

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 OCTOBER 1, 2025**

**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 6  
CRAIG COUNTY, OKLAHOMA  
(Ketchum School District)**

**\$600,000**

**General Obligation Building Bonds, Series 2025A**

**Dated:** November 1, 2025

**Due:** November 1, As Shown Below

Interest on the \$600,000 Independent School District Number 6, Craig County, Oklahoma, General Obligation Building Bonds, Series 2025A (the "2025A Bonds" or the "Bonds") will accrue from November 1, 2025, (the "Dated Date") and will be payable May 1 and November 1 of each year commencing May 1, 2027, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of the Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the owners thereof. Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "The Bonds – Book Entry System" herein. The initial Paying Agent/Registrar is UMB Bank, n.a. (the "Paying Agent/Registrar").

The 2025A Bonds constitute direct and general obligations of Independent School District No. 6 of Craig County, Oklahoma, payable from ad valorem taxes levied against all taxable property located therein, excepting homestead exemptions, without limitation as to rate or amount. The 2025A 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<br/>Amount</u> | <u>Interest<br/>Rate</u> | <u>Yield</u> | <u>CUSIP<br/>224195</u> |
|-----------------|-----------------------------|--------------------------|--------------|-------------------------|
| 11-1-2027       | \$200,000                   |                          |              |                         |
| 11-1-2028       | \$200,000                   |                          |              |                         |
| 11-1-2029       | \$200,000                   |                          |              |                         |

The 2025A Bonds are offered subject to the approval of legality by the Attorney General of the State of Oklahoma and The Public Finance Law Group PLLC, Oklahoma City, Oklahoma, Oklahoma, Bond Counsel. It is anticipated that the 2025A Bonds in definitive form will be available for delivery on or about November 19, 2025.

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

Official Statement Dated October \_\_, 2025

## 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 2025A Bonds, no dealer, salesman or any other person has been authorized to give any information or to make any representation other than contained herein. If given or made, such information or representation must not be relied upon.

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

Any statements, contained in this Official Statement involving matters of opinion, estimations or projections, whether or not expressly so stated, are intended as such and not as representations of facts. This Official Statement shall not be construed as a contract or agreement between the Board of Education of Independent School District No. 6 of Craig County, Oklahoma, (the "School District") and the purchasers, holders or beneficial owners of any of the 2025A Bonds.

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

### TABLE OF CONTENTS

|   |           |
|---|-----------|
| Introduction .....  | 1         |
| The Bonds.....  | 1         |
| The Ketchum School District.....  | 7         |
| Financial Information.....  | 8         |
| Absence of Material Litigation .....  | 12        |
| Legal Matters .....   | 12        |
| Continuing Disclosure .....   | 12        |
| Tax Matters .....   | 13        |
| Global Risks .....  | 15        |
| Ratings .....   | 15        |
| Underwriting .....  | 16        |
| Financial Advisor .....   | 16        |
| Miscellaneous .....   | 16        |
| Financial Statements with Auditor's Report<br>for the Year Ended June 30, 2024. | Exhibit A |
| Continuing Disclosure Agreement   | Exhibit B |

## OFFICIAL STATEMENT

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

relating to

### **\$600,000 General Obligation Building Bonds, Series 2025A**

## INTRODUCTION

Independent School District No. 6 of Craig County, Oklahoma, also known as the Ketchum School District (the "School District") is issuing its \$600,000 General Obligation Building Bonds, Series 2025A (the "2025A Bonds" or the "Bonds") to provide funds for the purpose of acquiring capital improvements and equipment within and for the benefit of the School District. The 2025A 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 2025A Bonds constitute direct and general obligations of the School District payable from ad valorem taxes levied against all taxable property, excepting homestead exemptions, located therein without limitation as to rate or amount.

The School District is located in northeastern Oklahoma, in Craig County, approximately 65 miles northeast of the City of Tulsa, Oklahoma. The School District, encompassing approximately 60 square miles, serves the Town of Ketchum (estimated 2024 population: 516), and the surrounding rural area in Craig, Delaware and Mayes Counties. According to the U.S. Census Bureau, the estimated population of the School District as of 2023 was 3,527 people. The School District employs 52 certified teachers and has an enrollment of approximately 516 (as of September 2025). 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, 2024, together with Auditor's Report. **Exhibit A should be read in its entirety.**

## THE BONDS

### Description

The 2025A 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 November 1, 2025, and will be payable May 1 and November 1 of each year commencing May 1, 2027, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of the Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the owners thereof. Principal of, premium, if any, and interest on the Bonds will be payable by UMB Bank, n.a., as paying agent and registrar (the "Paying Agent/Registrar") to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "The Bonds – Book Entry System" herein.

### Record Date

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

### No Redemption Prior to Maturity

The 2025A Bonds are not subject to redemption prior to maturity.

## Registration

The 2025A Bonds will be initially registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository for the 2025A 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 2025A Bonds purchased. See "Book-Entry System" below.

The 2025A Bonds are transferable by their registered owner(s) in person or by their attorney(ies) duly authorized in writing at the principal office of the Paying Agent/Registrar but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of the Series 2025A Bond(s). Upon such transfer a new Bond or Bonds of the same maturity or maturities, interest rate or rates and of authorized denomination or denominations, for the same aggregate principal amount, will be issued to the transferee in exchange therefor. The School District and the Paying Agent/Registrar may deem and treat the registered owner(s) as the absolute owner(s) (whether or not the Series 2025A Bond(s) shall be overdue) for the purpose of receiving payment thereof and for all other purposes and neither School District nor Registrar shall be affected by any notice to the contrary.

## Book-Entry System

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

DTC will act as securities depository for the 2025A Bonds. The 2025A 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 2025A Bond certificate will be issued for each maturity of the 2025A Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC at the office of the Paying Agent/Registrar on behalf of DTC utilizing the DTC FAST system of registration.

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

Purchases of 2025A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2025A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2025A 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 2025A 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 2025A Bonds, except in the event that use of the book-entry system for the 2025A Bonds is discontinued.

To facilitate subsequent transfers, all 2025A Bonds deposited by Direct Participants with DTC (or the Paying Agent/Registrar on behalf of DTC utilizing the DTC FAST system of registration) are registered in the name of DTC's partnership nominee, Cede & Co or such other name as may be requested by an authorized representative of DTC. The deposit of 2025A Bonds with DTC (or the Paying Agent/Registrar on behalf of DTC utilizing the DTC FAST system of registration) and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2025A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2025A 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 2025A 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 2025A 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 2025A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions and dividend payments on the 2025A Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the School District or the Paying Agent/Registrar on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar or the School District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments on the 2025A Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the School District or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the 2025A Bonds at any time by giving reasonable notice to the School District or the Paying Agent/Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2025A 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 2025A Bond certificates will be printed and delivered to DTC.

*The School District, Financial Advisor, Bond Counsel, the Paying Agent/Registrar and the Underwriters cannot and do not give any assurances that the DTC Participants will distribute to the Beneficial Owners of the 2025A Bonds: (i) payments of principal of or interest on the 2025A Bonds; (ii) certificates representing an ownership interest or other confirmation of Beneficial Ownership interests in the 2025A Bonds; or (iii) redemption or other notices sent to DTC or its nominee, as the Registered Owners of the 2025A Bonds; or that they will do so on a timely basis or that DTC or its participants will serve and act in the manner described in this official statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.*

*None of the School District, Financial Advisor, Bond Counsel, the Paying Agent/Registrar or the Underwriters will have any responsibility or obligation to such DTC Participants (Direct or Indirect) or the persons for whom they act as nominees with respect to: (i) the 2025A 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 2025A 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 2025A Bonds; or (vi) any consent given or other action taken by DTC as Registered Owner.*

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

*In reading this Official Statement, it should be understood that while the 2025A Bonds are in the Book Entry system, references in other sections of this Official Statement to Registered Owner should be read to include the Beneficial Owners of the 2025A Bonds, but: (i) all rights of ownership must be exercised through DTC and the Book Entry system; and (ii) notices that are to be given to Registered Owners by the School District or the Paying Agent/Registrar will be given only to DTC.*

*(Remainder of this page intentionally left blank)*

## Security for the Bonds

The 2025A Bonds are payable from ad valorem taxes levied annually on all taxable property, **without limitation as to rate or amount**, within the School District including real, personal and public service property, and any other monies available for such purpose. Pursuant to Oklahoma statutes, the Assessor is required to reassess the property within the County at least once each five years. The School District is required to pay a portion of the cost of such reassessment. The current assessment ratios for Craig, Mayes, and Delaware Counties are shown below:

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

---

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

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

## Authority for Issuance and Purpose of Bonds

The Bonds are issued pursuant to the provisions of and in full compliance with the Constitution and Laws of the State of Oklahoma, particularly Article X, Section 26 of the Constitution of the State of Oklahoma and Title 70, Article XV of the Oklahoma Statutes 2011, and laws supplementary and amendatory thereto, and a resolution of the Board of Education to be adopted on October 8, 2025.

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.

### *2020 Authorization*

The School District had a successful bond election on June 30, 2020. The special election authorized the issuance of a total of \$16,400,000 in bonds. The School District has previously issued \$7,360,000 of bonds authorized at this election. The School District anticipates that it will issue the remaining bonds from this authorization in separate series from 2026 to 2031.

### *2025 Authorization*

The School District had a successful bond election on April 1, 2025. The special election authorized the issuance of a total of \$8,400,000 in bonds. The 2025A Bonds include \$600,000 of bonds authorized at this election and are the first series of bonds to be issued from this authorization. The School District anticipates that it will issue the remaining bonds from this authorization in separate series from 2026 to 2035.

## 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 1<sup>st</sup> of each year. The estimates are for the purposes of determining ad valorem taxes required to fund the Sinking Fund. The amounts contained in the estimate of needs are verified by the County Excise Board and, upon verification, the levies contained therein are ordered to be certified to the County Assessor in order that the County Assessor may extend said levies upon the tax rolls for the year for which the estimate of needs is being submitted. The County Excise Board further certifies that the appropriations contained in the estimate of needs and the mill rate levies are within the limitations provided by law.

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

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

*(Remainder of this page intentionally left blank)*

## THE KETCHUM SCHOOL DISTRICT

The School District is located in northeastern Oklahoma, in Craig County, approximately 65 miles northeast of the City of Tulsa, Oklahoma. The School District, encompassing approximately 60 square miles, serves the Town of Ketchum (estimated 2024 population: 516), and the surrounding rural area in Craig, Delaware and Mayes Counties. According to the U.S. Census Bureau, the estimated population of the School District as of 2023 was 3,527 people. The School District employs 52 certified teachers and has an enrollment of approximately 516 (as of September 2025). The School District is fully accredited by the Oklahoma State Department of Education.

Residents of the School District are employed at businesses in the Town of Ketchum and surrounding communities, with those not so employed primarily engaged in farming and ranching. No separate employment figures are available for the School District; however, as of July 2025 the unemployment rate for the counties included in the school district are as follows:

|                   | <u>Unemployment Rate</u> |
|-------------------|--------------------------|
| Craig County      | 3.2%                     |
| Mayes County      | 3.4%                     |
| Delaware County   | 3.1%                     |
| State of Oklahoma | 3.1%                     |
| United States     | 4.2%                     |

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

Source: *Oklahoma Employment Security Commission*

### Board of Education and School Administration

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

#### Board of Education

|                  |                         |
|------------------|-------------------------|
| Ryan Rogers      | President & Member      |
| Tiffany McKibben | Vice-President & Member |
| Melanie Adams    | Clerk & Member          |
| Justin Burks     | Member                  |
| William Evans    | Member                  |

#### School Administration

|             |                           |
|-------------|---------------------------|
| Joy Taylor  | Superintendent of Schools |
| Carol Bogle | School District Treasurer |

## FINANCIAL INFORMATION

### Compliance with Constitutional Debt Limitation

|  |               |
|--|---------------|
| 2025-26 Estimated Market Value                                     | \$919,209,776 |
| 2025-26 Assessed Valuation, including Homestead & Other Exemptions | \$106,095,508 |
| 2025-26 Assessed Valuation, excluding Homestead & Other Exemptions | \$104,453,758 |

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<br>Net<br>Assessed<br>Valuation | District<br>Unadjusted<br>Legal<br>Debt Limit <sup>1</sup> | Millage<br>Adjustment<br>Factor | District<br>Adjusted<br>Legal<br>Debt Limit <sup>2</sup> |
|-----------------|--|--|---------------------------------|--|
| Craig County    | \$12,353,433                             | \$1,235,343  | 1.028800                        | \$1,270,921  |
| Delaware County | \$40,019,200                             | \$4,001,920  | 1.049800                        | \$4,201,216  |
| Mayes County    | \$52,081,125                             | \$5,208,113  | 1.032900                        | \$5,379,459  |
|                 |  |  |                                 | <u>\$10,851,596</u>                                      |

(1) Net Assessed Valuation times 10%.

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

|   |                |
|---|----------------|
| General Obligation Bonds Outstanding*                         | \$4,995,000    |
| Less: Estimated Sinking Fund Balance (October 1, 2025)        | <u>646,851</u> |
| Net General Obligation Bonds Outstanding                      | \$4,348,149    |
| Remaining Legal Debt Margin                                   | \$6,503,447    |
| Ratio of Net G.O. Indebtedness to NAV                         | 4.16%          |
| Ratio of Net G.O. Indebtedness to Estimated Full Market Value | 0.47%          |

\* This figure is as of October 1, 2025, and includes the 2025A Bonds.

Source: School District.

### Authorized but Unissued Bonds

#### 2020 Authorization

The School District had a successful bond election on June 30, 2020. The special election authorized the issuance of a total of \$16,400,000 in bonds. The School District has previously issued \$7,360,000 of bonds authorized at this election. The School District anticipates that it will issue the remaining bonds from this authorization in separate series from 2026 to 2031.

#### 2025 Authorization

The School District had a successful bond election on April 1, 2025. The special election authorized the issuance of a total of \$8,400,000 in bonds. The 2025A Bonds include \$600,000 of bonds authorized at this election and are the first series of bonds to be issued from this authorization. The School District anticipates that it will issue the remaining bonds from this authorization in separate series from 2026 to 2035.

### Composition and Growth of the Net Assessed Valuation

The composition of the Net Assessed Valuation of the School District for the Fiscal Year 2025-26 is as follows:

| <u>Property</u> | <u>Craig<br/>County</u> | <u>Delaware<br/>County</u> | <u>Mayes<br/>County</u> | <u>Total</u>  | <u>Percentage</u> |
|-----------------|-------------------------|----------------------------|-------------------------|---------------|-------------------|
| Real            | \$9,281,785             | \$38,802,098               | \$49,129,021            | \$97,212,904  | 93.07%            |
| Personal        | 1,418,013               | 765,699                    | 1,559,544               | 3,743,256     | 3.58%             |
| Public Service  | 1,653,635               | 451,403                    | 1,392,560               | 3,497,598     | 3.35%             |
| TOTAL           | \$12,353,433            | \$40,019,200               | \$52,081,125            | \$104,453,758 | 100.00%           |

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

| <u>Fiscal Year</u> | <u>Valuation</u> | <u>% Change</u> |
|--------------------|------------------|-----------------|
| 2025-26            | \$104,453,758    | 7.19%           |
| 2024-25            | \$97,446,652     | 9.74%           |
| 2023-24            | \$88,799,553     | 10.32%          |
| 2022-23            | \$80,490,527     | 6.70%           |
| 2021-22            | \$75,433,298     | 4.52%           |
| 2020-21            | \$72,168,650     | 4.18%           |
| 2019-20            | \$69,270,981     | 5.15%           |
| 2018-19            | \$65,876,250     | 4.95%           |
| 2017-18            | \$62,769,521     | 4.49%           |
| 2016-17            | \$60,074,791     |                 |

During this period, the Net Assessed Valuation of the School District increased \$44,378,967 or 73.87%.

### General Obligation Bonded Debt Outstanding\*

| <u>Date of<br/>Issuance</u> | <u>Original Principal<br/>Amount</u> | <u>Remaining<br/>Maturities</u> | <u>Maturity<br/>Dates</u> | <u>Total<br/>Outstanding</u> |
|-----------------------------|--------------------------------------|---------------------------------|---------------------------|------------------------------|
| 6/1/2021                    | \$1,200,000                          | \$300,000                       | 6/1/2026                  | \$300,000                    |
| 6/1/2022                    | \$1,200,000                          | \$300,000                       | 6/1/2026-27               | \$600,000                    |
| 6/1/2023                    | \$1,060,000                          | \$265,000                       | 6/1/2026-28               | \$795,000                    |
| 6/1/2024                    | \$1,060,000                          | \$265,000                       | 6/1/2026-29               | \$1,060,000                  |
| 6/1/2025                    | \$1,700,000                          | \$365,000<br>\$425,000          | 6/1/2027<br>6/1/2028-30   | \$1,640,000                  |
| 11/1/2025                   | \$600,000                            | \$200,000                       | 11/1/2027-29              | \$600,000                    |
| TOTAL                       |                                      |                                 |                           | \$4,995,000                  |

\*Figures above include the 2025A Bonds.

## Annual Debt Service Requirements of General Obligation Bonded Debt Outstanding

| Fiscal<br>Year | Existing Bonds <sup>1</sup> |              | 2025A Bonds <sup>2</sup> |             | Total<br>Debt Service<br>Requirement |
|----------------|-----------------------------|--------------|--------------------------|-------------|--------------------------------------|
|                | Principal                   | Interest     | Principal                | Interest    |                                      |
| 2025-2026      | \$1,130,000.00              | \$196,495.00 |                          |             | \$1,326,495.00                       |
| 2026-2027      | 1,195,000.00                | 155,672.50   |                          | \$36,000.00 | 1,386,672.50                         |
| 2027-2028      | 955,000.00                  | 101,055.00   | \$200,000.00             | 20,000.00   | 1,276,055.00                         |
| 2028-2029      | 690,000.00                  | 54,900.00    | 200,000.00               | 12,000.00   | 956,900.00                           |
| 2029-2030      | 425,000.00                  | 21,250.00    | 200,000.00               | 4,000.00    | 650,250.00                           |
| TOTAL          | \$4,395,000.00              | \$529,372.50 | \$600,000.00             | \$72,000.00 | \$5,596,372.50                       |

<sup>1</sup> As of October 1, 2025.

<sup>2</sup> The average interest rate on the 2025A Bonds is estimated at 4.00%.

## Net Direct, Overlapping and Underlying General Obligation Bonded Indebtedness\*

| Municipality            | Net Indebtedness | Amount<br>Applying to the<br>District | Ratio to<br>Assessed Value<br>of the District | Estimated<br>Per Capita<br>Debt |
|-------------------------|------------------|---------------------------------------|---|---------------------------------|
| Ketchum School District | \$4,348,149      | \$4,348,149                           | 5.76%   | \$1,232.82                      |
| Town of Ketchum         | \$0              | \$0                                   | 0.00%   | \$0.00                          |
| Craig County            | \$0              | \$0                                   | 0.00%   | \$0.00                          |
| Delaware County         | \$0              | \$0                                   | 0.00%   | \$0.00                          |
| Mayes County            | \$0              | \$0                                   | 0.00%   | \$0.00                          |
| TOTAL                   | \$4,348,149      | \$4,348,149                           | 5.76%   | \$1,232.82                      |

\*Figures for the School District are as of October 1, 2025, and include the 2025A Bonds. Figures for all other entities are as of June 30, 2024.

Source: *Analysis of Sinking Fund Budgets 2024-2025* compiled and published by The Municipal Rating Committee of Oklahoma, Inc.

## Sinking Fund Tax Collections

| Fiscal<br>Year | Total<br>Tax<br>Levy | Current<br>Tax<br>Collections | Percentage<br>of Levy<br>Collected | Total<br>Tax<br>Collections | Percentage<br>of Total<br>Collected to<br>Total Levy |
|----------------|----------------------|-------------------------------|------------------------------------|-----------------------------|--|
| 2024-2025      | \$1,364,886          | \$1,308,109                   | 95.84%                             | \$1,345,667                 | 98.59%   |
| 2023-2024      | 1,315,475            | 1,277,065                     | 97.08%                             | 1,309,315                   | 99.53%   |
| 2022-2023      | 1,040,192            | 1,002,436                     | 96.37%                             | 1,017,461                   | 97.81%   |
| 2021-2022      | 753,031              | 733,268                       | 97.38%                             | 750,185                     | 99.62%   |
| 2020-2021      | 537,969              | 523,654                       | 97.34%                             | 546,865                     | 101.65%  |
| 2019-2020      | 557,078              | 535,041                       | 96.04%                             | 557,963                     | 100.16%  |
| 2018-2019      | 572,772              | 550,111                       | 96.04%                             | 567,383                     | 99.06%   |
| 2017-2018      | 579,976              | 556,631                       | 95.97%                             | 570,775                     | 98.41%   |
| 2016-2017      | 589,307              | 569,639                       | 96.66%                             | 583,764                     | 99.06%   |
| 2015-2016      | 481,866              | 435,374                       | 90.35%                             | 480,468                     | 99.71%   |

Source: School District Administration and Budgets.



### Trend of Tax Rates: Major Taxing Units\*

| Fiscal Year | Ketchum School District | City of Ketchum | Craig County | Career Tech | Total Levy |
|-------------|-------------------------|-----------------|--------------|-------------|------------|
| 2015-2016   | 49.63                   | 0.00            | 17.11        | 11.37       | 78.11      |
| 2016-2017   | 50.96                   | 0.00            | 17.11        | 11.37       | 79.44      |
| 2017-2018   | 50.39                   | 0.00            | 17.11        | 11.37       | 78.87      |
| 2018-2019   | 49.84                   | 0.00            | 17.11        | 11.37       | 78.32      |
| 2019-2020   | 49.19                   | 0.00            | 17.11        | 11.37       | 77.67      |
| 2020-2021   | 48.60                   | 0.00            | 17.11        | 11.37       | 77.08      |
| 2021-2022   | 51.13                   | 0.00            | 17.11        | 11.37       | 79.61      |
| 2022-2023   | 54.07                   | 0.00            | 17.11        | 11.37       | 82.55      |
| 2023-2024   | 55.96                   | 0.00            | 17.11        | 11.37       | 84.44      |
| 2024-2025   | 55.16                   | 0.00            | 17.11        | 11.37       | 83.64      |

Source: County Assessors.

### Largest Taxpayers (Craig County Only)

| Name of Taxpayer                                       | Type of Business    | Net Assessed Valuation |
|--|---------------------|------------------------|
| Vyve Broadband A LLC                                   | Telecommunications  | \$619,543              |
| Chen, Qiwei  | Private/Undisclosed | \$617,233              |
| Public Service Co #1                                   | Electric Utility    | \$482,533              |
| Phillips 66 Carrier LLC                                | Pipeline            | \$377,644              |
| Southwestern Bell Telephone                            | Telecommunications  | \$278,862              |
| Northeast Rural Services                               | Electric Utility    | \$260,899              |
| Explorer Pipeline Co #1                                | Pipeline            | \$154,940              |
| JHSGL, LLC   | Unknown             | \$143,966              |
| Ketchum Boat and RV Storage LLC                        | Boat/RV Storage     | \$114,467              |
| Summerside   | Bed & Breakfast     | \$111,116              |
| Total Net Assessed Valuation of Top Ten Taxpayers      |                     | \$3,161,203            |
| Percentage of School District's Net Assessed Valuation |                     | 3.03%                  |

Source: Craig County Assessor.

### Retail Sales

| <u>Year</u> | <u>Town of Ketchum</u> |
|-------------|------------------------|
| 2024-25     | \$9,123,532            |
| 2023-24     | \$8,987,630            |
| 2022-23     | \$9,384,144            |
| 2021-22     | \$9,761,425            |
| 2020-21     | \$8,577,328            |
| 2019-20     | \$6,407,116            |
| 2018-19     | \$5,807,469            |
| 2017-18     | \$5,627,730            |
| 2016-17     | \$5,647,075            |

Source: Oklahoma Tax Commission.

## Population

|          | <u>Year</u> | <u>Town of<br/>Ketchum</u> |
|----------|-------------|----------------------------|
| Actual   | 1990        | 263                        |
|          | 2000        | 286                        |
|          | 2010        | 442                        |
|          | 2020        | 498                        |
| Estimate | 2024        | 516                        |

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 2025A Bonds, (b) contesting or affecting any authority for or the validity of the 2025A Bonds, (c) contesting the power of the School District to issue the 2025A 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 2025A 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 2025A 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](http://www.emma.msrb.org). Nothing contained on EMMA relating to the School District or the Bonds is incorporated by reference in this Official Statement.

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

Rule 15c2-12 requires that an issuer or other obligated party disclose in its official statement any instances in the previous five years in which such issuer or obligated party failed to comply, in all material respects, with any previous undertakings in a written contract or agreement specified in paragraph (b)(5) or (d)(2) of

the Rule. In connection with one or more of the School District's previous bond issues or bond issues of an authority issued on behalf of the School District, the School District entered into individual continuing disclosure undertakings ("Undertakings") in written agreements specified in paragraph (b)(5)(i) or (d)(2) of the Rule. During the last five years, the School District has not failed in any material respect under the Rule to provide annual reports or notices of material events.

## **TAX MATTERS**

### **Opinion of Bond Counsel**

In the opinion of Bond Counsel, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the 2025A 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 2025A 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 2025A 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 2025A 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 2025A Bonds are "qualified" obligations for this purpose.**

In addition, under existing statutes interest on the 2025A 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 2025A Bonds in order that interest on the 2025A 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 2025A 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 2025A 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 2025A 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 2025A Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a 2025A 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 2025A Bonds.

Prospective owners of the 2025A 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 2025A 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 2025A 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 2025A Bonds. In general, the issue price for each maturity of 2025A 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 2025A 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 2025A 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 2025A 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 2025A 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 2025A 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 2025A 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 2025A 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 2025A 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 2025A 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 2025A Bonds under federal or state law or otherwise prevent beneficial owners of the 2025A 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 2025A Bonds.

## **No Other Opinion**

Bond Counsel expresses no opinion regarding any other federal or state tax consequences with respect to the 2025A 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 2025A Bonds, or under state and local tax law.

**Prospective purchasers of the 2025A Bonds should consult their own tax advisors as to the consequences of their acquisition, holding, or disposition of the 2025A 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 2025A Bonds are being purchased at competitive sale by \_\_\_\_\_. The underwriter of the 2025A Bonds has agreed to purchase the 2025A Bonds at a price equal to \$\_\_\_\_\_ plus accrued interest from November 1, 2025.

## **FINANCIAL ADVISOR**

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

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

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

## **MISCELLANEOUS**

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

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

INDEPENDENT SCHOOL DISTRICT NO. 6  
OF CRAIG COUNTY, OKLAHOMA

BY: \_\_\_\_\_  
President, Board of Education

**EXHIBIT A**

**FINANCIAL STATEMENTS WITH ACCOUNTANT'S REPORT  
FOR THE YEAR ENDED JUNE 30, 2024**

**ANNUAL FINANCIAL REPORT**  
**KETCHUM SCHOOL DISTRICT NO. I-006**  
**CRAIG COUNTY, OKLAHOMA**  
**JULY 1, 2023 TO JUNE 30, 2024**

**AUDITED BY**  
**Patten & Odom, CPAs, PLLC**



**KETCHUM SCHOOL DISTRICT NO. I-006  
CRAIG COUNTY, OKLAHOMA  
SCHOOL DISTRICT OFFICIALS  
JUNE 30, 2024**

Board of Education

|                |                  |
|----------------|------------------|
| President      | Mike Williams    |
| Vice-President | Ryan Rogers      |
| Clerk          | Tiffany McKibben |
| Member         | Melanie Adams    |
| Member         | Dandy Risman     |

Superintendent of Schools

Joy Taylor

School District Treasurer

Carol Bogle

**KETCHUM SCHOOL DISTRICT NO. I-006  
CRAIG COUNTY, OKLAHOMA  
JUNE 30, 2024**

TABLE OF CONTENTS

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

(continued)

KETCHUM SCHOOL DISTRICT NO. I-006  
CRAIG COUNTY, OKLAHOMA  
JUNE 30, 2024

TABLE OF CONTENTS

Reports Required by *Government Auditing Standards*

|   |    |
|---|----|
| Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance<br>and Other Matters Based on an Audit of Financial Statements Performed in Accordance<br>With <i>Government Auditing Standards</i> ..... | 30 |
| Summary of Prior Audit Findings .....   | 32 |
| Schedule of Comments .....  | 33 |
| Schedule of Accountant’s Professional Liability Insurance Affidavit .....   | 34 |

# Patten & Odom, CPAs, PLLC

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

---

## INDEPENDENT AUDITOR'S REPORT

March 31, 2025

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

### ***Opinions***

We have audited the accompanying combined fund type and account group financial statements – regulatory basis of Ketchum School District No. I-1006, Craig County, Oklahoma, as of and for the year ended June 30, 2024, and the related notes to the financial statements, as listed in the table of contents.

### ***Qualified Opinion on Regulatory Basis of Accounting***

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities, and fund balances arising from regulatory basis transactions of each fund type and account group of Ketchum School District No. I-1006, Craig County, Oklahoma, as of June 30, 2024, and the revenues collected and expenditures paid and encumbered for the year then ended on the regulatory basis of accounting described in the Note 1 (C).

### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Ketchum School District No. I-1006, Craig County, Oklahoma as of June 30, 2024, or the revenues, expenses, and changes in financial position for the year then ended.

### ***Basis for Opinions***

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

### ***Basis for Qualified Opinion on Regulatory Basis of Accounting***

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

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

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

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

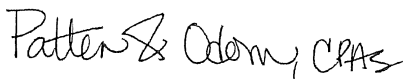
### ***Supplementary Information***

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

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2025, on our consideration of Ketchum School District No. I-1006, Craig County, Oklahoma, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Patten & Odom, CPAs, PLLC  
Broken Arrow, OK

## **COMBINED FINANCIAL STATEMENTS**

**KETCHUM SCHOOL DISTRICT NO. I-006**  
**COMBINED STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES**  
**ALL FUND TYPES AND ACCOUNT GROUPS - REGULATORY BASIS**  
**JUNE 30, 2024**

|   | Governmental Fund Types |                      |                      |                        | Fiduciary Fund Types | Account Groups          | Total (Memorandum Only) |
|---|-------------------------|----------------------|----------------------|------------------------|----------------------|-------------------------|-------------------------|
|   | General                 | Special Revenue      | Debt Service         | Capital Projects       |                      |                         |                         |
| <b>ASSETS</b>   |                         |                      |                      |                        |                      |                         |                         |
| Cash  | \$ 1,516,725.30         | \$ 530,514.51        | \$ 878,127.67        | \$ 2,031,089.44        | \$ 263,471.55        | \$ -                    | \$ 5,219,928.47         |
| Investments   | 511,454.49              | -                    | -                    | -                      | -                    | -                       | 511,454.49              |
| Amounts available in debt service fund                          | -                       | -                    | -                    | -                      | -                    | 878,127.67              | 878,127.67              |
| Amounts to be provided for retirement of general long-term debt | -                       | -                    | -                    | -                      | -                    | 13,249,377.02           | 13,249,377.02           |
| <b>Total assets</b>   | <b>\$ 2,028,179.79</b>  | <b>\$ 530,514.51</b> | <b>\$ 878,127.67</b> | <b>\$ 2,031,089.44</b> | <b>\$ 263,471.55</b> | <b>\$ 14,127,504.69</b> | <b>\$ 19,858,887.65</b> |

**LIABILITIES AND FUND BALANCES**

|  |                        |                      |                      |                        |                      |                         |                         |
|--|------------------------|----------------------|----------------------|------------------------|----------------------|-------------------------|-------------------------|
| <b>Liabilities:</b>                        |                        |                      |                      |                        |                      |                         |                         |
| Outstanding warrants                       | \$ 212,109.12          | \$ 77,819.59         | \$ -                 | \$ 16,645.86           | \$ 23,326.93         | \$ -                    | \$ 329,901.50           |
| Encumbrances                               | -                      | -                    | -                    | -                      | -                    | -                       | -                       |
| Long-term debt:                            |                        |                      |                      |                        |                      |                         |                         |
| Capitalized lease obligations payable      | -                      | -                    | -                    | -                      | -                    | 9,907,504.69            | 9,907,504.69            |
| Bonds payable                              | -                      | -                    | -                    | -                      | -                    | 4,220,000.00            | 4,220,000.00            |
| Interest payable                           | -                      | -                    | -                    | -                      | -                    | -                       | -                       |
| <b>Total liabilities</b>                   | <b>\$ 212,109.12</b>   | <b>\$ 77,819.59</b>  | <b>\$ -</b>          | <b>\$ 16,645.86</b>    | <b>\$ 23,326.93</b>  | <b>\$ 14,127,504.69</b> | <b>\$ 14,457,406.19</b> |
| <b>Fund Balances</b>                       |                        |                      |                      |                        |                      |                         |                         |
| Designated for capital projects            | \$ -                   | \$ -                 | \$ -                 | \$ 2,014,443.58        | \$ -                 | \$ -                    | \$ 2,014,443.58         |
| Designated for debt service                | -                      | -                    | 878,127.67           | -                      | -                    | -                       | 878,127.67              |
| Cash fund balances                         | 1,816,070.67           | 452,694.92           | -                    | -                      | 240,144.62           | -                       | 2,508,910.21            |
| <b>Total fund balances</b>                 | <b>\$ 1,816,070.67</b> | <b>\$ 452,694.92</b> | <b>\$ 878,127.67</b> | <b>\$ 2,014,443.58</b> | <b>\$ 240,144.62</b> | <b>\$ -</b>             | <b>\$ 5,401,481.46</b>  |
| <b>Total liabilities and fund balances</b> | <b>\$ 2,028,179.79</b> | <b>\$ 530,514.51</b> | <b>\$ 878,127.67</b> | <b>\$ 2,031,089.44</b> | <b>\$ 263,471.55</b> | <b>\$ 14,127,504.69</b> | <b>\$ 19,858,887.65</b> |

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



**KETCHUM SCHOOL DISTRICT NO.1-006**  
**COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID AND CHANGES IN FUND BALANCES**  
**ALL GOVERNMENTAL FUND TYPES - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

|   | Governmental Fund Types |                      |                        | Total<br>(Memorandum<br>Only) |
|---|-------------------------|----------------------|------------------------|-------------------------------|
|   | General                 | Special<br>Revenue   | Debt Service           | Capital<br>Projects           |
| <b>Revenues collected:</b>  |                         |                      |                        |                               |
| Local sources   | \$ 3,598,185.22         | \$ 510,710.68        | \$ 1,309,351.52        | \$ -                          |
| Intermediate sources  | 199,958.52              | -                    | -                      | -                             |
| State sources   | 1,801,873.47            | 14,721.51            | -                      | -                             |
| Federal sources   | 1,048,237.78            | 267,247.92           | -                      | -                             |
| Non-revenue source  | -                       | -                    | -                      | -                             |
| <b>Total revenues collected</b>   | <b>\$ 6,648,254.99</b>  | <b>\$ 792,680.11</b> | <b>\$ 1,309,351.52</b> | <b>\$ -</b>                   |
| <b>Expenditures paid:</b>   |                         |                      |                        |                               |
| Instruction   | \$ 3,636,213.06         | \$ -                 | \$ -                   | \$ 30,610.86                  |
| Support services  | 2,289,409.30            | 421,120.38           | -                      | 340,645.88                    |
| Non-instructional services  | 1,255.18                | 294,058.24           | -                      | -                             |
| Capital outlay  | -                       | -                    | -                      | 7,218.00                      |
| Other outlays   | -                       | -                    | -                      | -                             |
| Other uses  | -                       | -                    | -                      | -                             |
| Repayments  | -                       | -                    | -                      | -                             |
| Debt service:   |                         |                      |                        |                               |
| Principal retirement  | 28,138.30               | -                    | 1,095,000.00           | 690,000.00                    |
| Interest  | 7,619.13                | -                    | 117,755.00             | -                             |
| <b>Total expenditures paid</b>  | <b>\$ 5,962,634.97</b>  | <b>\$ 715,178.62</b> | <b>\$ 1,212,755.00</b> | <b>\$ 1,068,474.74</b>        |
| Excess of revenues collected over (under)<br>expenditures paid before adjustments to<br>prior year encumbrances | \$ 685,620.02           | \$ 77,501.49         | \$ 96,596.52           | \$ (1,068,474.74)             |
| <b>Adjustments to prior year encumbrances</b>   | <b>\$ 1,182.18</b>      | <b>\$ 787.65</b>     | <b>\$ -</b>            | <b>\$ -</b>                   |
| Other financing sources (uses):   |                         |                      |                        |                               |
| Bond sale proceeds  | \$ -                    | \$ -                 | \$ -                   | \$ 1,036,746.92               |
| Operating transfers in/(out)  | -                       | -                    | -                      | -                             |
| Bank charges  | -                       | -                    | -                      | -                             |
| <b>Total other financing sources (uses)</b>   | <b>\$ -</b>             | <b>\$ -</b>          | <b>\$ -</b>            | <b>\$ 1,036,746.92</b>        |
| Excess of revenues collected over (under)<br>expenditures paid and other<br>financing sources (uses)            | \$ 686,802.20           | \$ 78,289.14         | \$ 96,596.52           | \$ (31,727.82)                |
| <b>Fund balances, beginning of year</b>   | <b>\$ 1,129,268.47</b>  | <b>\$ 374,405.78</b> | <b>\$ 781,531.15</b>   | <b>\$ 2,046,171.40</b>        |
| <b>Fund balances, end of year</b>   | <b>\$ 1,816,070.67</b>  | <b>\$ 452,694.92</b> | <b>\$ 878,127.67</b>   | <b>\$ 2,014,443.58</b>        |

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

**KETCHUM SCHOOL DISTRICT NO. I-006**  
**COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**BUDGETED GOVERNMENTAL FUND TYPES - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

|   | General Fund           |                        |                        | Special Revenue Fund   |                        |                      |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------|
|   | Original Budget        | Final Budget           | Actual                 | Original Budget        | Final Budget           | Actual               |
| <b>Revenues collected:</b>  |                        |                        |                        |                        |                        |                      |
| Local sources   | \$ 2,935,027.05        | \$ 2,935,027.05        | \$ 3,598,185.22        | \$ 468,624.69          | \$ 468,624.69          | \$ 510,710.68        |
| Intermediate sources  | 167,062.32             | 167,062.32             | 199,958.52             | -                      | -                      | -                    |
| State sources   | 1,959,830.64           | 2,529,889.90           | 1,801,873.47           | 2,605.21               | 2,605.21               | 14,721.51            |
| Federal sources   | 482,845.99             | 482,845.99             | 1,048,237.78           | -                      | 231,177.96             | 267,247.92           |
| Non-revenue sources   | -                      | -                      | -                      | -                      | -                      | -                    |
| <b>Total revenues collected</b>   | <b>\$ 5,544,766.00</b> | <b>\$ 6,114,825.26</b> | <b>\$ 6,648,254.99</b> | <b>\$ 702,407.86</b>   | <b>\$ 702,407.86</b>   | <b>\$ 792,680.11</b> |
| <b>Expenditures paid:</b>   |                        |                        |                        |                        |                        |                      |
| Instruction   | \$ 6,674,034.47        | \$ 7,244,093.73        | \$ 3,636,213.06        | \$ -                   | \$ -                   | \$ -                 |
| Support services  | -                      | -                      | 2,289,409.30           | 497,079.05             | 497,079.05             | 421,120.38           |
| Non-instructional services  | -                      | -                      | 1,255.18               | 579,734.59             | 579,734.59             | 294,058.24           |
| Capital outlay  | -                      | -                      | -                      | -                      | -                      | -                    |
| Other outlays   | -                      | -                      | -                      | -                      | -                      | -                    |
| Other Uses  | -                      | -                      | -                      | -                      | -                      | -                    |
| Repayment   | -                      | -                      | -                      | -                      | -                      | -                    |
| Debt service:   | -                      | -                      | -                      | -                      | -                      | -                    |
| Principal retirement  | -                      | -                      | 28,138.30              | -                      | -                      | -                    |
| Interest  | -                      | -                      | 7,619.13               | -                      | -                      | -                    |
| <b>Total expenditures paid</b>  | <b>\$ 6,674,034.47</b> | <b>\$ 7,244,093.73</b> | <b>\$ 5,962,634.97</b> | <b>\$ 1,076,813.64</b> | <b>\$ 1,076,813.64</b> | <b>\$ 715,178.62</b> |
| Excess of revenues collected over (under) expenditures paid before adjustments to prior year encumbrances | \$ (1,129,268.47)      | \$ (1,129,268.47)      | \$ 685,620.02          | \$ (374,405.78)        | \$ (374,405.78)        | \$ 77,501.49         |
| <b>Adjustments to prior year encumbrances</b>   | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ 1,182.18</b>     | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ 787.65</b>     |
| <b>Other financing sources (uses):</b>  |                        |                        |                        |                        |                        |                      |
| Operating transfers in/out  | \$ -                   | \$ -                   | \$ -                   | \$ -                   | \$ -                   | \$ -                 |
| Bank Charges  | -                      | -                      | -                      | -                      | -                      | -                    |
| <b>Total other financing sources (uses)</b>   | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>          |
| Excess of revenues collected over (under) expenditures paid and other financing sources (uses)            | \$ (1,129,268.47)      | \$ (1,129,268.47)      | \$ 686,802.20          | \$ (374,405.78)        | \$ (374,405.78)        | \$ 78,289.14         |
| <b>Fund balance, beginning of year</b>  | <b>\$ 1,129,268.47</b> | <b>\$ 1,129,268.47</b> | <b>\$ 1,129,268.47</b> | <b>\$ 374,405.78</b>   | <b>\$ 374,405.78</b>   | <b>\$ 374,405.78</b> |
| <b>Fund balance, end of year</b>  | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ 1,816,070.67</b> | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ 452,694.92</b> |

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

**NOTES TO THE FINANCIAL STATEMENTS**

**KETCHUM SCHOOL DISTRICT NO. I-006  
CRAIG COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2024**

**1. Summary of Significant Accounting Policies**

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

**A. Reporting Entity**

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

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

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

**B. Measurement Focus**

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

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

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

**Governmental Funds**

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

**KETCHUM SCHOOL DISTRICT NO. 1-006  
CRAIG COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2024**

**Summary of Significant Accounting Policies (continued)**

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

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

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

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

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

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

**Fiduciary Funds**

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

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

**Account Groups**

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

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

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

**KETCHUM SCHOOL DISTRICT NO. I-006  
CRAIG COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2024**

**Summary of Significant Accounting Policies (continued)**

**C. Basis of Accounting and Presentation**

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

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

- Encumbrances represented by purchase orders, contracts, and other commitments for the expenditure of monies and are recorded as expenditures when approved.
- Investments and inventories are recorded as assets when purchased.
- Warrants payable are recorded as liabilities when issued.
- Long-term debt is recorded when incurred.
- Compensated absences are recorded as an expenditure when the obligation is paid.
- Fixed assets are recorded in the General Fixed Asset Account Group. Fixed assets are not depreciated.

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

**D. Budgets and Budgetary Accounting**

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

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

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

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

**KETCHUM SCHOOL DISTRICT NO. I-006  
CRAIG COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2024**

**Summary of Significant Accounting Policies (continued).**

**E. Assets, Liabilities and Fund Equity**

**Memorandum Only – Total Column**

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

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

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

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

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

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

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

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

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

**F. Revenues, Expenses and Expenditures**

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

**KETCHUM SCHOOL DISTRICT NO. I-006  
CRAIG COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2024**

**Summary of Significant Accounting Policies (continued)**

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

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

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

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

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

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

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

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

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

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

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



**KETCHUM SCHOOL DISTRICT NO. I-006  
CRAIG COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2024**

**Summary of Significant Accounting Policies (continued)**

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

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

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

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

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

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

**Budgetary Information**

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

**2. Deposit Categories of Credit Risk**

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

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

**KETCHUM SCHOOL DISTRICT NO. I-006  
CRAIG COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2024**

**Deposit Categories of Credit Risk (continued)**

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

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

**Custodial Credit Risk:**

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

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

Certificates of deposit are collateralized at least by the amount not federally insured.

**Interest Rate Risk:**

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

**Credit Risk:**

The District has no formal written policy addressing credit risk.

At June 30, 2024, the District has no investments.

**KETCHUM SCHOOL DISTRICT NO. I-006  
CRAIG COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2024**

**3. General Long-Term Debt**

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

A brief description of the outstanding general obligation bond issues at June 30, 2024, is set forth below:

|  |                        |
|--|------------------------|
| School District No. I-006 Combined Purpose Bonds,<br>Series 2023, original issue<br>\$1,060,000.00, average interest rate of 5.23%,<br>first installment of \$265,000.00 due on June 1, 2025, and<br>annual installments of \$265,000.00 due thereafter,<br>final payment of \$265,000.00 due on June 1, 2028.       | Amount<br>Outstanding  |
|  | \$ 1,060,000.00        |
| School District No. I-006 Combined Purpose Bonds,<br>Series 2020, original issue<br>\$1,200,000.00, average interest rate of 1.00%,<br>first installment of \$300,000.00 due on October 1, 2022, and<br>annual installments of \$300,000.00 due thereafter,<br>final payment of \$300,000.00 due on October 1, 2025. | 600,000.00             |
| School District No. I-006 Combined Purpose Bonds,<br>Series 2021, original issue<br>\$1,200,000.00, average interest rate of 0.8125%,<br>first installment of \$300,000.00 due on June 1, 2023, and<br>annual installments of \$300,000.00 due thereafter,<br>final payment of \$300,000.00 due on June 1, 2026.     | 600,000.00             |
| School District No. I-006 Building Bonds,<br>Series 2024, original issue<br>\$1,060,000.00, average interest rate of 5.22%,<br>first installment of 265,000.00 due on June 1, 2025, and<br>annual installments of \$265,000.00 due thereafter,<br>final payment of \$265,000.00 due on June 1, 2029.                 | 1,060,000.00           |
| School District I-006 Combined Purpose Bonds,<br>Series 2022, original issue<br>\$1,200,000.00, average interest rate of 3.68%,<br>first installment of \$300,000.00 due on June 1, 2024, and<br>annual installments of \$300,000.00 due thereafter,<br>final payment of \$300,000.00 due on June 1, 2027.           | 900,000.00             |
| Total Bonds Outstanding  | \$ <u>4,220,000.00</u> |

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

| Year ending<br>June 30, | Principal              | Interest             | Total                  |
|-------------------------|------------------------|----------------------|------------------------|
| 2025                    | \$ 1,165,000.00        | \$ 150,578.00        | \$ 1,315,578.00        |
| 2026                    | 1,430,000.00           | 120,796.00           | 1,550,796.00           |
| 2027                    | 830,000.00             | 78,473.00            | 908,473.00             |
| 2028                    | 530,000.00             | 40,280.00            | 570,280.00             |
| 2029                    | 265,000.00             | 13,250.00            | 278,250.00             |
| Total                   | \$ <u>4,220,000.00</u> | \$ <u>403,377.00</u> | \$ <u>4,623,377.00</u> |

Interest expense incurred on general long-term debt during the current year totaled \$117,755.00.

**KETCHUM SCHOOL DISTRICT NO. I-006  
CRAIG COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2024**

**General Long-Term Debt (continued)**

**Capital Lease-Purchases**

The District entered into a lease purchase agreement with Craig County Educational Authority for \$12,030,000.00 on November 13, 2020. Under this agreement, the Educational Authority (a public trust) issued lease revenue bonds to meet the capital needs of the School District and the School District issues a series of general obligation bonds to pay off its lease purchase obligation. The following is a summary of payments as of June 30, 2024:

| Year ending<br>June 30, | Rental Payment  | Annual Fee   | Acquisition<br>Payment | Total            |
|-------------------------|-----------------|--------------|------------------------|------------------|
| 2025                    | \$ 232,440.00   | \$ 13,685.00 | \$ 710,000.00          | \$ 956,125.00    |
| 2026                    | 215,400.00      | 12,975.00    | 1,310,000.00           | 1,538,375.00     |
| 2027                    | 183,960.00      | 11,665.00    | 1,115,000.00           | 1,310,625.00     |
| 2028                    | 157,200.00      | 10,550.00    | 1,150,000.00           | 1,317,750.00     |
| 2029                    | 129,600.00      | 9,400.00     | 1,095,000.00           | 1,234,000.00     |
| 2030-2032               | 216,000.00      | 17,000.00    | 4,305,000.00           | 4,538,000.00     |
| Totals                  | \$ 1,134,600.00 | \$ 75,275.00 | \$ 9,685,000.00        | \$ 10,894,875.00 |

The school district also entered into a lease purchase with Arvest Equipment Finance for stadium lighting in the amount of \$304,500.00. The future principal and interest payments are outlined as of June 30, 2024:

| Year ending<br>June 30, | Principal     | Interest     | Total         |
|-------------------------|---------------|--------------|---------------|
| 2025                    | \$ 29,012.14  | \$ 6,745.29  | \$ 35,757.43  |
| 2026                    | 29,891.65     | 5,865.78     | 35,757.43     |
| 2027                    | 30,797.82     | 4,959.61     | 35,757.43     |
| 2028                    | 31,720.44     | 4,036.99     | 35,757.43     |
| 2029                    | 103,320.00    | 3,064.35     | 35,757.43     |
| 2030-2031               | 68,389.56     | 3,125.00     | 71,514.86     |
| Total                   | \$ 222,504.69 | \$ 27,797.32 | \$ 250,302.01 |

The following is a summary of the long-term debt transactions of the District for the year ended June 30, 2024:

|                        | Bonds Payable   | Lease Payable    | Total Payable    |
|------------------------|-----------------|------------------|------------------|
| Balance, July 1, 2023  | \$ 4,255,000.00 | \$ 10,625,642.99 | \$ 14,880,642.99 |
| Additions              | 1,060,000.00    |                  | 1,060,000.00     |
| Retirements            | 1,095,000.00    | 718,138.30       | 1,813,138.30     |
| Balance, June 30, 2024 | \$ 4,220,000.00 | \$ 9,907,504.69  | \$ 14,127,504.69 |

**KETCHUM SCHOOL DISTRICT NO. I-006  
CRAIG COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2024**

**4. Employee Retirement System**

Description of Plan

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

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

Basis of Accounting

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

Funding Policy

The District, the State of Oklahoma, and the participating employees make contributions. The contribution rates for the District and its employees are established by and may be amended by Oklahoma Statutes. The rates are not actuarially determined. The rates are applied to the employee's earnings plus employer-paid fringe benefits. The required contribution for the participating members is 7.0% of compensation. Additionally, OTRS receives "federal matching contributions" for positions whose funding comes from federal sources or certain grants. The District and State are required to contribute 14.0% of applicable compensation. Contributions received by the System from the State of Oklahoma are from 3.54% of its revenues from sales tax use taxes, corporate income taxes and individual income taxes. The District contributed 9.5% and the State of Oklahoma plus the federal contribution contributed the remaining 4.5% during this year. The District is allowed by the Oklahoma Teachers' Retirement System to make the required contributions on behalf of the participating members. The school is required to pay 16.5% for any compensated retired teachers already receiving retirement benefits.

Annual Pension Cost

The District's total contributions for 2024, 2023, and 2022 were \$623,813.16, \$636,534.16, and \$557,519.11, respectively. The District's total payroll for fiscal year 2023-2024 amounted to \$3,786,118.82.

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

**5. Litigation**

The District is contingently liable for lawsuits and other claims in the ordinary course of its operations. The settlement of such contingencies under the budgetary process would require appropriation of revenues yet to be realized, and would not materially affect the financial position of the District at June 30, 2024.

**KETCHUM SCHOOL DISTRICT NO. I-006  
CRAIG COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2024**

**6. Risk Management**

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

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

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

The account was established to let school districts self-insure unemployment benefits for school employees. The funds are held in the name of each school district as reserves to pay unemployment claims. Each school district is individually liable for that portion of the benefits paid from the fund attributable to wages paid by the school district in the same manner as if no group account had been established. The reserve funds may be withdrawn from the account upon request of the school district. At June 30, 2024, the Ketchum School District had reserves on deposit with the Oklahoma Public Schools Unemployment Compensation Accounting totaling \$4,882.47. This amount has not been included in the District's balance sheet at June 30, 2024.

**7. Related Entities**

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

PTO Booster Club  
Grand Lake Basketball League

**8. Surety Bonds**

The District has a Public School System Faithful Performance Blanket Position Bond with Western Surety Company bond number 68630508. The bond covers the following positions for \$1,000.00 and it is for the term July 17, 2023 through July 17, 2024:

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

The treasurer is bonded by Old Republic Surety Company bond number WI50027099 for the sum of \$100,000.00 for the term of July 17, 2023 through July 17, 2024.

The Superintendent is bonded by Western Surety Company bond number 68630508 for the sum of \$100,000.00 for the term July 17, 2023 through July 17, 2024.

## **COMBINING FINANCIAL STATEMENTS**

KETCHUM SCHOOL DISTRICT NO. I-006  
COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES  
ALL SPECIAL REVENUE FUNDS - REGULATORY BASIS  
JUNE 30, 2024

|  | <u>Building Fund</u> | <u>Child Nutrition<br/>Fund</u> | <u>Total<br/>June 30, 2024</u> |
|--|----------------------|---------------------------------|--------------------------------|
| <b><u>ASSETS:</u></b>                        |                      |                                 |                                |
| Cash   | \$ 132,977.03        | \$ 397,537.48                   | \$ 530,514.51                  |
| Investments                                  | <u>-</u>             | <u>-</u>                        | <u>-</u>                       |
| <b>Total assets</b>                          | <u>\$ 132,977.03</u> | <u>\$ 397,537.48</u>            | <u>\$ 530,514.51</u>           |
|  |                      |                                 |                                |
| <b><u>LIABILITIES AND FUND BALANCES:</u></b> |                      |                                 |                                |
| <b>Liabilities:</b>                          |                      |                                 |                                |
| Outstanding warrants                         | \$ 13,533.84         | \$ 64,285.75                    | \$ 77,819.59                   |
| Encumbrances                                 | <u>-</u>             | <u>-</u>                        | <u>-</u>                       |
| <b>Total liabilities</b>                     | <u>\$ 13,533.84</u>  | <u>\$ 64,285.75</u>             | <u>\$ 77,819.59</u>            |
| <b>Fund balances:</b>                        |                      |                                 |                                |
| Cash fund Balances                           | <u>\$ 119,443.19</u> | <u>\$ 333,251.73</u>            | <u>\$ 452,694.92</u>           |
| <b>Total fund balances</b>                   | <u>\$ 119,443.19</u> | <u>\$ 333,251.73</u>            | <u>\$ 452,694.92</u>           |
|  |                      |                                 |                                |
| <b>Total liabilities and fund balances</b>   | <u>\$ 132,977.03</u> | <u>\$ 397,537.48</u>            | <u>\$ 530,514.51</u>           |



KETCHUM SCHOOL DISTRICT NO. I-006  
**COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID AND CHANGES IN FUND BALANCES**  
**ALL SPECIAL REVENUE FUNDS - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

|   | Building Fund        | Child Nutrition Fund | Total                |
|---|----------------------|----------------------|----------------------|
| <b>Revenues collected:</b>  |                      |                      |                      |
| Local sources   | \$ 461,893.71        | \$ 48,816.97         | \$ 510,710.68        |
| Intermediate sources  | -                    | -                    | -                    |
| State sources   | 5.81                 | 14,715.70            | 14,721.51            |
| Federal sources   | -                    | 267,247.92           | 267,247.92           |
| Non-revenue sources   | -                    | -                    | -                    |
| <b>Total revenue collected</b>  | <b>\$ 461,899.52</b> | <b>\$ 330,780.59</b> | <b>\$ 792,680.11</b> |
| <b>Expenditures paid:</b>   |                      |                      |                      |
| Instruction   | -                    | -                    | -                    |
| Support services  | 421,120.38           | -                    | 421,120.38           |
| Non-instructional services  | -                    | 294,058.24           | 294,058.24           |
| Capital outlay  | -                    | -                    | -                    |
| Other outlays   | -                    | -                    | -                    |
| Other uses  | -                    | -                    | -                    |
| Repayments  | -                    | -                    | -                    |
| Debt service:   |                      |                      |                      |
| Principal retirement  | -                    | -                    | -                    |
| Interest  | -                    | -                    | -                    |
| <b>Total expenditures paid</b>  | <b>\$ 421,120.38</b> | <b>\$ 294,058.24</b> | <b>\$ 715,178.62</b> |
| Excess of revenues collected over (under) expenditures paid before adjustments to prior year encumbrances | \$ 40,779.14         | \$ 36,722.35         | \$ 77,501.49         |
| <b>Adjustments to prior year encumbrances</b>   | <b>\$ 705.00</b>     | <b>\$ 82.65</b>      | <b>\$ 787.65</b>     |
| Other financing sources (uses):   |                      |                      |                      |
| Operating transfers in/(out)  | -                    | -                    | -                    |
| Bank charges  | -                    | -                    | -                    |
| <b>Total other financing sources (uses)</b>   | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>          |
| Excess of revenues collected over (under) expenditures and other financing sources (uses)                 | \$ 41,484.14         | \$ 36,805.00         | \$ 78,289.14         |
| <b>Fund balances, beginning of year</b>   | <b>\$ 77,959.05</b>  | <b>\$ 296,446.73</b> | <b>\$ 374,405.78</b> |
| <b>Fund balances, end of year</b>   | <b>\$ 119,443.19</b> | <b>\$ 333,251.73</b> | <b>\$ 452,694.92</b> |

KETCHUM SCHOOL DISTRICT NO. I-006  
COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES  
CAPITAL PROJECT FUND - REGULATORY BASIS  
JUNE 30, 2024

|   |    |                            |
|---|----|----------------------------|
|   |    | <u>Bond 32</u>             |
| <b><u>ASSETS</u></b>                        |    |                            |
| <b>Assets:</b>                              |    |                            |
| Cash  | \$ | 2,031,089.44               |
| Investments                                 |    | <u>-</u>                   |
| <b>Total assets</b>                         | \$ | <u><u>2,031,089.44</u></u> |
| <b><u>LIABILITIES AND FUND BALANCES</u></b> |    |                            |
| <b>Liabilities:</b>                         |    |                            |
| Outstanding warrants                        | \$ | 16,645.86                  |
| Encumbrances                                |    | <u>-</u>                   |
| <b>Total liabilities</b>                    | \$ | <u>16,645.86</u>           |
| <b>Fund balances:</b>                       |    |                            |
| Designated for capital projects             | \$ | 2,014,443.58               |
| Undesignated                                |    | <u>-</u>                   |
| <b>Total fund balances</b>                  | \$ | <u>2,014,443.58</u>        |
| <b>Total liabilities and fund balances</b>  | \$ | <u><u>2,031,089.44</u></u> |

KETCHUM SCHOOL DISTRICT NO. 1-006  
**COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID AND CHANGES IN FUND BALANCES**  
**CAPITAL PROJECT FUND - REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

|   | Bond 32                |
|---|------------------------|
| <b>Revenues collected:</b>  |                        |
| Local sources   | \$ -                   |
| Intermediate sources  | -                      |
| State sources   | -                      |
| Federal sources   | -                      |
| <b>Total revenues collected</b>   | <b>\$ -</b>            |
| <b>Expenditures paid:</b>   |                        |
| Instruction   | \$ 30,610.86           |
| Support services  | 340,645.88             |
| Non-instructional services  | -                      |
| Capital outlays   | 7,218.00               |
| Other outlays   | -                      |
| Repayments  | -                      |
| Debt service:   |                        |
| Principal retirement  | 690,000.00             |
| Interest  | -                      |
| <b>Total expenditures paid</b>  | <b>\$ 1,068,474.74</b> |
| Excess of revenues collected over (under) expenditures                                    | \$ (1,068,474.74)      |
| <b>Adjustments to prior year encumbrances</b>   | <b>\$ -</b>            |
| <b>Other financing sources (uses):</b>  |                        |
| Bond sale proceeds  | \$ 1,036,746.92        |
| Operating transfers in/(out)  | -                      |
| Bank charges  | -                      |
| <b>Total other financing sources (uses)</b>   | <b>\$ 1,036,746.92</b> |
| Excess of revenues collected over (under) expenditures and other financing sources (uses) | \$ (31,727.82)         |
| <b>Fund balances, beginning of year</b>   | <b>\$ 2,046,171.40</b> |
| <b>Fund balances, end of year</b>   | <b>\$ 2,014,443.58</b> |

**KETCHUM SCHOOL DISTRICT NO. I-006**  
**COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES**  
**FIDUCIARY FUND - REGULATORY BASIS**  
**JUNE 30, 2024**

|  | Activity Fund               |
|--|-----------------------------|
| <b>ASSETS:</b>                             |                             |
| Cash                                       | \$ 263,471.55               |
| Investments                                | -                           |
| <b>Total assets</b>                        | <u><u>\$ 263,471.55</u></u> |
| <b>LIABILITIES AND FUND BALANCES:</b>      |                             |
| <b>Liabilities:</b>                        |                             |
| Outstanding warrants                       | \$ 23,326.93                |
| Encumbrances                               | -                           |
| <b>Total liabilities</b>                   | <u><u>\$ 23,326.93</u></u>  |
| <b>Fund balances:</b>                      |                             |
| Cash fund Balances                         | \$ 240,144.62               |
| <b>Total fund balances</b>                 | <u><u>\$ 240,144.62</u></u> |
| <b>Total liabilities and fund balances</b> | <u><u>\$ 263,471.55</u></u> |

## **SUPPLEMENTAL INFORMATION**

KETCHUM SCHOOL DISTRICT NO. 1-006  
BUDGETARY COMPARISON SCHEDULE - REGULATORY BASIS  
BUILDING FUND  
FOR THE YEAR ENDED JUNE 30, 2024

|   | Original<br>Budget   | Final Budget         | Actual               | Variance with<br>Final Budget<br>Favorable<br>(Unfavorable) |
|---|----------------------|----------------------|----------------------|---|
| <b>Revenues collected:</b>  |                      |                      |                      |   |
| Local sources   | \$ 419,120.00        | \$ 419,120.00        | \$ 461,893.71        | \$ 42,773.71  |
| Intermediate sources  | -                    | -                    | -                    | -   |
| State sources   | -                    | -                    | 5.81                 | 5.81  |
| Federal sources   | -                    | -                    | -                    | -   |
| <b>Total revenues collected</b>   | <b>\$ 419,120.00</b> | <b>\$ 419,120.00</b> | <b>\$ 461,899.52</b> | <b>\$ 42,779.52</b>   |
| <b>Expenditures paid:</b>   |                      |                      |                      |   |
| Instruction   | \$ -                 | \$ -                 | -                    | -   |
| Support services  | 497,079.05           | 497,079.05           | 421,120.38           | 75,958.67   |
| Non-instructional services  | -                    | -                    | -                    | -   |
| Capital outlay  | -                    | -                    | -                    | -   |
| Other Outlays   | -                    | -                    | -                    | -   |
| Other Uses  | -                    | -                    | -                    | -   |
| Repayment   | -                    | -                    | -                    | -   |
| <b>Total expenditures</b>   | <b>\$ 497,079.05</b> | <b>\$ 497,079.05</b> | <b>\$ 421,120.38</b> | <b>\$ 75,958.67</b>   |
| Excess of revenues collected over (under)<br>expenditures paid before adjustments to<br>prior year encumbrances | \$ (77,959.05)       | \$ (77,959.05)       | \$ 40,779.14         | \$ 118,738.19   |
| <b>Adjustments to prior year encumbrances</b>   | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ 705.00</b>     | <b>\$ 705.00</b>  |
| <b>Other financing sources (uses):</b>  |                      |                      |                      |   |
| Operating transfers in/out  | \$ -                 | \$ -                 | -                    | -   |
| Bank charges  | -                    | -                    | -                    | -   |
| <b>Total other financing sources (uses)</b>   | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>   |
| Excess of revenues collected over (under)<br>expenditures paid and other<br>financing sources (uses)            | \$ (77,959.05)       | \$ (77,959.05)       | \$ 41,484.14         | \$ 119,443.19   |
| <b>Fund balances, beginning of year</b>   | <b>\$ 77,959.05</b>  | <b>\$ 77,959.05</b>  | <b>\$ 77,959.05</b>  | <b>\$ -</b>   |
| <b>Fund balance, end of year</b>  | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ 119,443.19</b> | <b>\$ 119,443.19</b>  |

**KETCHUM SCHOOL DISTRICT NO. I-006**  
**BUDGETARY COMPARISON SCHEDULE - REGULATORY BASIS**  
**CHILD NUTRITION FUND**  
**FOR THE YEAR ENDED JUNE 30, 2024**

|   | Original<br>Budget   | Final Budget         | Actual               | Variance with<br>Final Budget<br>Favorable<br>(Unfavorable) |
|---|----------------------|----------------------|----------------------|---|
| <b>Revenues collected:</b>  |                      |                      |                      |   |
| Local sources   | \$ 49,504.69         | \$ 49,504.69         | \$ 48,816.97         | \$ (687.72)   |
| Intermediate sources  | -                    | -                    | -                    | -   |
| State sources   | 2,605.21             | 2,605.21             | 14,715.70            | 12,110.49   |
| Federal sources   | 231,177.96           | 231,177.96           | 267,247.92           | 36,069.96   |
| Non Revenue Sources   | -                    | -                    | -                    | -   |
| <b>Total revenues collected</b>   | <b>\$ 283,287.86</b> | <b>\$ 283,287.86</b> | <b>\$ 330,780.59</b> | <b>\$ 47,492.73</b>   |
| <b>Expenditures paid:</b>   |                      |                      |                      |   |
| Instruction   | \$ -                 | \$ -                 | \$ -                 | \$ -  |
| Support services  | -                    | -                    | -                    | -   |
| Non-instructional services  | 579,734.59           | 579,734.59           | 294,058.24           | 285,676.35  |
| Capital outlay  | -                    | -                    | -                    | -   |
| Other Outlays   | -                    | -                    | -                    | -   |
| Other Uses  | -                    | -                    | -                    | -   |
| Repayment   | -                    | -                    | -                    | -   |
| Debt service:   |                      |                      |                      |   |
| Principal retirement  | -                    | -                    | -                    | -   |
| Interest  | -                    | -                    | -                    | -   |
| <b>Total expenditures</b>   | <b>\$ 579,734.59</b> | <b>\$ 579,734.59</b> | <b>\$ 294,058.24</b> | <b>\$ 285,676.35</b>  |
| Excess of revenues collected over (under)<br>expenditures paid before adjustments to<br>prior year encumbrances | \$ (296,446.73)      | \$ (296,446.73)      | \$ 36,722.35         | \$ 333,169.08   |
| <b>Adjustments to prior year encumbrances</b>   | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ 82.65</b>      | <b>\$ 82.65</b>   |
| <b>Other financing sources (uses):</b>  |                      |                      |                      |   |
| Operating transfers in/out  | \$ -                 | \$ -                 | \$ -                 | \$ -  |
| Bank charges  | -                    | -                    | -                    | -   |
| <b>Total other financing sources (uses)</b>   | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>   |
| Excess of revenues collected over (under)<br>expenditures paid and other<br>financing sources (uses)            | \$ (296,446.73)      | \$ (296,446.73)      | \$ 36,805.00         | \$ 333,251.73   |
| <b>Fund balances, beginning of year</b>   | <b>\$ 296,446.73</b> | <b>\$ 296,446.73</b> | <b>\$ 296,446.73</b> | <b>\$ -</b>   |
| <b>Fund balance, end of year</b>  | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ 333,251.73</b> | <b>\$ 333,251.73</b>  |

**KETCHUM SCHOOL DISTRICT NO. I-006  
SCHEDULE OF FEDERAL AWARDS EXPENDED  
FOR THE YEAR ENDED JUNE 30, 2024**

| Federal Grantor/Pass-Through Grantor/Program Title                | Federal Assistance Listing Number | Grantor's Number | Balance at July 1, 2023 | Receipts             | Transfer In/Out | Expenditures         | Balance at June 30, 2024 |
|---|-----------------------------------|------------------|-------------------------|----------------------|-----------------|----------------------|--------------------------|
| <b><u>U.S. Department of Education</u></b>                        |                                   |                  |                         |                      |                 |                      |                          |
| <b>Direct Programs:</b>   |                                   |                  |                         |                      |                 |                      |                          |
| Title V-Small Rural School Achievement Program                    | 84.358A                           | S358A233144      | \$ 1,181.00             | \$ 30,992.26         | \$ -            | \$ 30,992.26         | \$ 1,181.00              |
| Title VI-Indian Education   | 84.060A                           | S060A230953      | -                       | 51,110.00            | -               | 51,110.00            | -                        |
| <b>Subtotal Direct Programs</b>                                   |                                   |                  | <u>\$ 1,181.00</u>      | <u>\$ 82,102.26</u>  | <u>\$ -</u>     | <u>\$ 82,102.26</u>  | <u>\$ 1,181.00</u>       |
| <b>Passed-Through State Department of Education</b>               |                                   |                  |                         |                      |                 |                      |                          |
| Title I-Basic   | 84.010                            | N/A              | \$ (46,818.54)          | \$ 236,057.43        | \$ 32,232.78    | \$ 221,471.67        | \$ -                     |
| Title II Part A Teacher & Principal Training                      | 84.367                            | N/A              | -                       | 19,129.22            | (19,129.22)     | -                    | -                        |
| Title IV Student Support  | 84.424A                           | N/A              | -                       | 13,103.56            | (13,103.56)     | -                    | -                        |
| CDC-Epidemiology & Laboratory Capacity                            | 84.425U                           | N/A              | (87,293.48)             | 87,293.48            | -               | -                    | -                        |
| ARP School Counselor Grant  | 84.425U                           | N/A              | -                       | 32,000.00            | -               | 32,000.00            | -                        |
| ESSER III American Rescue Plan                                    | 84.425U                           | N/A              | (400,837.93)            | 400,837.93           | -               | 3,520.00             | (3,520.00)               |
| <b>Subtotal</b>   |                                   |                  | <u>\$ (534,949.95)</u>  | <u>\$ 788,421.62</u> | <u>\$ -</u>     | <u>\$ 256,991.67</u> | <u>\$ (3,520.00)</u>     |
| <b>Special Education Cluster</b>                                  |                                   |                  |                         |                      |                 |                      |                          |
| Special Ed Prof Development                                       | 84.027                            | N/A              | \$ -                    | \$ -                 | \$ -            | \$ 259.69            | \$ (259.69)              |
| Special Monitoring Assistance                                     | 84.027                            | N/A              | -                       | -                    | -               | 837.13               | (837.13)                 |
| IDEA-B Flow Through   | 84.027                            | N/A              | -                       | 138,280.08           | -               | 136,807.24           | 1,472.84                 |
| ARP Flow Through  | 84.027X                           | N/A              | (29,984.42)             | 29,984.42            | -               | -                    | -                        |
| Preschool   | 84.173                            | N/A              | -                       | 4,223.01             | -               | 4,223.01             | -                        |
| ARP IDEA B Preschool  | 84.027X                           | N/A              | (1,701.16)              | 1,701.16             | -               | -                    | -                        |
| <b>Subtotal Special Education Cluster</b>                         |                                   |                  | <u>\$ (31,685.58)</u>   | <u>\$ 174,188.67</u> | <u>\$ -</u>     | <u>\$ 142,127.07</u> | <u>\$ 376.02</u>         |
| <b>Subtotal Passed-Through State Department of Education</b>      |                                   |                  | <u>\$ (566,635.53)</u>  | <u>\$ 962,610.29</u> | <u>\$ -</u>     | <u>\$ 399,118.74</u> | <u>\$ (3,143.98)</u>     |
| <b><u>U. S. Department of Agriculture</u></b>                     |                                   |                  |                         |                      |                 |                      |                          |
| <b>Passed-Through State Department of Education:</b>              |                                   |                  |                         |                      |                 |                      |                          |
| <i>Child Nutrition Cluster</i>                                    |                                   |                  |                         |                      |                 |                      |                          |
| Non-Cash Assistance (Commodities):                                |                                   |                  |                         |                      |                 |                      |                          |
| National School Lunch Program                                     | 10.555                            | N/A              | \$ -                    | \$ 18,351.46         | \$ -            | \$ 18,351.46         | \$ -                     |
| <b>Non-Cash Assistance Subtotal</b>                               |                                   |                  | <u>\$ -</u>             | <u>\$ 18,351.46</u>  | <u>\$ -</u>     | <u>\$ 18,351.46</u>  | <u>\$ -</u>              |
| National School Lunch Program                                     | 10.555                            | N/A              | \$ 94,731.72            | \$ 179,058.36        | \$ -            | \$ 154,923.01        | \$ 118,867.07            |
| School Breakfast Program  | 10.553                            | N/A              | 13,143.09               | 69,995.99            | -               | 69,995.99            | 13,143.09                |
| Commodity Credit Corporation, Supply Chain Assistance             | 10.555                            | N/A              | 39,935.27               | 18,193.57            | -               | -                    | 58,128.84                |
| <b>Subtotal Child Nutrition Cluster</b>                           |                                   |                  | <u>\$ 147,810.08</u>    | <u>\$ 285,599.38</u> | <u>\$ -</u>     | <u>\$ 243,270.46</u> | <u>\$ 190,139.00</u>     |
| P-EBT Local Admin Funds   | 10.649                            | N/A              | \$ 1,242.00             | \$ -                 | \$ -            | \$ -                 | \$ 1,242.00              |
| Emergency Operational Cost Reimb. Child & Adult Care Food Program | 10.558                            | N/A              | 8,326.35                | -                    | -               | -                    | 8,326.35                 |
| <b>Sub Total Passed-Through the Child Nutrition</b>               |                                   |                  | <u>\$ 157,378.43</u>    | <u>\$ 285,599.38</u> | <u>\$ -</u>     | <u>\$ 243,270.46</u> | <u>\$ 199,707.35</u>     |

(continued)

See accompanying Notes to the Schedule of Federal Awards Expended.



**KETCHUM SCHOOL DISTRICT NO. I-006  
SCHEDULE OF FEDERAL AWARDS EXPENDED  
FOR THE YEAR ENDED JUNE 30, 2024**

| Federal Grantor/Pass-Through Grantor/Program Title            | Federal Assistance Listing Number | Grantor's Number | Balance at July 1, 2023 | Receipts               | Transfer In/Out | Expenditures         | Balance at June 30, 2024 |
|---|-----------------------------------|------------------|-------------------------|------------------------|-----------------|----------------------|--------------------------|
| Other Federal Assistance                                      |                                   |                  |                         |                        |                 |                      |                          |
| Passed-Through Choctaw Nation                                 |                                   |                  |                         |                        |                 |                      |                          |
| Johnson O'Malley  | 15,130                            | N/A              | \$ (3,423.73)           | \$ 3,423.73            | \$ -            | \$ 8,517.74          | \$ (8,517.74)            |
| Subtotal Passed-Through Choctaw Nation                        |                                   |                  | <u>\$ (3,423.73)</u>    | <u>\$ 3,423.73</u>     | <u>\$ -</u>     | <u>\$ 8,517.74</u>   | <u>\$ (8,517.74)</u>     |
| US Department of Health & Human Services                      |                                   |                  |                         |                        |                 |                      |                          |
| Passed-Through State Department of Health & Human Services    |                                   |                  |                         |                        |                 |                      |                          |
| OJT   | 84,126                            | N/A              | \$ -                    | \$ 101.50              | \$ -            | \$ -                 | \$ 101.50                |
| Subtotal Passed-Through State Dept of Health & Human Services |                                   |                  | <u>\$ -</u>             | <u>\$ 101.50</u>       | <u>\$ -</u>     | <u>\$ -</u>          | <u>\$ 101.50</u>         |
| Subtotal Other Federal Assistance                             |                                   |                  | <u>\$ (3,423.73)</u>    | <u>\$ 3,525.23</u>     | <u>\$ -</u>     | <u>\$ 8,517.74</u>   | <u>\$ (8,416.24)</u>     |
| <b>TOTAL FEDERAL ASSISTANCE</b>                               |                                   |                  | <u>\$ (411,499.83)</u>  | <u>\$ 1,333,837.16</u> | <u>\$ -</u>     | <u>\$ 733,009.20</u> | <u>\$ 189,328.13</u>     |

See accompanying Notes to the Schedule of Federal Awards Expended.

**KETCHUM SCHOOL DISTRICT NO. I-1006  
CRAIG COUNTY, OKLAHOMA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024**

**A. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the School under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of the Oklahoma State Department of Education. Because the Schedule presents only selected portion of the operations of the School, it is not intended and does not present the financial position, changes in net assets, or cash flows of the School.

**B. Summary of Significant Accounting Policies**

Expenditures reported in the Schedule are reported on the regulatory basis of accounting consistent with the preparation of the combined financial states except for non-monetary assistance noted in Note C. The School has elected not to use the 10% de minimis indirect cost rate. None of the federal programs include any loan programs.

**C. Food Distribution**

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

**REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

**KETCHUM SCHOOL DISTRICT NO. I-006**  
**SCHOOL ACTIVITY FUND**  
**RECEIPTS, TRANSFERS, DISBURSEMENTS AND SUB-ACCOUNT BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

| Activities           | Balance     |    | Deposited | Net<br>Transfers/<br>Adjustments | Disbursed    | Balance<br>6-30-24 |
|----------------------|-------------|----|-----------|----------------------------------|--------------|--------------------|
|                      | 7-1-23      |    |           |                                  |              |                    |
| Athletics            | \$ 9,220.14 | \$ | 70,900.61 | \$ -                             | \$ 62,806.89 | \$ 17,313.86       |
| Concession           | 4,706.24    |    | 19,847.69 | -                                | 19,795.42    | 4,758.51           |
| MS Gifted & Talented | 102.50      |    | -         | -                                | -            | 102.50             |
| Student Needs        | 368.57      |    | -         | -                                | -            | 368.57             |
| General/In & Out     | 3,690.00    |    | 9,510.00  | -                                | 6,866.70     | 6,333.30           |
| Softball             | 570.55      |    | 13,861.00 | -                                | 6,199.30     | 8,232.25           |
| Seniors              | 880.33      |    | 5,553.00  | -                                | 1,826.99     | 4,606.34           |
| Baseball             | 456.39      |    | 12,478.54 | -                                | 12,721.39    | 213.54             |
| Elem Special Ed      | 878.33      |    | 219.78    | -                                | 82.59        | 1,015.52           |
| HS Cheer             | 8,138.40    |    | 5,528.75  | -                                | 7,374.01     | 6,293.14           |
| HS Library           | 387.70      |    | 72.00     | -                                | 252.75       | 206.95             |
| Football             | 4,840.25    |    | 12,895.00 | -                                | 8,414.58     | 9,320.67           |
| HS Science Club      | 48.04       |    | -         | -                                | -            | 48.04              |
| Stucco               | 2,076.45    |    | 5,786.97  | -                                | 5,394.57     | 2,468.85           |
| FCCLA                | 638.04      |    | 14,612.57 | -                                | 14,247.78    | 1,002.83           |
| Yearbook             | 6,789.15    |    | 3,009.77  | -                                | 5,666.27     | 4,132.65           |
| Staff Development    | 1,868.57    |    | 4,494.70  | -                                | 4,118.67     | 2,244.60           |
| MS Special Ed        | -           |    | 1,898.89  | -                                | 648.13       | 1,250.76           |
| Homecoming           | 1,103.36    |    | -         | -                                | -            | 1,103.36           |
| Middle School Stucco | 1,791.77    |    | -         | -                                | -            | 1,791.77           |
| Elementary           | 5,841.14    |    | 13,813.13 | -                                | 12,275.81    | 7,378.46           |
| KPS Media            | 824.81      |    | -         | -                                | -            | 824.81             |
| Weekenders           | 45.32       |    | 36.97     | -                                | -            | 82.29              |
| Track                | 305.68      |    | -         | -                                | -            | 305.68             |
| Chromebook Fees      | 12,955.91   |    | 10,714.00 | -                                | 7,304.96     | 16,364.95          |
| Gifts & Donations    | 5,141.93    |    | 41,524.78 | -                                | 24,695.24    | 21,971.47          |
| H.S. Choir           | 2,154.48    |    | 956.00    | -                                | 1,977.04     | 1,133.44           |
| H.S. FCA             | 347.78      |    | -         | -                                | -            | 347.78             |
| Middle School        | 5,282.44    |    | 12,334.80 | -                                | 11,037.47    | 6,579.77           |
| 2nd Grade            | 340.93      |    | 450.00    | -                                | 90.49        | 700.44             |
| High School          | 2,221.04    |    | 2,668.16  | -                                | 3,127.61     | 1,761.59           |
| Kindergarten         | 344.41      |    | 327.00    | -                                | 520.54       | 150.87             |
| HS Speech/Drama      | 8,005.68    |    | 741.25    | -                                | 4,277.37     | 4,469.56           |
| FFA                  | 30,643.72   |    | 55,670.53 | -                                | 46,484.69    | 39,829.56          |
| Elem. Library        | 1,344.89    |    | 7,098.90  | -                                | 6,694.88     | 1,748.91           |
| Girls Basketball     | 1,068.95    |    | 8,481.00  | -                                | 6,175.33     | 3,374.62           |
| MS Library           | 757.93      |    | -         | -                                | 147.91       | 610.02             |

(continued)

**KETCHUM SCHOOL DISTRICT NO. I-006**  
**SCHOOL ACTIVITY FUND**  
**RECEIPTS, TRANSFERS, DISBURSEMENTS AND SUB-ACCOUNT BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

| Activities                        | Balance<br>7-1-23 | Deposited     | Net<br>Transfers/<br>Adjustments | Disbursed     | Balance<br>6-30-24 |
|-----------------------------------|-------------------|---------------|----------------------------------|---------------|--------------------|
| Aviation                          | -                 | 846.25        | -                                | 654.50        | 191.75             |
| RCA House Account Elem            | 339.13            | 2,400.00      | -                                | 1,697.53      | 1,041.60           |
| Boys Basketball                   | 339.24            | 6,729.00      | -                                | 6,277.60      | 790.64             |
| HS NHS                            | 70.00             | 947.00        | -                                | 438.87        | 578.13             |
| MS NHS                            | 7,453.44          | 11,565.55     | -                                | 9,297.29      | 9,721.70           |
| Elem PE                           | 3,961.88          | -             | -                                | 57.00         | 3,904.88           |
| Character Ed.                     | 16.60             | -             | -                                | -             | 16.60              |
| Juniors                           | 6,665.46          | 3,099.00      | -                                | 5,881.09      | 3,883.37           |
| Elem Art                          | 713.88            | -             | -                                | 179.88        | 534.00             |
| HS Art                            | 168.53            | 522.61        | -                                | 157.85        | 533.29             |
| Freshman                          | 85.00             | -             | -                                | -             | 85.00              |
| 7th & 8th Grade Science           | 20,495.98         | 8,430.00      | -                                | 14,948.85     | 13,977.13          |
| Smart Start                       | 7,732.80          | -             | -                                | -             | 7,732.80           |
| MS FCA                            | 321.46            | -             | -                                | -             | 321.46             |
| HS Academics                      | 471.46            | -             | -                                | -             | 471.46             |
| 3rd Grade                         | 800.97            | 956.30        | -                                | 485.44        | 1,271.83           |
| PreK                              | 848.73            | 189.00        | -                                | 660.45        | 377.28             |
| Elem Title I                      | 212.38            | -             | -                                | -             | 212.38             |
| 4th & 5th Field Trip              | 1,177.83          | 1,160.00      | -                                | 941.01        | 1,396.82           |
| 5th Grade                         | 3,550.12          | 2,820.90      | -                                | 3,055.85      | 3,315.17           |
| 1st Grade                         | 642.89            | 830.00        | -                                | 938.49        | 534.40             |
| KAF - Ketchum Academic Foundation | 24,621.37         | 34,750.00     | -                                | 51,588.20     | 7,783.17           |
| HS School Store                   | -                 | 1,168.50      | -                                | 140.97        | 1,027.53           |
| Total Activities                  | \$ 206,870.97     | \$ 411,899.90 | \$ -                             | \$ 378,626.25 | \$ 240,144.62      |

# Patten & Odom, CPAs, PLLC

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

---

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying fund type and account group financial statements-regulatory basis, within the combined financial statements of Ketchum School District No. I-006, Craig County, Oklahoma (District), as listed in the Table of Contents, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated March 31, 2025, which was adverse with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America because the presentation followed the regulatory basis of accounting for Oklahoma school districts and did not conform to the presentation requirements of the Governmental Accounting Standards Board. However, our report was qualified for the omission of the general fixed asset account group with respect to the presentation of financial statements on the regulatory basis of accounting authorized by the Oklahoma State Board of Education.

### **Internal Control over Financial Reporting**

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

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

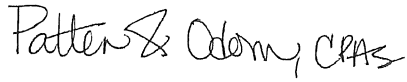
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

### **Compliance and Other Matters**

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

**Purpose of this Report**

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

A handwritten signature in black ink that reads "Patten & Odom, CPAs". The signature is written in a cursive, flowing style.

Patten & Odom, CPAs, PLLC  
Broken Arrow, Oklahoma  
March 31, 2025

**KETCHUM SCHOOL DISTRICT NO. I-006  
CRAIG COUNTY, OKLAHOMA  
SUMMARY OF PRIOR AUDIT FINDINGS  
JULY 1, 2023 TO JUNE 30, 2024**

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

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



**KETCHUM SCHOOL DISTRICT NO. I-006  
CRAIG COUNTY, OKLAHOMA  
SCHEDULE OF COMMENTS  
JULY 1, 2023 TO JUNE 30, 2024**

Based on our tests of accounting records and related procedures, we found nothing to indicate that Ketchum School District No. I-6 had not complied with significant compliance rules and regulations of the Oklahoma State Department of Education.

**Previous Year's Audit Comments**

There are no items in the 2022-2023 audit report which have been repeated in this report.


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

KETCHUM SCHOOL DISTRICT NO. I-006  
CRAIG COUNTY, OKLAHOMA  
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE AFFIDAVIT  
JULY 1, 2023 TO JUNE 30, 2024

State of Oklahoma )  
County of Tulsa )

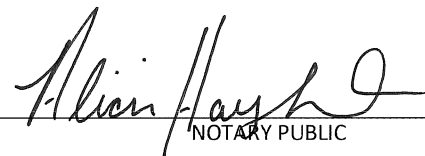
The undersigned auditing firm of lawful age, being first duly sworn on oath, says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with Ketchum School District for the audit year 2023-2024.

\_\_\_\_\_  
Patten & Odom, CPAs, PLLC  
AUDITING FIRM

BY   
AUTHORIZED AGENT

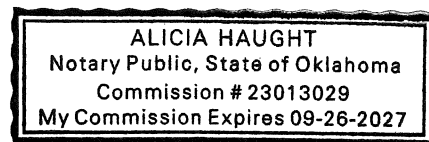
Subscribed and sworn to before me on this

31<sup>st</sup> day of March, 2025

  
NOTARY PUBLIC

My commission expires on:

26<sup>th</sup> day of September, 2027



**EXHIBIT B**

**CONTINUING DISCLOSURE AGREEMENT**

## CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement dated as of November 1, 2025 (this “Disclosure Agreement”), is executed and delivered by Independent School District No. 6, Craig County, Oklahoma (the “Issuer”) in connection with the Issuer’s issuance of its General Obligation Building Bonds, Series 2025A (the “2025A Bonds” or the “Bonds”). The Bonds are being issued pursuant to a Resolution dated as of October 8, 2025 (the “**Resolution**”). The Issuer is an “obligated person” with respect to the Bonds for the purposes of the Rule, hereinafter defined, hereby covenants and agrees as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **Section 3. Provision of Annual Reports.**

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than ten months following the end of the fiscal year in which the bonds are issued (as of the date of this Disclosure Certificate, June 30 is the end of the fiscal year), or later as such information becomes publicly available, and each fiscal year thereafter, provide annually to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. If the Issuer has retained a separate Dissemination Agent, then not later than fifteen (15) Business Days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate.

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

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

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

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

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

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

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

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

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

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

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

**Section 8. Dissemination Agent.** The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

By: \_\_\_\_\_  
President, Board of Education

[Signature Page to Continuing Disclosure Agreement]

## **EXHIBIT A**

### **DESCRIPTION OF ANNUAL FINANCIAL INFORMATION**

Appendix A – Audited Financial Statements.

## **EXHIBIT B**

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

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

---

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

**EXHIBIT C**

**NOTICE OF FAILURE TO FILE ANNUAL REPORT**

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

Name of Bond Issue: \$600,000 General Obligation Building Bonds, Series 2025A

Date of Issuance: \_\_\_\_\_

Base CUSIP: \_\_\_\_\_

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Agreement dated the \_\_\_\_ day of \_\_\_\_\_, 2025. The Issuer anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

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

By: \_\_\_\_\_