of lawful age, being first duly sworn on oath, says that said firm had in full force and effect Accountants' Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with Clinton Independent School District No. 99, Oklahoma, for the audit year 2022-2023.

Britton, Kuykendall & Miller

BRITTON, KUYKENDALL & MILLER
Certified Public Accountants

By *James Kuykendall*

Subscribed and sworn to before me this 20th day of March, 2024.

Patty Klein
NOTARY PUBLIC



EXHIBIT B

CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement dated as of June 1, 2024 (this “Disclosure Agreement”), is executed and delivered by Independent School District No. 99, Custer County, Oklahoma (the “Issuer”) in connection with the issuance of the General Obligation Building Bonds, Series 2024A (the “Bonds”). The Bonds are being issued pursuant to a Resolution dated as of May 15, 2024 (the “**Resolution**”). The School District is the “obligated person” with respect to the Bonds for the purposes of the Rule, hereinafter defined, hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist each Participating Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the “Commission”). The Issuer represents that it will be the only “obligated person” (as defined in the Rule) with respect to the Bonds at the time the Bonds are delivered to each Participating Underwriter and that no other person presently is expected to become an obligated person with respect to the Bonds at any time after the issuance of the Bonds.

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

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

“*Audited Financial Statements*” shall mean the Issuer’s annual financial statements, prepared on a prescribed basis of accounting that demonstrates compliance with the laws of the State of Oklahoma, which financial statements shall have been audited by such auditor as shall be then required or permitted by the laws of the State.

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

“*Disclosure Representative*” shall mean the Chief Financial Officer of the School District or his or her designee, or such other officer or employee as the School District shall designate from time to time.

“*Dissemination Agent*” shall mean any entity designated by the Issuer to act as the Dissemination Agent hereunder.

“*EMMA*” means the MSRB’s Electronic Municipal Market Access System. Reference is made to Commission Release No. 34-59062, December 8, 2008 (the “*Release*”) relating to the EMMA system for municipal securities disclosure effective on July 1, 2009.

“*Financial Obligation*” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

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

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

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

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

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

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

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

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

Section 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than 10 business days after such information becomes available, and not later than ten months after the end of the Issuer’s fiscal year (presently July 1 through June 30), commencing with the report for the 2024 Fiscal Year, provide to the MSRB in Prescribed Form the Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Agreement; *provided* that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date but within 10 business days after they become available. If the Issuer’s fiscal year changes, it shall give notice of such change in the same manner as for a Material Event under Section 5.

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

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

(a) Annual audited financial statements of the Issuer and an annual update of all material financial and operating data of the Issuer, to the same extent as provided in those portions identified in Exhibit A hereto of the Official Statement and as required by applicable state law. The descriptions in the Official Statement of financial and operating data of the Issuer are of general categories of financial and operating data deemed to be material as of the date of the Official Statement. When such descriptions include information that no longer can be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be provided in lieu of such information. Any annual financial and operating data containing modified financial information or operating data shall explain, in narrative form, the reasons for the modification and the impact of the modification on the type of financial information or operating data being provided.

(b) The audited financial statements of the Issuer for the prior fiscal year, prepared on a regulatory basis as prescribed by the Oklahoma Department of Education provided,

however, that the Issuer may from time to time, if required by federal or State legal requirements, modify the basis upon which its financial statements are prepared. Notice of any such modification shall be provided to the MSRB, and shall include a reference to the specific federal or State law or regulation describing such accounting basis. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report within 10 business days of when they become available.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to the MSRB. If the document included by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

Section 5. Disclosure of Material Events. The Issuer hereby covenants that it will disseminate in a timely manner, not in excess of 10 business days after the occurrence of the event, a Material Event Notice to the MSRB in Prescribed Form. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Disclosure Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the owners of the Bonds pursuant to the Resolution. The Issuer is required to deliver such Material Event Notice in the same manner as provided by Section 3(a) of this Disclosure Agreement.

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

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

Section 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Agreement.

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

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

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

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

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

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

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

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Resolution is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Resolution. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Issuer agrees, to the extent permitted under Oklahoma law, to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent.

Section 13. Notices. Any notices or communications to School District under this Disclosure Agreement may be given as follows: Independent School District No. 99, Custer County, Oklahoma, Attention: Superintendent, Telephone: 580-323-1800.

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

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

Section 16. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**INDEPENDENT SCHOOL DISTRICT NO. 99,
CUSTER COUNTY, OKLAHOMA**

By: _____
President, Board of Education

[Signature Page to Continuing Disclosure Agreement]

EXHIBIT A
DESCRIPTION OF PORTIONS OF
OFFICIAL STATEMENT REQUIRING ANNUAL UPDATE

The information under the Heading “Financial Information”

Exhibit A – Audited Financial Statements.

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EXHIBIT B

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

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

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

EXHIBIT C

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Independent School District No. 99 of Custer County, Oklahoma

Name of Bond Issue: \$2,025,000 General Obligation Building Bonds, Series 2024A

Date of Issuance: _____

Base CUSIP: _____

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

Dated: _____

**Independent School District No. 99 of Custer
County, Oklahoma**

By: _____