

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

PRELIMINARY OFFICIAL STATEMENT DATED MAY 28, 2025

NEW ISSUE – Book-Entry Only

Ratings: S&P: _____
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 33 CREEK COUNTY, OKLAHOMA (Sapulpa School District)

\$7,730,000

General Obligation Combined Purpose Bonds, Series 2025

Dated: July 1, 2025

Due: July 1, As Shown Below

Interest on the \$7,730,000 Independent School District Number 33, Creek County, Oklahoma, General Obligation Combined Purpose Bonds, Series 2025 (the "Bonds" or the "2025 Bonds") will accrue from July 1, 2025, (the "Dated Date") and will be payable on July 1, 2027 (the "Interest Payment Date"). The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of the Depository Trust Company ("DTC") pursuant to the Book-Entry Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the owners thereof. Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "The Bonds – Book-Entry Only System" herein. The initial Paying Agent/Registrar is UMB Bank, n.a. (the "Paying Agent/Registrar").

The 2025 Bonds constitute direct and general obligations of Independent School District No. 33 of Creek 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 2025 Bonds are being issued in accordance with the provisions contained in the Oklahoma Constitution, and laws of the State of Oklahoma supplementary and amendatory thereto.

MATURITY SCHEDULE

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP 225489</u>
7-1-2027	\$7,730,000			

The 2025 Bonds are offered subject to the approval of legality by the Attorney General of the State of Oklahoma and _____ Oklahoma, Bond Counsel. It is anticipated that the 2025 Bonds in definitive form will be available for delivery on or about July 22, 2025.

Financial Advisor

BOK Financial Securities, Inc.

Official Statement Dated: June __, 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 2025 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. 33 of Creek County, Oklahoma, and the purchasers or holders of any of the 2025 Bonds.

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

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OFFICIAL STATEMENT

INDEPENDENT SCHOOL DISTRICT NO. 33 CREEK COUNTY, OKLAHOMA (Sapulpa School District)

\$7,730,000

General Obligation Combined Purpose Bonds, Series 2025

INTRODUCTION

Independent School District No. 33 of Creek County, Oklahoma, also known as the Sapulpa School District (the "School District") is issuing its \$7,730,000 General Obligation Combined Purpose Bonds, Series 2025 (the "Bonds" or the "2025 Bonds") to provide funds for the purpose of acquiring capital improvements and equipment within and for the benefit of the School District. The 2025 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 2025 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 Creek County, approximately 15 miles southwest of the City of Tulsa, Oklahoma. The U.S. Census Bureau's 2023 population estimate for the School District is 23,527.

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 2025 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 July 1, 2025, and will be payable on July 1, 2027 (the "Interest Payment Date"). The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of the Depository Trust Company ("DTC") pursuant to the Book-Entry Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the owners thereof. Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "The Bonds – Book-Entry Only System" herein.

Redemption Prior to Maturity

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

Registration

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

The Bonds are transferable by their registered owner(s) in person or by their attorney(-ies) duly authorized in writing at the principal office of the Registrar but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and

cancellation of the Bond(s). Upon such transfer a new Bond or Bonds of the same maturity or maturities, interest rate or rates and of authorized denomination or denominations, for the same aggregate principal amount, will be issued to the transferee in exchange therefor. The School District and the Registrar may deem and treat the registered owner(s) as the absolute owner(s) (whether or not the Bond(s) shall be overdue) for the purpose of receiving payment thereof and for all other purposes and neither School District nor Registrar shall be affected by any notice to the contrary.

Book-Entry Only System

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

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

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

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC (or the Paying Agent on behalf of DTC utilizing the DTC FAST system of registration) are registered in the name of

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

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

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

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

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

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

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

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

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

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

Security for the Bonds

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

	<u>Creek County</u>
Real Estate	12.00%
Personal	12.00%
Public Service Property*	22.85%

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

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

Authority for Issuance and Purpose of Bonds

The Bonds are issued pursuant to the provisions of and in full compliance with the Constitution and Laws of the State of Oklahoma, particularly Article X, Section 26 of the Constitution of the State of Oklahoma and Title 70, Article XV of the Oklahoma Statutes 2011, and laws supplementary and amendatory thereto, and a resolution of the Board of Education to be adopted on June 5, 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. The Bonds were authorized by a vote of the residents of the School District at a special election on September 12, 2023. The special election authorized the issuance of a total of \$279,250,000 in bonds. The School District has previously issued \$4,095,000 of bonds from this authorization. The School District anticipates issuing the remaining bonds under this authorization in varying amounts and in separate series annually through 2048.

Tax Levy and Collection Procedures

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

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

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

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

Record Date

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

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THE SAPULPA SCHOOL DISTRICT

The School District is located in northeastern Oklahoma, in Creek County, approximately 15 miles southwest of the City of Tulsa, Oklahoma. The School District, encompassing approximately 25 square miles, serves the City of Sapulpa (estimated 2023 population 22,981 according to the U.S. Census Bureau), the County Seat of Creek County, and the surrounding rural area in Creek County. The U.S. Census Bureau's 2023 population estimate for the School District is 23,527. As of April 2025, the School District employs approximately 261 certified teachers and has an enrollment of approximately 3,702 students. The School District is fully accredited by the Oklahoma State Department of Education.

Residents of the School District are employed at businesses located throughout the City of Sapulpa 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 March 2025 unemployment rates for the counties included in the school district are as follows:

	Unemployment Rate
Creek County	3.3%*
State of Oklahoma	3.3%
United States	4.2%

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

* Preliminary.

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

Board of Education and School Administration

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

Board of Education

Steve McCormick	President and Member
Larry Hoover	First Vice-President and Member
Melinda Ryan	Second Vice-President Member
Sarah Havenstrite	Member
Johnny Merrell	Member
Misty Jones	Clerk and Non-Member

School Administration

Robert Armstrong	Superintendent of Schools
Kenda Terrones	Chief Financial Officer

Payment Record

The School District has never defaulted.

FINANCIAL INFORMATION

Compliance with Constitutional Debt Limitation

2024-25 Estimated Market Value	\$2,122,968,792
2024-25 Assessed Valuation, including Homestead & Other Exemptions	\$261,310,212
2024-25 Assessed Valuation, excluding Homestead & Other Exemptions	\$253,825,481

The county indicated below has 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 county has calculated the "millage adjustment factor" to be applied to debt percentage limits under Article 10, Section 26(b), resulting in an adjusted debt limit. The adjusted debt limit is as follows:

<u>County</u>	<u>Net Assessed Valuation</u>	<u>District Unadjusted Legal Debt Limit (1)</u>	<u>Millage Adjustment Factor</u>	<u>District Adjusted Legal Debt Limit (2)</u>
Creek County	\$253,825,481	\$25,382,548	1.022300	<u>\$25,948,579</u>
TOTAL ADJUSTED LEGAL DEBT LIMIT (BONDING CAPACITY)				<u>\$25,948,579</u>
General Obligation Combined Purpose Bonds Outstanding*				\$27,825,000
Less: Estimated Sinking Fund Balance (April 22, 2025)				<u>12,937,364</u>
Net General Obligation Combined Purpose Bonds Outstanding				\$14,887,636
Remaining Legal Debt Margin				\$11,060,943
Ratio of Net G.O. Indebtedness to NAV				5.87%
Ratio of Net G.O. Indebtedness to Estimated Full Market Value				0.70%

* This figure is as of April 22, 2025 and includes the 2025 Bonds.

Source: School District.

Authorized but Unissued Bonds

Upon the issuance of the 2025 Bonds, the School District will have \$267,425,000 in authorized but unissued bonds. The School District expects to issue the remaining authorized bonds annually in varying amounts from 2026 to 2048.

Composition and Growth of the Net Assessed Valuation

The composition of the Net Assessed Valuation of the School District for the Fiscal Year 2024-25 is as follows:

<u>Property</u>	<u>Creek County</u>	<u>Percentage</u>
Real	198,117,315	78.05%
Personal	41,905,593	16.51%
Public Service	<u>13,802,573</u>	<u>5.44%</u>
Total	253,825,481	100.00%

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

Fiscal Year	Net Assessed Valuation	% Change
2024-2025	\$253,825,481	5.30%
2023-2024	241,048,287	7.07%
2022-2023	225,141,263	11.46%
2021-2022	201,988,881	4.16%
2020-2021	193,922,640	4.96%
2019-2020	184,759,978	1.57%
2018-2019	181,912,317	3.63%
2017-2018	175,534,444	-1.84%
2016-2017	178,821,473	3.78%
2015-2016	172,301,482	

During this period, the Net Assessed Valuation of the District increased \$81,523,999 or 47.31%.

General Obligation Bonded Debt Outstanding*

<u>Date of Issuance</u>	<u>Original Principal Amount</u>	<u>Remaining Maturities</u>	<u>Maturity Dates</u>	<u>Total Outstanding</u>
6/1/2023	\$16,000,000	\$8,000,000	6/1/2025-26	\$16,000,000
12/1/2023	\$3,460,000	\$1,730,000	12/1/2025-26	\$3,460,000
7/1/2024	\$635,000	\$635,000	7/1/2026	\$635,000
7/1/2025	\$7,730,000	\$7,730,000	7/1/2027	\$7,730,000
			TOTAL	\$27,825,000

*The table above is as of May 8, 2025 and includes the 2025 Bonds.

Annual Debt Service Requirements of General Obligation Bonded Debt Outstanding*

<u>Fiscal Year</u>	<u>Outstanding Bonds</u>		<u>2025 GO Bonds*</u>		<u>Debt Service Requirement</u>
	<u>Principal</u>	<u>Interest</u>			
2024-2025	\$8,000,000.00	\$540,575.00			\$8,540,575.00
2025-2026	9,730,000.00	430,287.50			10,160,287.50
2026-2027	2,365,000.00	85,022.50			2,450,022.50
2027-2028			\$7,730,000.00	\$618,400.00	8,348,400.00
TOTAL	\$20,095,000.00	\$1,055,885.00	\$7,730,000.00	\$618,400.00	\$29,499,285.00

*The table above is as of May 8, 2025 and includes the 2025 Bonds. The interest rate on the 2025 Bonds is estimated at 4.00%.

Net Direct, Overlapping and Underlying General Obligation Bonded Indebtedness

<u>Municipality</u>	<u>Net Indebtedness</u>	<u>Amount Applying to SD</u>	<u>Ratio to Assessed</u>	<u>Per Capita Debt</u>
Sapulpa School District	\$14,887,636	\$14,887,636	5.87%	\$632.79
City of Sapulpa	36,988,999	36,988,999	14.57%	1,609.55
Creek County	0	0	0	0.00
	<u>\$51,876,635</u>	<u>\$51,876,635</u>		<u>\$2,242.34</u>

Debt figures for the School District are as of April 22, 2025 and include the 2025 Bonds.

Debt figures for all other entities are as of June 30, 2024.

Estimated per capita debt based on 2023 estimated population for the City of Sapulpa and the School District per U.S. Census Bureau.

Sinking Fund Tax Collections

<u>Fiscal Year</u>	<u>Net Levy</u>	<u>Gross Levy</u>	<u>Current Collections</u>	<u>Total Collections</u>
2024-2025	\$7,326,831	\$7,693,174	<i>In process of collection</i>	
2023-2024	\$6,004,107	\$6,304,313	\$5,685,053	\$6,182,292
2022-2023	\$5,444,956	\$5,717,203	\$5,131,088	\$5,386,975
2021-2022	\$5,311,878	\$5,577,472	\$5,352,028	\$5,565,691
2020-2021	\$5,314,370	\$5,580,088	\$5,387,064	\$5,739,819
2019-2020	\$5,428,458	\$5,684,681	\$5,414,393	\$5,646,122
2018-2019	\$5,631,593	\$5,913,173	\$5,418,718	\$5,716,780

* Collection percentage is determined utilizing total collections. Five percent (5%) is added to the net levy to compensate for expected delinquencies during the collection process.

Source: School District Administration and Budgets.

Percentage of Taxes Collected

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

<u>Fiscal Year</u>	<u>Ratio of Current Tax Collections to Net Levy</u>	<u>Ratio of Total Tax Collections to Net Levy</u>
2023-2024	94.69%	102.97%
2022-2023	94.24%	98.94%
2021-2022	100.76%	104.78%
2020-2021	101.37%	108.01%
2019-2020	99.74%	104.01%
2018-2019	96.22%	101.51%

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

Fiscal Year	Ratio of Current Tax Collections to Gross Levy	Ratio of Total Tax Collections to Gross Levy
2023-2024	90.18%	98.06%
2022-2023	89.75%	94.22%
2021-2022	95.96%	99.79%
2020-2021	96.54%	102.86%
2019-2020	95.25%	99.32%
2018-2019	91.64%	96.68%

Source: School District Administration and Budgets.

Trend of Tax Rates: Major Taxing Units*

Fiscal Year	Sapulpa School District	City of Sapulpa	Creek County	EMS District	Technology Center	Total Levy
2024-2025	71.20	17.10	16.93	3.08	13.26	121.57
2023-2024	67.04	17.66	16.93	3.08	13.26	117.97
2022-2023	66.28	15.32	16.93	3.08	13.26	114.87
2021-2022	68.50	16.87	16.93	3.08	13.26	118.64
2020-2021	69.66	15.04	16.93	3.08	13.26	117.97
2019-2020	71.66	13.61	16.93	3.08	13.26	118.54
2018-2019	73.40	14.35	16.93	3.08	13.26	121.02
2017-2018	73.66	13.45	16.93	3.08	13.26	120.38
2016-2017	66.29	14.89	16.93	3.08	13.26	114.45
2015-2016	66.28	13.11	17.92	3.08	13.26	113.65

*Dollars per \$1,000 of Net Assessed Valuation.

Source: Creek County, Oklahoma.

School District General Fund Revenues and Expenditures

FY Ending June 30,	Beginning General Fund Balance	Total Revenue	Total Expenditures	Adjustments to Prior Year Encumbrances	Ending General Fund Balance
2018	\$2,832,779	\$25,356,415	\$25,572,681	\$44,813	\$2,661,326
2019	\$2,661,326	\$28,397,728	\$28,298,398	\$41,053	\$2,801,709
2020	\$2,801,709	\$28,802,241	\$28,976,610	\$75,492	\$2,702,832
2021	\$2,702,832	\$27,429,802	\$27,539,867	\$31,531	\$2,624,298
2022	\$2,624,298	\$30,667,166	\$29,921,283	\$68,486	\$3,438,667
2023	\$3,438,667	\$31,419,019	\$31,466,396	\$137,182	\$3,528,472
2024	\$3,528,472	\$37,678,301	\$35,275,188	\$38,920	\$5,970,505

Detail of School District General Fund Revenues

FY Ending June 30,	Local Sources*	County Sources	State Sources	Federal Sources	Total Revenues
2018	\$6,514,199	\$677,048	\$15,895,301	\$2,269,867	\$25,356,415
2019	\$6,925,297	\$694,486	\$18,493,302	\$2,284,643	\$28,397,728
2020	\$6,992,862	\$752,526	\$18,429,365	\$2,627,488	\$28,802,241
2021	\$7,389,852	\$813,335	\$16,179,915	\$3,046,700	\$27,429,802
2022	\$7,706,500	\$856,051	\$17,516,715	\$4,587,900	\$30,667,166
2023	\$8,314,185	\$872,415	\$18,181,157	\$4,051,262	\$31,419,019
2024	\$9,743,708	\$941,561	\$21,731,764	\$5,261,268	\$37,678,301

*Local Sources includes Interest Earnings and Non-Revenue Receipts as shown in the audited financial statements.

Source: School District Audits.

School Enrollment Trend

School Year	Total Enrollment	% Change
2024-2025	3,702	-2.06%
2023-2024	3,780	0.75%
2022-2023	3,752	1.41%
2021-2022	3,700	2.78%
2020-2021	3,600	-1.21%
2019-2020	3,644	-1.11%
2018-2019	3,685	-4.14%
2017-2018	3,844	-2.63%
2016-2017	3,948	-1.30%
2015-2016	4,000	

School Enrollment Projection

School Year	Total Enrollment	% Change
2025-2026	3,705	0.08%
2026-2027	3,705	0.00%
2027-2028	3,705	0.00%
2028-2029	3,705	0.00%
2029-2030	3,705	0.00%

Source: School District.

ECONOMIC INDICES

Unemployment Rate (Twelve Month Moving Average)

	Mar. 2025	Feb. 2025	Mar. 2024
United States	4.2%	4.1%	3.9%
State of Oklahoma	3.3%	3.3%	3.3%
Creek County	3.3%	3.7%	3.4%

Source: Oklahoma Employment Security Commission and United States Department of Labor.

Sales Tax Collections – City of Sapulpa

FY Ending <u>June 30</u>	Sales Tax <u>Collections</u>
2024	\$18,120,206
2023	\$17,792,433
2022	\$16,810,814
2021	\$15,380,403
2020	\$13,989,167
2019	\$13,526,718
2018	\$12,876,874
2017	\$12,238,485
2016	\$12,122,933
2015	\$12,212,847

Source: Oklahoma Tax Commission.

Retail Sales – City of Sapulpa

FY Ending <u>June 30</u>	Retail <u>Sales</u>
2024	\$453,005,150
2023	\$444,810,825
2022	\$420,270,350
2021	\$384,510,075
2020	\$349,729,166
2019	\$330,233,826
2018	\$318,660,962
2017	\$302,619,863
2016	\$307,854,225
2015	\$306,645,562

Source: Oklahoma Tax Commission.

Largest Taxpayers

<u>Name of Taxpayer</u>	<u>Type of Business</u>	<u>Net Assessed Valuation</u>
Ardagh Glass Inc XM2 2021	Glass Container Manufacturer	\$6,809,900
Oklahoma Gas and Electric Co	Electric Utility	\$5,236,049
Gaslamp Apartments, LLC	Apartment Complex	\$4,702,240
Ardagh Glass Inc.	Glass Container Manufacturer	\$3,802,642
Enable Oklahoma Intrastate Transmission	Oil & Gas Industry	\$1,919,280
Timbers Apartments LLC	Apartment Complex	\$1,840,092
COXCOM LLC 33C	Telecommunications	\$1,803,188
Rolled Alloys LP	Specialty Metals	\$1,652,267
Fabsco Shell & Tube LLC	HVAC Equipment Manufacturing	\$1,556,059
Oklahoma Natural Gas ONEOK	Natural Gas Distribution	\$1,508,302
Total Net Assessed Valuation of Top Ten Taxpayers:		\$30,830,019
Percentage of School District's Net Assessed Valuation:		12.15%

Source: Creek County Assessor.

ABSENCE OF MATERIAL LITIGATION

No litigation is pending (a) seeking to restrain or enjoin the issuance or delivery of the 2025 Bonds, (b) contesting or affecting any authority for or the validity of the 2025 Bonds, (c) contesting the power of the School District to issue the 2025 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 2025 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 2025 Bonds are subject to the approving opinion of _____, Bond Counsel, and the Attorney General of the State of Oklahoma.

CONTINUING DISCLOSURE

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

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

A failure by the School District to comply with the Continuing Disclosure Agreement will not constitute an event of default with respect to the Bonds, although any holder will have any available remedy at law or in

equity, including seeking specific performance by court order, to cause the School District to comply with its obligations under the Continuing Disclosure Agreement. Any such failure must be reported in accordance with Rule 15c2-12 and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Rule 15c2-12 requires that an issuer or other obligated person disclose in an official statement any instances in the previous five years in which such issuer or other obligated person failed to comply, in all material respects, with any previous undertakings in a written contract or agreement specified in paragraph (b)(5)(i) of Rule 15c2-12. In connection with certain bonds previously issued by or for the benefit of the School District, the School District agreed to provide certain annual financial information and notice of certain events pursuant to continuing disclosure undertakings similar to the Disclosure Agreement (the "Prior Undertakings"). During the past five years, the School District does not believe it has failed to comply, in all material respects, with any previous undertakings it has entered into with respect to Rule 15c2-12.

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 2025 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 2025 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 2025 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 2025 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 2025 Bonds are "qualified" obligations for this purpose.**

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

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

No Other Opinion

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

Prospective purchasers of the 2025 Bonds should consult their own tax advisors as to the consequences of their acquisition, holding, or disposition of the 2025 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.

CREDIT RATINGS

The 2025 Bonds have been rated “___” by S&P Global Ratings and the School District is currently rated Oklahoma #1 by the Municipal Rating Committee of Oklahoma. The ratings assigned by S&P Global Ratings and the Municipal Rating Committee of Oklahoma express only the view of each respective rating agency. The explanation of the significance of each rating may be obtained from S&P Global Ratings and the Municipal Rating Committee of Oklahoma, respectively. There is no assurance that any rating will continue for any period of time or that it will not be revised or withdrawn. Any revision or withdrawal of ratings may have an effect on the market price of the 2025 Bonds.

UNDERWRITING

The General Obligation Combined Purpose Bonds, Series 2025 are being purchased at competitive sale by _____, (the "Underwriter"). The Underwriter has agreed to purchase the 2025 Bonds at a price equal to \$_____ plus accrued interest from July 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.

(Remainder of this page intentionally left blank)

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. 33
OF CREEK COUNTY, OKLAHOMA

BY: _____
President, Board of Education

EXHIBIT A

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

**FINANCIAL STATEMENTS – REGULATORY BASIS
AND REPORTS OF INDEPENDENT AUDITOR**

**SAPULPA INDEPENDENT SCHOOL DISTRICT NO. I-33,
CREEK COUNTY, OKLAHOMA**

JUNE 30, 2024

Audited by

**BLEDSON, HEWETT & GULLEKSON
CERTIFIED PUBLIC ACCOUNTANTS, PLLLP**

BROKEN ARROW, OK

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
SCHOOL DISTRICT OFFICIALS
JUNE 30, 2024

BOARD OF EDUCATION

President

Larry Hoover

Vice-President

Wayne Richards

Member

Melinda Ryan

Member

Sarah Havenstrite

Member

Steve McCormick

SUPERINTENDENT OF SCHOOLS

Robert Armstrong

BUSINESS MANAGER / TREASURER

Kenda Terrones

BOARD AND MINUTES CLERK

Misty Jones

www.sapulpaps.org

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
JUNE 30, 2024

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JUNE 30, 2024

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BLEDSON, HEWETT & GULLEKSON
CERTIFIED PUBLIC ACCOUNTANTS, PLLLP

Eric M. Bledsoe, CPA
Jeffrey D. Hewett, CPA
Christopher P. Gullekson, CPA

P.O. BOX 1310 • 121 E. COLLEGE ST. • BROKEN ARROW, OK 74013 • (918) 449-9991 • (800) 522-3831 • FAX (918) 449-9779

INDEPENDENT AUDITOR'S REPORT

To the Honorable Board of Education
Sapulpa Independent School District No. 33
Sapulpa, Creek County, Oklahoma

Report on the Audit of the Financial Statements

We have audited the accompanying combined fund type and account group financial statements-regulatory basis of the Sapulpa Independent School District No. 33, Sapulpa, Creek County, Oklahoma (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter discussed in the "Basis for Qualified Opinion on Regulatory Basis of Accounting" section of our report, the combined financial statements referred to above present fairly, in all material respects, the assets, liabilities and fund balances arising from regulatory basis transactions of each fund type and account group of the District, as of June 30, 2024, and the revenues it received and expenditures it paid and encumbered for the year then ended, in accordance with the financial reporting provisions of the Oklahoma State Department of Education as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" section of our report, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District, as of June 30, 2024, or the revenues, expenses, and changes in net position and, where applicable, cash flows thereof for the year then ended.

Basis for Opinions

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

Basis for Qualified Opinion on Regulatory Basis of Accounting

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

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

As described in Note 1 to the financial statements, to meet the financial reporting requirements of the Oklahoma State Department of Education, the financial statements are prepared by the District on the basis of the financial reporting regulations prescribed or permitted by the Oklahoma State Department of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the fund type and account group financial statements-regulatory basis that collectively comprise the District's basic financial statements. The accompanying combining financial statements-regulatory basis and other supplementary information and schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements-regulatory basis. The information has been subjected to the auditing procedures applied in the audit of the fund type and account group financial statements within the combined financial statements-regulatory basis and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the financial statements being prepared in compliance with the regulatory basis as prescribed by the Oklahoma State Department of Education as discussed in Note 1, the combining financial statements-regulatory basis and other supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the combined financial statements-regulatory basis as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.

Bledsoe, Hewett & Gullekson

Bledsoe, Hewett & Gullekson
Certified Public Accountants, PLLLP

October 11, 2024



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

The Honorable Board of Education
Sapulpa Independent School District No. 33
Sapulpa, Creek 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 fund type and account group financial statements – regulatory basis of the Sapulpa Independent School District No. 33, Sapulpa, Creek County, Oklahoma (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 11, 2024, which was adverse with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in the United States because the presentation followed the regulatory basis of accounting for Oklahoma school districts as provided by the Oklahoma State Department of Education. However, our report was qualified because the omission of the general fixed asset account group results in an incomplete presentation 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of District's internal control. Accordingly, we do not express an opinion on the effectiveness of District's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Bledsoe, Hewett & Gullekson

Bledsoe, Hewett & Gullekson
Certified Public Accountants, PLLLP

October 11, 2024



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

To the Honorable Board of Education
Sapulpa Independent School District No. 33
Sapulpa, Creek County, Oklahoma

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Sapulpa Independent School District No. 33, Sapulpa, Creek County, Oklahoma's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Bledsoe, Hewett & Gullekson

Bledsoe, Hewett & Gullekson
Certified Public Accountants, PLLLP

October 11, 2024

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
DISPOSITION OF PRIOR YEAR'S SIGNIFICANT DEFICIENCIES AND
MATERIAL INSTANCES OF NONCOMPLIANCE
JUNE 30, 2024

There were no prior year significant deficiencies or material instances of noncompliance.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
SCHEDULE OF AUDIT RESULTS, FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024

Section 1 – Summary of Auditor’s Results:

1. An adverse opinion on the combined financial statements in conformity with generally accepted accounting principles and a qualified opinion for the omission of the general fixed asset account group on the combined financial statements in conformity with a regulatory basis of accounting prescribed by the Oklahoma State Department of Education.
2. The audit did not identify any material weaknesses and did not report any significant deficiencies not considered to be material weaknesses in the internal controls over financial reporting.
3. The audit disclosed no instances of noncompliance which are material to the financial statements.
4. The audit did not identify any material weaknesses and did not report any significant deficiencies not considered to be material weaknesses in the internal controls over major programs.
5. An unmodified report was issued on the compliance for major programs in conformity with the regulatory basis of accounting.
6. The audit disclosed no audit findings which are required to be reported under the Uniform Guidance, 2 CFR 200.51(a).
7. Programs determined to be major are the COVID-19 Education Stabilization Fund – ESSER/ARP/CARES Act Programs (84.425U) which were not clustered in determination, the Title I Programs (84.010), which were not clustered in determination, and the Child Nutrition Programs (10.553, 10.555, 10.559), which were clustered in determination.
8. The dollar threshold used to determine between Type A and Type B programs was \$750,000.
9. The District was determined not to be a low-risk auditee.

Section 2 – Findings relating to the financial statements required to be reported in accordance with GAGAS:

NONE

Section 3 – Findings and questioned costs for federal awards:

NONE

COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
COMBINED STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -
ALL FUND TYPES AND ACCOUNT GROUPS - REGULATORY BASIS
JUNE 30, 2024

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPES	ACCOUNT GROUP	TOTALS (MEMORANDUM ONLY)
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS			
					EXPENDABLE TRUSTS AND AGENCY FUNDS	GENERAL LONG-TERM DEBT	
<u>ASSETS</u>							
Cash	\$ 9,212,868	1,414,505	5,984,648	1,869,188	1,602,405		20,083,614
Amounts available in debt service						5,984,648	5,984,648
Amount to be provided for retirement of long-term debt						177,879,323	177,879,323
Total Assets	<u>\$ 9,212,868</u>	<u>1,414,505</u>	<u>5,984,648</u>	<u>1,869,188</u>	<u>1,602,405</u>	<u>183,863,971</u>	<u>203,947,585</u>
<u>LIABILITIES AND FUND BALANCE</u>							
Liabilities:							
Warrants/checks payable	\$ 3,061,848	151,113		885,607			4,098,568
Encumbrances	180,515	461,415		604,427			1,246,357
Funds held for school organizations					1,534,484		1,534,484
Long-term debt:							
Bonds payable						19,460,000	19,460,000
Capital leases						164,403,971	164,403,971
Total liabilities	<u>3,242,363</u>	<u>612,528</u>	<u>0</u>	<u>1,490,034</u>	<u>1,534,484</u>	<u>183,863,971</u>	<u>190,743,380</u>
Fund Balance:							
Restricted		801,977	5,984,648	379,154	67,921		7,233,700
Unassigned	5,970,505						5,970,505
Cash fund balances	<u>5,970,505</u>	<u>801,977</u>	<u>5,984,648</u>	<u>379,154</u>	<u>67,921</u>	<u>0</u>	<u>13,204,205</u>
Total Liabilities and Fund Balance	<u>\$ 9,212,868</u>	<u>1,414,505</u>	<u>5,984,648</u>	<u>1,869,188</u>	<u>1,602,405</u>	<u>183,863,971</u>	<u>203,947,585</u>

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

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
 COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND CHANGES IN CASH FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUSTS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2024

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPES	TOTALS (MEMORANDUM ONLY)
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	EXPENDABLE TRUST FUNDS	
Revenues Collected:						
Local sources	\$ 8,454,752	1,673,325	6,182,292			16,310,369
Intermediate sources	941,561					941,561
State sources	21,731,764	963,711	1			22,695,476
Federal sources	5,261,268	1,522,671				6,783,939
Interest earnings	562,257	363	35,355	126,759	1,739	726,473
Non-revenue receipts	726,699		378,880			1,105,579
Total revenues collected	37,678,301	4,160,070	6,596,528	126,759	1,739	48,563,397
Expenditures:						
Instruction	20,812,842					20,812,842
Support services	14,417,814	2,040,195		3,971,280		20,429,289
Operation of noninstructional services	44,532	2,542,250		15,894,250		18,481,032
Other outlays:						
Reimbursement		382,001		376,960		758,961
Debt service			640,000			640,000
Other uses/ Unbudgeted					69	
Total expenditures	35,275,188	4,964,446	640,000	20,242,490	69	61,122,124
Excess of revenues collected over (under) expenditures before other financing sources (uses)	2,403,113	(804,376)	5,956,528	(20,115,731)	1,670	(12,558,796)
Other financing sources (uses):						
Adjustments to prior year encumbrances	38,920	105,756		33,850		178,526
Bond proceeds				3,472,700		3,472,700
Total other financing sources (uses)	38,920	105,756	0	3,506,550	0	3,651,226
Excess of revenues collected over (under) expenditures	2,442,033	(698,620)	5,956,528	(16,609,181)	1,670	(8,907,570)
Cash fund balances, beginning of year	3,528,472	1,500,597	28,120	16,988,335	66,251	22,111,775
Cash fund balances, end of year	\$ 5,970,505	801,977	5,984,648	379,154	67,921	13,204,205

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
 COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND
 CHANGES IN CASH FUND BALANCES - BUDGETED GOVERNMENTAL FUND TYPES - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2024

	GENERAL FUND		
	Original / Final Budget	Actual	Prior Year (Memorandum Only)
Revenues Collected:			
Local sources	\$ 8,640,643	8,454,752	7,890,622
Intermediate sources	828,795	941,561	872,415
State sources	20,257,746	21,731,764	18,181,157
Federal sources	5,714,471	5,261,268	4,051,262
Interest earnings	400,000	562,257	212,372
Non-revenue receipts		726,699	211,191
Total revenues collected	<u>35,841,655</u>	<u>37,678,301</u>	<u>31,419,019</u>
Expenditures:			
Instruction	39,370,127	20,812,842	18,269,685
Support services		14,417,814	13,160,578
Operation of noninstructional services		44,532	36,133
Total expenditures	<u>39,370,127</u>	<u>35,275,188</u>	<u>31,466,396</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	(3,528,472)	2,403,113	(47,377)
Other financing sources (uses):			
Adjustments to prior year encumbrances	<u>0</u>	<u>38,920</u>	<u>137,182</u>
Excess of revenues collected over (under) expenditures	(3,528,472)	2,442,033	89,805
Cash fund balance, beginning of year	<u>3,528,472</u>	<u>3,528,472</u>	<u>3,438,667</u>
Cash fund balance, end of year	<u>\$ 0</u>	<u>5,970,505</u>	<u>3,528,472</u>

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

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
 COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND
 CHANGES IN CASH FUND BALANCES - BUDGETED GOVERNMENTAL FUND TYPES - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2024

	SPECIAL REVENUE FUNDS		
	Original / Final Budget	Actual	Prior Year (Memorandum Only)
Revenues Collected:			
Local sources	\$ 1,500,153	1,673,325	1,497,050
State sources	940,912	963,711	343,612
Federal sources	1,270,093	1,522,671	1,445,695
Interest earnings		363	81
Total revenues collected	<u>3,711,158</u>	<u>4,160,070</u>	<u>3,286,438</u>
Expenditures:			
Support services	2,446,130	2,040,195	1,262,278
Operation of noninstructional services	2,765,625	2,542,250	1,869,930
Other outlays:			
Reimbursement		382,001	
Total expenditures	<u>5,211,755</u>	<u>4,964,446</u>	<u>3,132,208</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	(1,500,597)	(804,376)	154,230
Other financing sources (uses):			
Adjustments to prior year encumbrances	<u>0</u>	<u>105,756</u>	<u>62,987</u>
Excess of revenues collected over (under) expenditures	(1,500,597)	(698,620)	217,217
Cash fund balances, beginning of year	<u>1,500,597</u>	<u>1,500,597</u>	<u>1,283,380</u>
Cash fund balances, end of year	<u>\$ 0</u>	<u>801,977</u>	<u>1,500,597</u>

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

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
 COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND
 CHANGES IN CASH FUND BALANCES - BUDGETED GOVERNMENTAL FUND TYPES - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2024

	DEBT SERVICE FUND		
	Original / Final Budget	Actual	Prior Year (Memorandum Only)
Revenues Collected:			
Local sources	\$ 6,004,107	6,182,292	5,386,974
State sources		1	87,374
Interest earnings		35,355	87,374
Non-revenue receipts		378,880	
Total revenues collected	<u>6,004,107</u>	<u>6,596,528</u>	<u>5,474,348</u>
Requirements:			
Bonds	5,333,333		6,600,000
Judgments	5,561		5,075
Coupons	693,333	640,000	74,275
Total expenditures	<u>6,032,227</u>	<u>640,000</u>	<u>6,679,350</u>
Excess of revenue collected over (under) expenditures	(28,120)	5,956,528	(1,205,002)
Cash fund balance, beginning of year	<u>28,120</u>	<u>28,120</u>	<u>1,233,122</u>
Cash fund balance, end of year	<u>\$ 0</u>	<u>5,984,648</u>	<u>28,120</u>

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

NOTES TO COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Sapulpa Public Schools Independent District, No. I-33 (the “District”), have been prepared in conformity with another comprehensive basis of accounting prescribed by the Oklahoma State Department of Education as authorized by Oklahoma Statutes. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with the accounting principles generally accepted in the United States of America. The District’s accounting policies are described in the following notes that are an integral part of the District’s financial statements.

A. Reporting Entity

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

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

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The basic – but not the only – criterion for including a potential component unit within the reporting entity is the governing body’s ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of 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

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

A. Reporting Entity – cont'd

whether the activity benefits the District and/or its citizens, or whether the activity is conducted within the geographic boundaries of the District and is generally available to its patrons. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, there are no potential component units included in the District's reporting entity.

B. Measurement Focus

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

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

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

Governmental Fund Types

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

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

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

B. Measurement Focus - cont'd

Special Revenue Funds – Special revenue funds account for revenue sources that are restricted to expenditures for specific purposes. The special revenue funds typically include the building, co-op, and child nutrition funds. The District did not maintain a co-op fund during the 2023-24 fiscal year.

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

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

Child Nutrition Fund - The child nutrition fund consists of monies derived from federal and state financial assistance and food sales. This fund is used to account for the various nutrition programs provided to students.

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

Capital Projects 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.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

B. Measurement Focus – cont'd

Proprietary Fund Types

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

Fiduciary Fund Types

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District. The terms “non-expendable” and “expendable” refer to whether or not the District is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the District holds on behalf of others as their agent and do not involve measurement of results of operation.

Expendable Trust Funds – Expendable trust funds typically include the gifts and endowments fund and the insurance recovery fund. The District maintained a gifts and endowments fund during the 2023-24 fiscal year.

Gifts and Endowments Fund – The gifts and endowments fund receives its assets by way of philanthropic foundations, individuals, or private organizations for which no repayment or special service to the contributor is expected. This fund is used to promote the general welfare of the District.

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

Agency Fund – The agency fund is the school activities fund which is used to account for monies collected principally through the fundraising efforts of 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

An account group is not a fund and consists of a self-balancing set of accounts used only to establish accounting control over long-term debt and fixed assets.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

B. Measurement Focus – cont'd

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

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

Memorandum Only - Total Column

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

C. Basis of Accounting and Presentation

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

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

- Encumbrances represented by purchase orders, contracts, and other commitments for the expenditure of monies are recorded as expenditures when approved.
- Investments are recorded as assets when purchased.
- Inventories of school supplies are recorded as expenditures and not as inventory assets.
- Warrants/checks payable are recorded as liabilities when issued.
- Long-term debt is recorded in the General Long-Term Debt Account Group and not in the basic financial statements.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

C. Basis of Accounting and Presentation – cont'd

- Compensated absences are recorded as expenditures when paid and not recorded as a liability.
- Fixed assets are recorded in the General Fixed Asset Account Group and not in the basic financial statements. Fixed assets are not depreciated.

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

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

D. Budgets and Budgetary Accounting

The District is required by state law to prepare an annual budget. The Board of Education must request an initial temporary appropriations budget from their County Excise Board before June 30. The District uses the temporary appropriation amounts as their legal expenditure limit until the annual Estimate of Needs is completed.

A budget is legally adopted by the Board of Education for all funds (with the exception of the trust and agency funds) that includes revenues and expenditures. No later than October 1, each Board of Education shall prepare a financial statement and Estimate of Needs to be filed with the applicable County Clerk and the State Department of Education.

The 2023-24 Estimate of Needs was not amended by any supplemental appropriations. Any supplemental appropriations must be approved by the Creek County Clerk's Office.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting – under which purchase orders and other commitments of resources are recorded as expenditures of the applicable fund – is utilized in all governmental funds of the District. Unencumbered appropriations lapse at the end of each fiscal year. While the Debt Service Fund is a governmental fund, a comparison of budget to actual schedule is presented in the financial statements, although the board can exercise no control of the revenue sources for this fund (except interest earnings), and no control over its expenditures.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

E. Assets, Liabilities and Fund Equity

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

Investments – The District considers investments of direct obligations of the United States government and agencies, certificates of deposits, savings accounts or savings certificates with maturities of greater than three months. All investments are recorded at cost, which approximates market value.

Inventories – The value of consumable inventories at June 30, 2024 is not material to the combined financial statements.

Fixed Assets and Property, Plant and Equipment – The District has not maintained a record of general fixed assets, and, accordingly, a General Fixed Assets Account Group required by the regulatory basis of accounting prescribed by the Oklahoma State Department of Education is not included in the financial statements. General fixed assets purchased are recorded as expenditures in the various funds at the time of purchase.

Warrants/Checks Payable – Warrants/checks are issued to meet the obligations for goods and services provided to the District. The District recognizes a liability for the amount of outstanding warrants/checks that have yet to be redeemed by the District’s bank.

Encumbrances – Encumbrances represent commitments related to purchase orders, contracts, other commitments for expenditures or resources, and goods or services received by the District for which a warrant has not been issued. An expenditure is recorded and a liability is recognized for outstanding encumbrances at year end in accordance with the regulatory basis of accounting. While the regulatory basis that is used for the Debt Service Fund approximates full accrual accounting, the accruals recorded are reported to meet regulatory requirements, as opposed to the requirements of generally accepted accounting principles.

Compensated Absences – The District provides vacation and sick leave benefits in accordance with Title 70 of the Oklahoma Statutes, Article 6-104, which provides for annual sick leave and personal business days. District policy allows certified employees to accumulate such days to a maximum number of days. Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources had not been reported as an expenditure of the governmental fund that will pay it since the financial statements have been prepared on the regulatory basis of accounting. This practice differs from generally accepted accounting principles.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

E. Assets, Liabilities and Fund Equity – cont'd

Funds Held for School Organizations – Funds held for school organizations represent the funds received or collected from students or other cocurricular and extracurricular activities conducted in the District, control over which is exercised by the board of education. These funds are credited to the account maintained for the benefit of each particular activity within the school activity fund.

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

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

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

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

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

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

E. Assets, Liabilities and Fund Equity – cont'd

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

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

F. Revenue and Expenditures

Local Revenues – Revenue from local sources is the money generated from within the boundaries of the District and available to the District for its use. The District is authorized by state law to levy property taxes which consist of ad valorem taxes on real and personal property within the District. These property taxes are distributed to the District's general, building and sinking funds based on the levies approved for each fund. The County Assessor, upon receipt of the certification of tax levies from the county excise board, extends the tax levies on the tax rolls for submission to the county treasurer prior to October 1. The county treasurer must commence tax collection within fifteen days of receipt of the tax rolls. The first half of taxes is due prior to January 1. The second half is due prior to April 1. If the first payment is not made in a timely manner, the entire tax becomes due and payable on January 2. Second half taxes become delinquent on April 1, of the year following the year of assessment. If not paid by the following October 1, the property is offered for sale for the amount of taxes due. The owner has two years to redeem the property by paying the taxes and penalty owed. If at the end of two years the owner has not done so, the purchaser is issued a deed to the property. Other local sources of revenues include tuition, fees, rentals, disposals, commissions and reimbursements.

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

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

F. Revenue and Expenditures – cont'd

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

After review and verification of reports and supporting documentation, the State Department of Education may adjust subsequent fiscal period allocations of money for prior year errors disclosed by review. Normally, such adjustments are treated as reductions from or additions to the 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 and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical programs. The State Department of Education requires that categorical educational program revenues be accounted for in the general fund.

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

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

Interest Earnings – Represent compensation for the use of financial sources over a period of time.

Non-Revenue Receipts – Non-revenue receipts represent receipts deposited into a fund that are not new revenues to the District, but the return of assets.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

F. Revenue and Expenditures – cont'd

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 cocurricular activities. It may also be provided through some other approved medium, such as television, radio, telephone and correspondence. Included here are the activities of teacher assistants of any type (clerks, graders, teaching machines, etc.) which assist in the instructional process. The activities of tutors, translators and interpreters would be recorded here. Department chairpersons who teach for any portion of time are included here. Tuition/transfer fees paid to other LEAs would be included here.

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

Operation of Noninstructional Services Expenditures – Activities concerned with providing noninstructional services to students, staff or the community.

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

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NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

F. Revenue and Expenditures – cont’d

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers. There were no interfund transfers made during the 2023-24 fiscal year.

2. CASH AND INVESTMENTS

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to the District. The District’s cash deposits and investments at June 30, 2024, were \$20,112,953 at financial institutions, and were completely insured or collateralized by federal depository insurance, direct obligations of the U.S. Government, or securities held by the District or by its agent in the District’s name.

Investment Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. Due to the required liquidity for those investments, these funds have no defined maturity dates. The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses from increasing interest rates.

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

- Direct obligations of the U.S. Government, its agencies and instrument to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
- With certain limitation, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper and repurchase agreements with certain limitations.
- County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

2. CASH AND INVESTMENTS – cont'd

- Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
- Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous bullet items.

Concentration of Investment Credit Risk – The District places no limit on the amount it may invest in any one issuer.

3. INTERFUND RECEIVABLES AND PAYABLES

There were no interfund receivables or payables at June 30, 2024.

4. 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 of the date of issue.

General long-term debt consists of building bonds payable, transportation bonds payable, judgments and capital leases. Debt service requirements for bonds and judgments are payable solely from the fund balance and the future revenues of the debt service fund, and capital leases are paid from other funds.

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

	Bonds Payable	Capital Leases	Total
Balance, July 1, 2023	\$ 16,000,000	16,368,684	32,368,684
Additions	3,460,000	163,790,000	167,250,000
Retirements	0	(15,754,713)	(15,754,713)
Balance, June 30, 2024	<u>\$ 19,460,000</u>	<u>164,403,971</u>	<u>183,863,971</u>

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

4. GENERAL LONG-TERM DEBT – cont'd

A brief description of the outstanding long-term debt at June 30, 2024, is set forth below:

<u>General Obligation Bonds:</u>	<u>Amount Outstanding</u>
General Obligation Building Bonds, Series 2023, original issue \$16,000,000, interest rate of 4.00%, due in an initial installment of \$8,000,000, and a final payment of \$8,000,000 due 6-1-26	\$ 16,000,000
General Obligation Building Bonds, Series 2023, original issue \$3,460,000, interest rate of 4.25%, due in an initial installment of \$1,730,000, and a final payment of \$1,730,000 due 12-1-26	3,460,000
<u>Lease Purchase Agreements:</u>	
Lease purchase for Chieftain Center Scoreboard, dated 7-16-21, totaling \$316,202, interest rate of 2.65%, due in annual installments of \$67,094, final installment due 2-1-26	128,965
Lease purchase for Collins Stadium Scoreboard, dated 7-16-21, totaling \$374,816, interest rate of 2.65%, due in annual installments of \$79,175, final installment due 5-1-26	152,182
Lease purchase for Soccer Equipment and Turf, dated 12-14-22, totaling \$450,000, interest rate of 3.95%, due in annual installments of \$ 99,863, final installment due 1-20-28	332,824
Lease purchase for 2024 Sapulpa Public School Project, dated 5-1-24, for \$163,790,000, due in annual principal and interest installments of varying amounts, final payment due 9-1-48 (see below)	<u>163,790,000</u>
Total Long-Term Debt	<u>\$ 183,863,971</u>

2024 Sapulpa Public Schools Project

On March 1, 2024, the Creek County Educational Facilities Authority issued \$163,790,000 of Educational Facilities Lease Revenue Bonds (Sapulpa Public Schools Project) Series 2024, to provide funds required for the constructing, equipping, repairing and remodeling school

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

GENERAL LONG-TERM DEBT – cont'd

buildings, acquiring school furniture, fixtures and equipment and acquiring and improving school sites for the benefit of the Sapulpa Public Schools (District). Also on March 1, 2024, the District, as lessor, entered into a ground lease agreement, for certain district property, with the Creek County Educational Facilities Authority. In addition, the District entered into a sublease, as lessee, with the Creek County Educational Facilities Authority. The sublease calls for twenty-five (25) annual payments starting September 1, 2024. These payments will be made out of general obligation bond funds, pursuant to the issuance of series bonds in the amount of \$276,750,000. The Sapulpa Public Schools gains ownership to the capital improvements incrementally as each payment is made.

Future Debt Requirements

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

Year Ending June 30	Principal	Interest	Total
2025	\$ 8,226,842	4,374,313	12,601,155
2026	16,944,174	7,861,021	24,805,195
2027	5,660,474	7,110,927	12,771,401
2028	722,481	6,842,036	7,564,517
2029	980,000	6,808,013	7,788,013
Thereafter	151,330,000	90,041,473	241,371,473
Total	<u>\$ 183,863,971</u>	<u>123,037,783</u>	<u>306,901,754</u>

Interest paid on general long-term debt during the 2023-24 fiscal year totaled \$1,351,919.

5. 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 City, OK 73152, or by calling 405-521-2387.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

5. EMPLOYEE RETIREMENT SYSTEM – cont'd

Basis of Accounting

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

Funding Policy

The District, the State of Oklahoma, and the participating employee make contributions. The contribution rates for the District and its employees are established by and may be amended by Oklahoma Statutes. The rates are not actuarially determined. The rates are applied to the employee's earnings plus employer-paid fringe benefits. The required contribution for the participating members is 7.0% of compensation. Contributions received by the System from the State of Oklahoma are used to offset required employer contributions by the local school district. For the 2023-24 fiscal year, the District contributed 9.5% and the State of Oklahoma contributed the remaining amount during the year. The District is allowed by Oklahoma Teachers' Retirement System to make the required contributions on behalf of the participating members. In addition, if a member's salary is paid in part by federal or private funds, the contribution on that portion of the salary paid by those funds must be matched by the District at 8.40%.

Annual Pension Cost

The District's total contributions for 2024, 2023 and 2022 were \$2,216,019, \$1,938,430 and \$1,818,370, respectively. Ten-year historical trend information is presented in the Teacher's Retirement System of Oklahoma Annual Report for the year ended June 30, 2024. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due. Please visit www.ok.gov/TRS for all plan information.

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.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
NOTES TO THE COMBINED 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 risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

The District participates in a risk pool for Workers' Compensation coverage in which there is a transfer or pooling of risks among the participants of that pool. In accordance with GASB No. 10, the District reports the required contribution to the pool, net of refunds, as insurance expense. The risk pool is the Oklahoma School Assurance Group (OSAG), an organization formed for the purpose of providing workers' compensation coverage to participating schools in the State of Oklahoma.

In that capacity, OSAG is responsible for providing loss control services and certain fiscal activities, including obtaining contract arrangements for the underwriting, excess insurance agreements, claims processing, and legal defense for any and all claims submitted to it 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 school's losses for the last five years. OSAG provides coverage in excess of the Loss Fund so the District's liability for claim loss is limited to the balance of the loss fund. If the District does not use its loss fund in three years, it is returned to the District with no interest.

7. CONTINGENCIES

Federal Grants

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

Schedule of Expenditure of Federal Awards

The schedule shows the federal awards received and expended by the District during the 2023-24 fiscal year. The new Uniform Guidance of Audits of States, Local Governments and Non-Profit Organizations established uniform audit requirements for nonfederal entities which expended more than \$750,000 in federal awards.

Litigation

District officials are not aware of any pending or threatened litigation, claims or assessments or unasserted claims or assessments against the District.

SUPPLEMENTARY INFORMATION

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -
 ALL SPECIAL REVENUE FUNDS - REGULATORY BASIS
 JUNE 30, 2024

	BUILDING FUND	CHILD NUTRITION FUND	TOTAL
<u>ASSETS</u>			
Cash	\$ 571,985	842,520	1,414,505
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Warrants/checks payable	\$ 22,480	128,633	151,113
Encumbrances	272,648	188,767	461,415
Total liabilities	295,128	317,400	612,528
Fund Balance:			
Restricted	276,857	525,120	801,977
Total Liabilities and Fund Balance	\$ 571,985	842,520	1,414,505

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
 COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND CHANGES
 IN CASH FUND BALANCES - ALL SPECIAL REVENUE FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2024

	BUILDING FUND	CHILD NUTRITION FUND	TOTAL
Revenues Collected:			
Local sources	\$ 1,217,825	455,500	1,673,325
State sources	801,297	162,414	963,711
Federal sources		1,522,671	1,522,671
Interest earnings		363	363
Total revenues collected	<u>2,019,122</u>	<u>2,140,948</u>	<u>4,160,070</u>
Expenditures:			
Support services	2,040,195		2,040,195
Operation of noninstructional services		2,542,250	2,542,250
Other outlays:			
Reimbursement	241,394	140,607	382,001
Total expenditures	<u>2,281,589</u>	<u>2,682,857</u>	<u>4,964,446</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	(262,467)	(541,909)	(804,376)
Other financing sources (uses):			
Adjustments to prior year encumbrances	<u>26,398</u>	<u>79,358</u>	<u>105,756</u>
Excess of revenues collected over (under) expenditures	(236,069)	(462,551)	(698,620)
Cash fund balances, beginning of year	<u>512,926</u>	<u>987,671</u>	<u>1,500,597</u>
Cash fund balances, end of year	<u><u>\$ 276,857</u></u>	<u><u>525,120</u></u>	<u><u>801,977</u></u>

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
 COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND CHANGES
 IN CASH FUND BALANCES - BUDGET AND ACTUAL - ALL SPECIAL REVENUE FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2024

	BUILDING FUND			CHILD NUTRITION FUND		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Revenues Collected:						
Local sources	\$ 1,133,204	1,133,204	1,217,825	\$ 366,949	366,949	455,500
State sources	800,000	800,000	801,297	140,912	140,912	162,414
Federal sources				1,270,093	1,270,093	1,522,671
Interest earnings						363
Total revenues collected	<u>1,933,204</u>	<u>1,933,204</u>	<u>2,019,122</u>	<u>1,777,954</u>	<u>1,777,954</u>	<u>2,140,948</u>
Expenditures:						
Support services	2,446,130	2,446,130	2,040,195			
Operation of noninstructional services				2,765,625	2,765,625	2,542,250
Other outlays:						
Reimbursement			241,394			140,607
Total expenditures	<u>2,446,130</u>	<u>2,446,130</u>	<u>2,281,589</u>	<u>2,765,625</u>	<u>2,765,625</u>	<u>2,682,857</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	(512,926)	(512,926)	(262,467)	(987,671)	(987,671)	(541,909)
Other financing sources (uses):						
Adjustments to prior year encumbrances	<u>0</u>	<u>0</u>	<u>26,398</u>	<u>0</u>	<u>0</u>	<u>79,358</u>
Excess of revenues collected over (under) expenditures	(512,926)	(512,926)	(236,069)	(987,671)	(987,671)	(462,551)
Cash fund balances, beginning of year	<u>512,926</u>	<u>512,926</u>	<u>512,926</u>	<u>987,671</u>	<u>987,671</u>	<u>987,671</u>
Cash fund balances, end of year	<u>\$ 0</u>	<u>0</u>	<u>276,857</u>	<u>\$ 0</u>	<u>0</u>	<u>525,120</u>

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES -
 ALL CAPITAL PROJECTS FUNDS - REGULATORY BASIS
 JUNE 30, 2024

	31	32	33	34	35	36	
	BUILDING	BUILDING	BUILDING	BUILDING	BUILDING	BUILDING	
	BOND FUND	BOND FUND	BOND FUND	BOND FUND	BOND FUND	BOND FUND	TOTAL
Cash	\$ 309,826	24,281	8,685	44,432	1,469,264	12,700	1,869,188
<u>LIABILITIES AND FUND BALANCE</u>							
Liabilities:							
Warrants/checks payable		255			884,411	941	885,607
Encumbrances	8,321	11,270			584,836		604,427
Total Liabilities	8,321	11,525	0	0	1,469,247	941	1,490,034
Fund Balances:							
Restricted	301,505	12,756	8,685	44,432	17	11,759	379,154
Total Liabilities and Fund Balance	\$ 309,826	24,281	8,685	44,432	1,469,264	12,700	1,869,188

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES, AND CHANGES
IN CASH FUND BALANCES - ALL CAPITAL PROJECTS FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

	31	32	33	34	35	36	
	BUILDING	BUILDING	BUILDING	BUILDING	BUILDING	BUILDING	
	BOND FUND	BOND FUND	BOND FUND	BOND FUND	BOND FUND	BOND FUND	TOTAL
Revenues collected:							
Interest earnings	\$ 0	0	0	126,759	0	0	126,759
Expenditures							
Support services	234,903	110,427	682	164,327	3,460,000	941	3,971,280
Operation of noninstructional services				15,894,250			15,894,250
Other outlays:							
Reimbursement				376,960			376,960
Total expenditures	234,903	110,427	682	16,435,537	3,460,000	941	20,242,490
Excess of revenues collected over (under)							
expenditures before other financing							
financing sources (uses)	(234,903)	(110,427)	(682)	(16,308,778)	(3,460,000)	(941)	(20,115,731)
Other financing sources (uses):							
Adjustments to prior year encumbrances	30,000	2,451	1,399				33,850
Bond proceeds					3,460,000	12,700	3,472,700
Total other financing sources (uses)	30,000	2,451	1,399	0	3,460,000	12,700	3,506,550
Excess of revenues collected over							
(under) expenditures	(204,903)	(107,976)	717	(16,308,778)	0	11,759	(16,609,181)
Cash fund balance, beginning of year	506,408	120,732	7,968	16,353,210	17	0	16,988,335
Cash fund balance, end of year	\$ 301,505	12,756	8,685	44,432	17	11,759	379,154

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
 COMBINED STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -
 ALL FIDUCIARY FUND TYPES - REGULATORY BASIS
 JUNE 30, 2024

	EXPENDABLE TRUST FUNDS	AGENCY FUNDS	
	GIFTS & ENDOWMENTS FUND	SCHOOL ACTIVITY FUNDS	TOTAL
<u>ASSETS</u>			
Cash	\$ 67,921	1,534,484	1,602,405
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Funds held for school organizations	\$ 0	1,534,484	1,534,484
Fund Balance:			
Restricted	67,921	0	67,921
Total Liabilities and Fund Balance	\$ 67,921	1,534,484	1,602,405

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

	BALANCE 07/01/23	ADDITIONS	NET TRANSFERS	DEDUCTIONS	BALANCE 06/30/24
<u>ASSETS</u>					
Cash	\$ 1,325,060	2,371,267	0	2,161,843	1,534,484
<u>LIABILITIES</u>					
Non Categorical Fund	\$ 4	0	(4)	0	0
HS Grants	1,567	16,209		14,414	3,362
HS Office	10,196	10,844	1,850	9,350	13,540
Credit Recovery	8,487	2,274		150	10,611
ID Badge	2,790	2,811		2,126	3,475
HS Art	6,752	2,070		6,949	1,873
HS Band	5,506	27,287		29,667	3,126
HS Band Booster Concession	49,988	44,404	372	55,726	39,038
HS Oklahoma Close Up	474	0		0	474
HS Hospitality Committee	866	165		388	643
HS STAY	445	0		0	445
HS Counseling Office	5,262	814		877	5,199
HS Business Prof Assoc.	445	3,708		3,088	1,065
HS AP Exams	2,789	1,955		502	4,242
HS FCCLA	945	3,673		4,449	169
HS Library	1,044	202		27	1,219
HS National Honor Society	6,001	3,169		1,921	7,249
HS Green-Thumb Chieftains	4,491	3,526		5,060	2,957
HS NAACP	393	0		0	393
HS Seniors 2024	6,203	1,554		2,509	5,248
HS Seniors 2025	4,969	13,814		9,634	9,149
HS Seniors 2023	8,276	0		0	8,276
HS Science club	33,787	32,650	82	4,592	61,927
HS Spanish Honor Society	601	936		1,193	344
HS Special Olympics	5,927	447		3,859	2,515
HS Student Council	2,583	2,775		1,537	3,821
HS Vocal Music	10,215	65,531	(924)	64,439	10,383
HS Ag Ed & FFA	21,937	162,678		175,482	9,133
HS Lyons Special Ed	1,640	259		335	1,564
HS Yearbook	3,884	4,565		7,190	1,259
HS Gillis Sped	789	258		0	1,047
HS Fishing Team	585	817		568	834
HS Band Auxiliaries	8,432	7,752		12,534	3,650
HS Band Trips	41,095	108,395	1,950	123,452	27,988
HS Band Grants	56,948	54,000	1,040	56,960	55,028
HS Ping Pings	2,217	414		2,109	522
HS FCA	1,950	0	(1,950)	0	0

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
 AGENCY FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2024

	BALANCE 07/01/23	ADDITIONS	NET TRANSFERS	DEDUCTIONS	BALANCE 06/30/24
HS Indian Parent Comm	\$ 1,027	839		686	1,180
HS Sapulpa Indian Club	5,835	5,982	142	3,925	8,034
HS Key Club	184	0		46	138
HS GSA Gay Straight All.	69	0		0	69
HS Productions	8,509	10,219		14,915	3,813
HS Culinary Arts	4,380	6,921	1,224	7,408	5,117
HS JROTC	45,455	77,261	154	48,333	74,537
HS School Nurse	1,813	0		0	1,813
Backpack Food Pantry	1,286	7,500		3,469	5,317
Local Scholarships	37,006	4,625		3,500	38,131
HS Senior Girl Events	4,821	0		0	4,821
HS First Robotics	18,768	63,250	(82)	40,320	41,616
HS Indian Ed Staff Dev	2,699	1,956	(141)	2,362	2,152
HS Physics	1,684	0		0	1,684
E-Sports	2,450	772		2,382	840
JH Office	705	9,481	1,550	9,116	2,620
JH Library	1,152	0		782	370
JH Student Council	793	1,893		1,558	1,128
JH Vocal Music	771	3,620		2,900	1,491
JH Yearbook	6,535	3,024		2,483	7,076
JH Art	3,272	29,815	3,800	25,306	11,581
JH Taps	316	0		0	316
Stem JH Math Science	4,240	0		1,109	3,131
JH Grants	3,685	2,900		2,254	4,331
MS Office	12,667	3,132	1,300	8,887	8,212
MS Library	330	3,757		2,578	1,509
MS Student of Month	200	0		0	200
MS Student Council	1,658	3,950		3,673	1,935
MS Yearbook	513	2,288		2,327	474
MS Art	523	0		0	523
MS Choir	8,820	6,992		6,019	9,793
MS Technology Student Association	0	1,852		1,062	790
MS NJHS	1,565	260		1,035	790
7/8 Grade Volleyball	636	0		0	636
MS Grants	14,857	39,718		42,678	11,897
MS PLTW	0	15,000		0	15,000
Special Ed Director	7	1,377		20	1,364
Liberty Library	1,337	3,962		3,913	1,386
Liberty Music	3,832	532	1,300	3,479	2,185
Liberty Fundraising	2,997	11,653	38	9,653	5,035
Liberty STEM	9,844	46,687	150	41,110	15,571
Liberty Grants	2,124	14,370		14,280	2,214

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

	BALANCE 07/01/23	ADDITIONS	NET TRANSFERS	DEDUCTIONS	BALANCE 06/30/24
Freedom Misc	\$ 3,082	3,298	1,300	5,551	2,129
Freedom Fundraising	26,698	38,166		28,565	36,299
Freedom Library	510	6,793		6,742	561
Freedom Grants	237	8,154		7,987	404
Freedom Taps	20,496	43,175		49,340	14,331
Jefferson HTS Misc	5,614	3,344	1,300	3,883	6,375
Jefferson HTS Fundraising	10,849	22,437		17,283	16,003
Jefferson HTS Grants	8,977	4,967		3,750	10,194
Jefferson HTS Library	3,007	4,701		4,575	3,133
Holmes Park Misc	3,843	5,519	1,300	4,323	6,339
Holmes Park Fundraising	21,680	46,454	600	49,700	19,034
Holmes Park Library	5,546	9,702		9,582	5,666
Holmes Park Grants	842	7,677		6,895	1,624
Revolutionary Days	143	1,950		541	1,552
District Stem	30,512	14,275		12,839	31,948
Sapulpa Academic Conf.	267	0		0	267
Benevolence Fund	9,274	0		0	9,274
GT Grants	13,550	0		0	13,550
NOW Interest	38,836	85,328	(43,996)	41,695	38,473
Driver Education	5,175	10,950		200	15,925
Creek Nation Latchkey	0	0	75,000	7,131	67,869
Stem - Camp Invention	37,971	30,500		31,077	37,394
Latchkey	83,585	205,426	(40,000)	201,261	47,750
Collins Foundation	27,119	48		0	27,167
Education Foundation	135	0		0	135
Spark	61,158	135,463	(75,000)	64,700	56,921
Local Child Welfare	34,945	41,270		58,290	17,925
Hot Spot Insurance	705	0		0	705
Alternative School Grants	113	7,090		7,093	110
Child Nutrition Banquets	237	170		0	407
SPS Food Service Assoc.	2,523	2,726		391	4,858
Soft Drink Money	9,394	23,898	(3,438)	15,118	14,736
Alternative School	3,624	1,610	800	2,819	3,215
Clearing Account	1,525	2,263	(1,639)	0	2,149
Service Center	637	470		741	366
Creek Nation Summer	0	0	75,000	0	75,000
Chromebook Repair	59,025	30,035		42,700	46,360
Elem Basketball	3,732	4,583		4,297	4,018
Chieftain Care	0	9,383		2,596	6,787
Centennial Plaza Project	1,973	0		0	1,973
Homeless	505	7,147	(304)	2,359	4,989
Athletic Sports Overall	6,711	43,451	10,900	48,939	12,123
Football	19,583	18,515	12,285	12,610	37,773
Boys Basketball	2,664	1,405		1,829	2,240

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
 AGENCY FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2024

	BALANCE 07/01/23	ADDITIONS	NET TRANSFERS	DEDUCTIONS	BALANCE 06/30/24
Girls Basketball	\$ 2,006	1,000	3,500	5,484	1,022
Baseball	10,948	24,170	4,500	25,888	13,730
Softball	1,058	309	4,000	907	4,460
Wrestling	2,545	4,271	4,000	6,953	3,863
Tennis	16	257	1,500	970	803
Track	933	3,970	3,000	6,040	1,863
Golf	5,752	7,420	2,500	10,169	5,503
Athletic Booster	92,667	181,919	(88)	161,217	113,281
Cross Country	6,311	19,119	3,000	21,251	7,179
Boys Soccer	809	4,475	3,000	4,374	3,910
Athletic Trainer	5,321	13,123	215	8,474	10,185
Girls Soccer	9,867	12,179	3,000	19,265	5,781
Girls Volleyball	5,293	0	2,250	5,457	2,086
Cheer	3,213	7,019	2,850	7,396	5,686
All Events Gate	13,263	151,696	(1,861)	150,283	12,815
JH Cheer	1,127	2,305		1,510	1,922
Drug Test	12,000	8,021		14,587	5,434
Sponsors 2022-23	28,134	49,000	(47,000)	11,855	18,279
Chieftain Center Concession	16,947	33,127	(14,325)	27,706	8,043
Total Liabilities	<u>\$ 1,325,060</u>	<u>2,371,267</u>	<u>0</u>	<u>2,161,843</u>	<u>1,534,484</u>

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REGULATORY BASIS**

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33, CREEK COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor / Pass Through Grantor / Program Title	Federal Assistance Listing Number	Project Control Number	Total Expenditures
<u>U.S. DEPARTMENT OF EDUCATION -</u>			
<u>Direct Programs:</u>			
Indian Education	84.060	561	\$ 228,856
<u>Passed Through State Department of Education:</u>			
*Title I:			
Title I, Basic Programs	84.010	511	701,945
Title I, School Improvement	84.010	515	101,271
Title I, Neglected	84.010	518	6,395
Total Title I (84.010)			<u>809,611</u>
Title II, Part A	84.367	541	102,295
Title III, Part A	84.365	572	12,622
Title IV, Part A	84.424	552	34,479
Title IX, Homeless	84.196	596	67,402
IDEA-B Special Education Cluster:			
IDEA-B Secondary Transition	84.027X	618	4,100
ARP IDEA-B Flow Through	84.027X	628	7,159
ARP IDEA-B Flow Preschool	84.027X	643	676
IDEA-B Flow Through	84.027	621	941,129
IDEA-B Prof Develop, OSDE	84.027	613	1,966
IDEA-B Prof Develop, District	84.027	615	3,757
IDEA-B Preschool	84.173	641	35,793
Total IDEA-B Special Education Cluster			<u>994,580</u>
*COVID-19 Education Stabilization Fund (ESF) -			
ARP - ESSER III	84.425U	795	2,945,168
ARP - OK Paid Student Teacher	84.425U	725	46,308
ARP - Science of Reading	84.425U	726	15,504
ARP - ESSER Counselor Corps Grant	84.425U	722	233,112
Total COVID-19 - ESF			<u>3,240,092</u>
<u>Passed Through State Department of Career and Technology Education:</u>			
Carl Perkins	84.048	421	39,967
Carl Perkins Supplemental Grants	84.048	424	24,546
Total Carl Perkins (84.048)			<u>64,513</u>
<u>U.S. DEPARTMENT OF AGRICULTURE -</u>			
<u>Passed Through State Department of Education:</u>			
*Child Nutrition Programs Cluster:			
School breakfast program	10.553	764	281,722
National school lunch program	10.555	763	1,108,327
Supply chain assistance	10.555	759	94,487
Summer food program	10.559	766	40,102
Non-cash assistance - Commodities	10.555	N/A	156,149
Total Child Nutrition Program Cluster			<u>1,680,787</u>
<u>Other Federal Assistance:</u>			
Johnson O'Malley	15.130	563	36,009
Johnson O'Malley 3 month	15.130	564	44,368
Total Johnson O'Malley (15.130)			<u>80,377</u>
Medicaid	93.778	698	4,237
Flood Control	12.112	770	565
JROTC	12.357	770	45,073
Total Federal Expenditures			<u>\$ 7,365,489</u>

* Major programs = 77.80%

Note 1 - Basis of Presentation - The accompanying schedule of expenditures of federal awards includes the federal activity of the District for the year ended June 30, 2024. This information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended and does not present the financial position, changes in net assets, or cash flows of the District.

Note 2 - Summary of Significant Accounting Policies - Expenditures reported on this schedule are reported on the regulatory basis of accounting consistent with the preparation of the combined financial statements except as noted in Note 3. Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3 - Non-Monetary Assistance - Commodities received by the District were of a non-monetary nature.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33, CREEK COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - REGULATORY BASIS
PREPARED FOR THE OKLAHOMA STATE DEPARTMENT OF EDUCATION
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor / Pass Through Grantor / Program Title	Federal Assistance Listing Number	OCAS Project No.	Program or Award Amount	Balance at 7/1/2023	Revenue Collected	Total Expenditures	Balance at 6/30/2024
U.S. DEPARTMENT OF EDUCATION -							
<u>Direct Programs:</u>							
Indian Education	84.060	561	\$ 228,856		191,833	228,856	37,023
Indian Education, 2022-23	84.060	799		63,939	63,939		
Sub Total			228,856	63,939	255,772	228,856	37,023
<u>Passed Through State Department of Education</u>							
Title I, Basic Programs	84.010	511	800,898		559,988	701,945	141,957
Title I, Basic Program, 2022-23	84.010	799		122,596	122,596		
Title I, School Improvement	84.010	515	224,833			101,271	101,271
Title I, Neglected	84.010	518	10,286		5,369	6,395	1,026
Title I, Neglected, 2022-23	84.010	799		1,076	1,076		
Title II, Part A	84.367	541	144,784		74,436	102,295	27,859
Title II, Part A, 2022-23	84.367	799		9,548	9,548		
Title III, Part A	84.365	572	14,549			12,622	12,622
Title III, Part A, 2022-23	84.365	799		148	148		
Title IV, Part A	84.424	552	64,720		23,068	34,479	11,411
Title IV, Part A, 2022-23	84.424	799		4,636	4,636		
Title IX, Homeless	84.196	596	118,385		65,632	67,402	1,769
Title IX, Homeless, 2022-23	84.196	799		7,374	7,374		
IDEA-B Secondary Transition	84.027X	618	9,356		4,100	4,100	
ARP IDEA-B Flow Through	84.027X	628	7,933		7,159	7,159	
ARP IDEA-B Flow Through, 2022-23	84.027X	799		15,558	15,558		
ARP IDEA-B Flow Preschool	84.027X	643	796		676	676	
IDEA-B Flow Through	84.027	621	988,798		620,602	941,129	320,527
IDEA-B Flow Through, 2022-23	84.027	799		164,528	164,528		
IDEA-B Prof Develop. OSDE	84.027	613	1,966			1,966	1,966
IDEA-B Prof Develop. OSDE, 2022-23	84.027	799		2,788	2,788		
IDEA-B Prof Develop. District	84.027	615	4,697		3,133	3,757	624
IDEA-B Prof Develop. District, 2022-23	84.027	799		439	439		
IDEA-B Preschool	84.173	641	35,793		24,509	35,793	11,284
IDEA-B Preschool 2022-23	84.173	799		4,145	4,145		
<u>COVID-19 Education Stabilization Fund (ESF) -</u>							
ARP - ESSER III	84.425U	795	2,945,168		2,574,267	2,945,168	370,901
ARP - ESSER III, 2022-23	84.425U	799		266,152	266,152		
ARP - OK Paid Student Teacher	84.425U	725	49,132		44,521	46,308	1,787
ARP - Science of Reading	84.425U	726	15,504		15,504	15,504	
ARP - ESSER Counselor Corps Grant	84.425U	722	255,000		153,618	233,112	79,494
Total COVID-19 - ESF			3,264,804	266,152	3,054,062	3,240,092	452,182
Sub Total			5,692,598	598,988	4,775,570	5,261,081	1,084,498
<u>Passed Through State Department of Career and Technology Education:</u>							
Carl Perkins	84.048	421	41,253		39,338	39,967	629
Carl Perkins, 2022-23	84.048	799		3,368	3,368		
Carl Perkins Supplemental Grants	84.048	424	25,000			24,546	24,546
Carl Perkins Supplemental Grants, 2022-23	84.048	799		30,102	30,102		
Sub Total			66,253	33,470	72,808	64,513	25,175
U.S. DEPARTMENT OF AGRICULTURE -							
<u>Passed Through State Department of Education:</u>							
<u>Child Nutrition Programs:</u>							
School breakfast program	10.553	764			281,722	281,722	
National school lunch program	10.555	763			1,114,249	1,108,327	
Supply chain assistance	10.555	759			94,487	94,487	
Summer food program	10.559	766			32,214	40,102	
Non-cash assistance - Commodities	10.555	N/A			156,149	156,149	
Sub Total					1,678,821	1,680,787	
<u>Other Federal Assistance:</u>							
Johnson O'Malley	15.130	563	36,009		10,277	36,009	25,732
Johnson O'Malley 3 month	15.130	564	44,368		44,368	44,368	
Johnson O'Malley, 2022-23	15.130	799		7,345	7,345		
Johnson O'Malley MCN/BIA, 2022-23	15.130	799		5,490	5,490		
Medicaid	93.778	698	44,000		44,000	4,237	
Flood Control	12.112	770	565		565	565	
JROTC	12.357	770	45,073		45,073	45,073	
Sub Total			170,015	12,835	157,118	130,252	25,732
Total Federal Assistance			\$ 6,157,722	709,232	6,940,089	7,365,489	1,172,428

Note 1 - This schedule was prepared on a regulatory basis of accounting consistent with the preparation of the combined financial statements, except for the non-cash assistance noted in Note 2.

Note 2 - Food Distribution - Non-cash assistance is reported in this schedule at the fair market value of the commodities received and disbursed.

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
STATEMENT OF STATUTORY, FIDELITY AND HONESTY BONDS
FOR THE YEAR ENDED JUNE 30, 2024

<u>BONDING COMPANY</u>	<u>POSITION COVERED</u>	<u>BOND NUMBER</u>	<u>COVERAGE AMOUNT</u>	<u>EFFECTIVE DATES</u>
RLI Insurance -	Treasurer	LSM0902376	\$ 500,000	7/1/23 - 7/1/24
Western Surety Company -	Superintendent	70402481	100,000	10/30/23 - 10/30/24
	Encumbrance Clerk	70402481	50,000	10/30/23 - 10/30/24
	Activitty Fund Custodian	70402481	100,000	10/30/23 - 10/30/24
	Minutes Clerk/ Payroll Assistant	70402481	100,000	10/30/23 - 10/30/24
	Payroll Clerk	70402481	100,000	10/30/23 - 10/30/24
	Child Nutrition Director	70402481	10,000	10/30/23 - 10/30/24

SAPULPA INDEPENDENT SCHOOL DISTRICT NO. 33 OF CREEK COUNTY
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE
AFFIDAVIT
JULY 1, 2023 TO JUNE 30, 2024


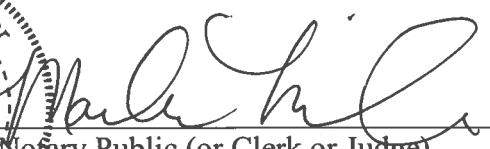
State of Oklahoma)
) ss
County of Tulsa)

The undersigned auditing firm of lawful ages, 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 Sapulpa Public Schools for the audit year 2023-24.

Bledsoe, Hewett & Gullekson
Certified Public Accountants, PLLLP
Auditing Firm

By 
Authorized Agent

Subscribed and sworn to before me
This 11th day of October, 2024

 
Notary Public (or Clerk or Judge)
My Commission Expires: 12-11-2024
Commission No. 20014980



BLEDSON, HEWETT & GULLEKSON
CERTIFIED PUBLIC ACCOUNTANTS, PLLLP

Eric M. Bledsoe, CPA
Jeffrey D. Hewett, CPA
Christopher P. Gullekson, CPA

P.O. BOX 1310 • 121 E. COLLEGE ST. • BROKEN ARROW, OK 74013 • (918) 449-9991 • (800) 522-3831 • FAX (918) 449-9779

October 11, 2024

Mr. Robert Armstrong, Supt.
Sapulpa Public Schools
511 E Lee Ave
Sapulpa, Oklahoma 74066

Dear Mr. Armstrong:

Listed below are the observations and recommendations from the final audit work we performed for you. Please review them very carefully, along with the review copy of your audit report. If you have questions or desire additional information, please call us so that any discrepancies may be resolved.

The following section contains an observation relayed to management that is a control deficiency, which we feel needs to be communicated to you so appropriate action may be taken to correct this deficiency. This item is not included or referred to in your audit report, as it is not considered material or immaterial in nature. It is a minor deficiency that could evolve into a material or immaterial finding if not addressed or corrected.

Payroll

For school districts where only one person performs the entire payroll function, we recommend that an earnings report be printed at the end of each fiscal year, and the total amount of compensation paid to every employee be reconciled to their employment contract for that year. The report should then be shared with the superintendent or business manager and kept on file for future inquiries.

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

Sincerely,

Eric M. Bledsoe

For

Bledsoe, Hewett & Gullekson
Certified Public Accountants, PLLLP

EXHIBIT B
CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement dated as of July 1, 2025 (this “Disclosure Agreement”), is executed and delivered by Independent School District No. 33, Creek County, Oklahoma (the “Issuer”) in connection with the issuance of the General Obligation Combined Purpose Bonds, Series 2025 (the “Bonds”). The Bonds are being issued pursuant to a Resolution dated as of June 5, 2025 (the “**Resolution**”). The School District is the “obligated person” with respect to the Bonds for the purposes of the Rule, hereinafter defined, hereby covenants and agrees as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than 10 business days after such information becomes available, and not later than ten months after the end of the Issuer’s fiscal year (presently July 1 through June 30), commencing with the report for the 2025 Fiscal Year, provide to the MSRB in Prescribed Form the Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Agreement; *provided* that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date but within 10 business days after they become available. If the Issuer’s fiscal year changes, it shall give notice of such change in the same manner as for a Material Event under Section 5.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Resolution is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Resolution. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Issuer agrees, to the extent permitted under Oklahoma law, to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including 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. Any notices or communications to School District under this Disclosure Agreement may be given as follows: Independent School District No. 33, Creek County, Oklahoma, Attention: Chief Financial Officer, Telephone: 405-224-3400.

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

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

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

**INDEPENDENT SCHOOL DISTRICT NO. 33,
CREEK COUNTY, OKLAHOMA**

By: _____
President, Board of Education

[Signature Page to Continuing Disclosure Agreement]

EXHIBIT A

**DESCRIPTION OF PORTIONS OF
OFFICIAL STATEMENT REQUIRING ANNUAL UPDATE**

The information under the Heading “Financial Information”

Exhibit A – Audited Financial Statements.

.

EXHIBIT B

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

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

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