

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 JUNE 3, 2025

NEW ISSUE – Book-Entry Only

Oklahoma #1

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

INDEPENDENT SCHOOL DISTRICT NUMBER 1 GRADY COUNTY, OKLAHOMA (Chickasha School District)

\$2,205,000

General Obligation Combined Purpose Bonds Federally Taxable Series 2025

Dated: July 1, 2025

Due: July 1, As Shown Below

Interest on the \$2,205,000 Independent School District Number 1, Grady County, Oklahoma, General Obligation Combined Purpose Bonds, Federally Taxable Series 2025 (the "Bonds" or the "2025 Bonds") will accrue from July 1, 2025, (the "Dated Date") and will be payable January 1 and July 1 of each year commencing July 1, 2027, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of the Depository Trust Company ("DTC") pursuant to the Book-Entry Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the owners thereof. Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "The Bonds – Book-Entry 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. 1 of Grady 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 384190</u>
7-1-2027	\$900,000			
7-1-2028	\$1,305,000			

The 2025 Bonds are offered subject to the approval of legality by the Attorney General of the State of Oklahoma and The Public Finance Law Group PLLC, Oklahoma City, Oklahoma, Bond Counsel. It is anticipated that the 2025 Bonds in definitive form will be available for delivery on or about July 24, 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. 1 of Grady 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.

TABLE OF CONTENTS

Introduction	1
The Bonds	1
The Chickasha School District	6
Financial Information	7
Absence of Material Litigation	11
Legal Matters	11
Continuing Disclosure	11
Tax Matters	12
Global Risks	16
Ratings	16
Underwriting	17
Financial Advisor	17
Miscellaneous	17
Financial Statements with Auditor's Report for the Year Ended June 30, 2024.	Exhibit A
Continuing Disclosure Agreement	Exhibit B

OFFICIAL STATEMENT

INDEPENDENT SCHOOL DISTRICT NO. 1 GRADY COUNTY, OKLAHOMA (Chickasha School District)

\$2,205,000

General Obligation Combined Purpose Bonds, Federally Taxable Series 2025

INTRODUCTION

Independent School District No. 1 of Grady County, Oklahoma, also known as the Chickasha School District (the "School District") is issuing its \$2,205,000 General Obligation Combined Purpose Bonds, Federally Taxable Series 2025 (the "Bonds" or the "2025 Bonds") to provide funds for the purpose of making capital improvements and purchasing 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 central Oklahoma, in Grady County, approximately 42 miles southwest of the City of Oklahoma City. The School District, encompassing approximately 42 square miles, serves the City of Chickasha and the surrounding rural communities. According to the U.S. Census Bureau, the estimated population of the School District as of 2023 was 17,301 people. The School District employs 174 certified teachers and has an enrollment of approximately 2,166 (as of April 2025). The School District is fully accredited by the Oklahoma State Department of Education.

The School District has included herein, as Exhibit A, a copy of its Financial Statements as of June 30, 2024, together with Auditor's Report. Exhibit A should be read in its entirety.

THE BONDS

Description

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

	<u>Grady County</u>
Real Estate	11.00%
Personal	11.00%
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 9, 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 School District had a successful bond election on August 23, 2022. The 2022 election authorized the issuance of a total of \$35,785,000 in bonds. The School District has previously issued \$1,095,000 in bonds authorized at this election. The District expects to issue the remaining bonds annually in varying amounts from 2026 to 2033.

Tax Levy and Collection Procedures

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

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

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

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

Record Date

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

THE CHICKASHA SCHOOL DISTRICT

The School District is located in central Oklahoma, in Grady County, approximately 42 miles southwest of the City of Oklahoma City. The School District, encompassing approximately 42 square miles, serves the City of Chickasha and the surrounding rural communities. According to the U.S. Census Bureau, the estimated population of the School District as of 2023 was 17,301 people. The School District employs 174 certified teachers and has an enrollment of approximately 2,166 (as of April 2025). The School District is fully accredited by the Oklahoma State Department of Education.

Residents of the School District are employed at businesses in the City of Chickasha and surrounding communities. No separate employment figures are available for the School District; however, as of April 2025 the unemployment rates for the counties included in the school district are as follows:

	<u>Unemployment Rate</u>
Grady County	2.3%*
State of Oklahoma	3.2%
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

Zack McGill	President and Member
Cara Gerdes	First Vice-President and Member
Christy Clift	Second Vice-President & Member
Robyn Morse	Member
Laurie Allen	Member

School Administration

Rick Croslin	Superintendent of Schools
Jennifer Stegman	Assistant Superintendent
Rochelle Bowens	Clerk of the Board of Education

FINANCIAL INFORMATION

Compliance with Constitutional Debt Limitation

2024-25 Estimated Full Market Value		\$1,297,629,743
2024-25 Assessed Valuation, including Homestead Exemption		\$148,097,209
2024-25 Assessed Valuation, excluding Homestead Exemption		\$143,261,896
 Total General Obligation (GO) Bond Indebtedness ¹	\$12,325,000	
Less: Current Estimated Sinking Fund Balance*	3,790,113	
Net General Obligation Bond Indebtedness		\$8,534,887
 Constitutional Debt Limit		10.00%
Ratio of Net GO Bond Indebtedness to Net Assessed Valuation		5.96%
Ratio of Net GO Bond Indebtedness to Estimated Full Market Value		0.66%

¹ As of June 2, 2025, and includes the 2025 Bonds.

*Estimated Sinking Fund Balance as of April 22, 2025

Schedule of Outstanding Indebtedness (As of June 2, 2025, and includes the 2025 Bonds)

<u>Date of Issuance</u>	<u>Original Principal</u>	<u>Remaining Maturities</u>	<u>Maturity Dates</u>	<u>Total Outstanding</u>
3/1/2021	\$2,700,000	\$540,000	3/1/2026-27	\$1,080,000
7/1/2022	\$5,215,000	\$2,730,000	7/1/2025	\$2,730,000
11/1/2022	\$570,000	\$360,000	11/1/2025	\$360,000
7/1/2024	\$5,950,000	\$2,925,000	7/1/2026	
		\$3,025,000	7/1/2027	5,950,000
7/1/2025	\$2,205,000	\$900,000	7/1/2027	
		\$1,305,000	7/1/2028	2,205,000
			TOTAL	\$12,325,000

Scheduled Principal and Interest Payments (As of June 2, 2025, and includes the 2025 Bonds)

<u>FY Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$3,630,000.00	\$67,068.75	\$3,697,068.75
2027	3,465,000.00	720,262.50	4,185,262.50
2028	3,925,000.00	330,262.50	4,255,262.50
2029	1,305,000.00	32,625.00	1,337,625.00
Total	\$12,325,000.00	\$1,150,218.75	\$13,475,218.75

Note: as of June 2, 2025, and includes the 2025 Bonds. The rate on the 2025 Bonds is estimated at 5.00%.

**Scheduled Sinking Fund Levies to Retire Bonds
(As of June 2, 2025, and includes the 2025 Bonds)**

Fiscal Year Ending 6/30	Principal Levy	Interest Levy	Total Levy
2026	\$3,465,000.00	\$645,915.00	\$4,110,915.00
2027	3,925,000.00	374,775.00	4,299,775.00
2028	<u>1,305,000.00</u>	<u>65,250.00</u>	<u>1,370,250.00</u>
	\$8,695,000.00	\$1,085,940.00	\$9,780,940.00
Add: Est. Sinking Fund Balance (4/22/2025)			\$3,790,113.00
Total			<u>\$13,571,053.00</u>

Note: as of June 2, 2025, and includes the 2025 Bonds. The rate on the 2025 Bonds is estimated at 5.00%.

Overlapping and Underlying Indebtedness

Municipality	Net Indebtedness	Amount Applying to School District	Ratio to Assessed	Per Capita Debt
School District	\$ 8,534,887	\$ 8,534,887	5.96%	\$ 493.32
Grady County	\$ -	\$ -	0.00%	\$ -
City of Chickasha	\$ -	\$ -	0.00%	\$ -
TOTAL	\$ 8,534,887	\$ 8,534,887	5.96%	\$ 493.32

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 School District estimated population of 17,301 (source: U.S. Census Bureau).

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

Composition and Growth of Net Assessed Valuation

<u>Property</u>	<u>Grady County</u>	<u>% NAV</u>
Gross Real	\$108,107,584	
Exemptions	<u>\$4,544,531</u>	
Net Real Estate	\$103,563,053	72.14%
Personal	\$29,658,075	20.66%
Public Service	<u>\$10,331,550</u>	7.20%
Gross Valuation	\$148,097,209	
Net Valuation	\$143,552,678	

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

Fiscal Year	Valuation	% Change
2024-25	\$143,261,896	9.34%
2023-24	\$131,021,784	7.77%
2022-23	\$121,578,437	4.32%
2021-22	\$116,547,077	9.37%
2020-21	\$106,564,141	2.92%
2019-20	\$103,540,817	12.63%
2018-19	\$91,926,243	1.10%
2017-18	\$90,927,947	5.91%
2016-17	\$85,856,851	3.64%
2015-16	\$82,841,092	

Total Increase Over Period	\$60,420,804
Percent Increase	72.94%
Average Annual Increase	6.33%

Source: Grady County Assessor and School District Administration and Budgets.

Sinking Fund Tax Collections

	Total	Current	Percentage	Total	Total
<u>Fiscal Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Collected</u>	<u>Collections</u>	<u>Percentage Collected</u>
2024-2025	\$3,715,932	in progress	n/a	in progress	n/a
2023-2024	3,769,989	\$3,745,075	99.34%	\$3,809,419	101.05%
2022-2023	3,410,364	3,117,791	91.42%	3,194,999	93.68%
2021-2022	2,855,925	2,670,356	93.50%	2,839,738	99.43%
2020-2021	2,870,904	2,804,640	97.69%	2,909,596	101.35%
2019-2020	2,584,215	2,413,793	93.41%	2,487,388	96.25%
2018-2019	2,461,134	2,308,572	93.80%	2,488,664	101.12%
2017-2018	2,481,127	2,235,158	90.09%	2,319,561	93.49%
2016-2017	2,409,627	2,298,835	95.40%	2,362,954	98.06%
2015-2016	2,152,610	2,031,223	94.36%	2,143,872	99.59%

Source: School District Administration and Budgets.

Trend of Tax Rates: Major Taxing Units*

Fiscal Year	Chickasha Schools	City of Chickasha	Grady County	Career Tech	Total Levy
2024-2025	69.93	0.00	16.01	15.46	101.40
2023-2024	72.76	0.00	16.01	15.87	104.64
2022-2023	72.04	0.00	16.01	15.94	103.99
2021-2022	68.49	0.00	16.01	16.01	100.51
2020-2021	70.93	0.00	16.01	16.03	102.97
2019-2020	68.95	0.00	16.01	16.06	101.02
2018-2019	70.76	0.00	16.01	16.17	102.94
2017-2018	71.28	0.00	16.01	16.24	103.53
2016-2017	72.06	0.00	16.01	16.33	104.40
2015-2016	69.97	0.00	16.01	16.47	102.45

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

Tax Rate for the School District includes a levy of 3.10 mills for the EMS District.

Source: Grady County, Oklahoma.

Largest Taxpayers

Taxpayer	Net Assessed Value	% of Net Assessed Value
1 Liquidpower Specialty Products Inc 4	\$9,500,477	6.63%
2 Ride Control, LLC	4,709,997	3.29%
3 Public Service Co. of Oklahoma	4,011,736	2.80%
4 CTAP, LLC J Joseph Consulting, Inc	2,714,853	1.90%
5 Liquidpower Specialty Products	1,868,710	1.30%
6 Wal-Mart Real Est. Business Tr	1,628,243	1.14%
7 Sunbelt Rentals, Inc.	1,494,364	1.04%
8 Ride Control, LLC	1,473,064	1.03%
9 Green Bay Packaging, Inc.	1,387,896	0.97%
10 AEP Oklahoma Transmission Co	1,207,483	0.84%
	<u>\$29,996,823</u>	<u>20.94%</u>

Source: Grady County Assessor

Retail Sales

Year	City of Chickasha
2023-24	\$384,684,173
2022-23	\$378,709,197
2021-22	\$349,471,068
2020-21	\$310,689,493
2019-20	\$332,994,800
2018-19	\$344,939,056
2017-18	\$296,274,018
2016-17	\$269,288,509
2015-16	\$275,820,764
2014-15	\$296,488,739

Source: Oklahoma Tax Commission.

School Enrollment

<u>Year</u>	<u>Total Enrollment</u>	<u>Percent Change</u>
2024-25	2,166	-5.29%
2023-24	2,287	-0.82%
2022-23	2,306	1.86%
2021-22	2,264	10.87%
2020-21	2,042	-6.84%
2019-20	2,192	0.50%
2018-19	2,181	-5.05%
2017-18	2,297	-0.35%
2016-17	2,305	-4.44%
2015-16	2,412	0.42%
2014-15	2,402	

Source: The District.

Population

	<u>Year</u>	<u>City of Chickasha</u>
Actual	1990	14,988
	2000	15,580
	2010	16,036
	2020	16,051
Estimate	2023	16,745

Source: U.S. Census Bureau.

ABSENCE OF MATERIAL LITIGATION

No litigation is pending (a) seeking to restrain or enjoin the issuance or delivery of the 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 The Public Finance Law Group PLLC, Oklahoma City, Oklahoma, Bond Counsel, and the Attorney General of the State of Oklahoma.

CONTINUING DISCLOSURE

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

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

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

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

Rule 15c2-12 requires that an issuer or other obligated person disclose in an official statement any instances in the previous five years in which such issuer or other obligated person failed to comply, in all material respects, with any previous undertakings in a written contract or agreement specified in paragraph (b)(5)(i) of Rule 15c2-12. In connection with certain bonds previously issued by or for the benefit of the School District, the School District agreed to provide certain annual financial information and notice of certain events pursuant to continuing disclosure undertakings similar to the Disclosure Agreement (the "Prior Undertakings"). With respect to the Grady County School Finance Authority Authority's Educational Facilities Lease Revenue Bonds (Chickasha Public Schools Project), Series 2010A and Series 2010B (the "2010 Authority Lease Revenue Bonds"), the School District failed to comply with certain requirements by failing to include updates to all tables in its annual financial information and operating data for the Fiscal Years ended June 30, 2018, failing to file its annual financial information and operating data for the Fiscal Years ended June 30, 2017, failing to timely file its annual financial information and operating data for the Fiscal Year ended June 30, 2019, failing to timely file its audited, or unaudited, financial statements for the Fiscal Years ended June 30, 2017-2019, and failing to timely file notice of such failures.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of bond counsel, interest on the 2025 Bonds is included in gross income for federal income tax purposes.

In the opinion of bond counsel, 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.

Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the 2025 Bonds under the laws of the State or any other state or jurisdiction.

General Matters

The following is a summary of certain anticipated federal income tax consequences of the purchase, ownership and disposition of the 2025 Bonds under the Code and the Regulations, and the judicial and administrative rulings and court decisions now in effect, all of which are subject to change or possible differing interpretations. The summary does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances, nor certain types of investors subject to special treatment under the federal income tax laws. Potential purchasers of the 2025 Bonds

should consult their own tax advisors in determining the federal, state or local tax consequences to them of the purchase, holding and disposition of the 2025 Bonds.

In general, interest paid on the 2025 Bonds, original issue discount, if any, and market discount, if any, will be treated as ordinary income to the owners of the 2025 Bonds, and principal payments (excluding the portion of such payments, if any, characterized as original issue discount or accrued market discount) will be treated as a return of capital.

Bond Premium

An investor which acquires a 2025 Bond for a cost greater than its remaining stated redemption price at maturity and holds such 2025 Bond as a capital asset will be considered to have purchased such 2025 Bond at a premium and, subject to prior election permitted by Section 171(c) of the Code, may generally amortize such premium under the constant yield method. Except as may be provided by regulation, amortized premium will be allocated among, and treated as an offset to, interest payments. The basis reduction requirements of Section 1016(a)(5) of the Code apply to amortizable 2025 Bond premium that reduces interest payments under Section 171 of the Code. 2025 Bond premium is generally amortized over the 2025 Bond's term using constant yield principles, based on the purchaser's yield to maturity. Investors of any 2025 Bond purchased with a 2025 Bond premium should consult their own tax advisors as to the effect of such 2025 Bond premium with respect to their own tax situation and as to the treatment of 2025 Bond premium for state tax purposes.

Market Discount

An investor that acquires a 2025 Bond for a price less than the adjusted issue price of such 2025 Bond (or an investor who purchases a 2025 Bond in the initial offering at a price less than the issue price) may be subject to the market discount rules of Sections 1276 through 1278 of the Code. Under these sections and the principles applied by the Regulations, "market discount" means (a) in the case of a 2025 Bond originally issued at a discount, the amount by which the issue price of such 2025 Bond, increased by all accrued original issue discount (as if held since the issue date), exceeds the initial tax basis of the owner therein, less any prior payments that did not constitute payments of qualified stated interest, and (b) in the case of a 2025 Bond not originally issued at a discount, the amount by which the stated redemption price of such 2025 Bond at maturity exceeds the initial tax basis of the owner therein. Under Section 1276 of the Code, the owner of such a 2025 Bond will generally be required (i) to allocate each principal payment to accrued market discount not previously included in income and, upon sale or other disposition of the 2025 Bond, to recognize the gain on such sale or disposition as ordinary income to the extent of such cumulative amount of accrued market discount as of the date of sale or other disposition of such a 2025 Bond or (ii) to elect to include such market discount in income currently as it accrues on all market discount instruments acquired by such owner on or after the first day of the taxable year to which such election applies.

The Code authorizes the Treasury Department to issue regulations providing for the method for accruing market discount on debt instruments the principal of which is payable in more than one installment. Until such time as regulations are issued by the Treasury Department, certain rules described in the legislative history will apply. Under those rules, market discount will be included in income either (a) on a constant interest basis or (b) in proportion to the accrual of stated interest or, in the case of a 2025 Bond with original issue discount, in proportion to the accrual of original issue discount.

An owner of a 2025 Bond that acquired such 2025 Bond at a market discount also may be required to defer, until the maturity date of such 2025 Bond or its earlier disposition in a taxable transaction, the deduction of a portion of the amount of interest that the owner paid or accrued during the taxable year on indebtedness incurred or maintained to purchase or carry such 2025 Bond in excess of the aggregate amount of interest (including original issue discount) includable in such owner's gross income for the taxable year with respect to such 2025 Bond. The amount of such net interest expense deferred in a taxable year may not exceed the amount of market discount accrued on the 2025 Bond for the days

during the taxable year on which the owner held such 2025 Bond and, in general, would be deductible when such market discount is includable in income. The amount of any remaining deferred deduction is to be taken into account in the taxable year in which the 2025 Bond matures or is disposed of in a taxable transaction. In the case of a disposition in which gain or loss is not recognized in whole or in part, any remaining deferred deduction will be allowed to the extent gain is recognized on the disposition. This deferral rule does not apply if the owner elects to include such market discount in income currently as it accrues on all market discount obligations acquired by such owner in that taxable year or thereafter.

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

Sales or Other Dispositions

If an owner of a 2025 Bond sells the 2025 Bond, such person will recognize gain or loss equal to the difference between the amount realized on such sale and such owner's basis in such 2025 Bond. Ordinarily, such gain or loss will be treated as a capital gain or loss. At the present time, the maximum capital gains rate for certain assets held for more than 12 months is 15%. However, if a 2025 Bond was, at its initial issuance, sold at a discount, a portion of such gain will be recharacterized as interest and therefore ordinary income. Neither the School District nor Bond Counsel can predict whether the President or Congress will propose legislation effecting the long-term capital gains rate.

If the terms of a 2025 Bond were materially modified, in certain circumstances, a new debt obligation would be deemed created and exchanged for the prior obligation in a taxable transaction. Among the modifications that may be treated as material are those that relate to redemption provisions and, in the case of a nonrecourse obligation, those which involve the substitution of collateral. Each potential owner of a 2025 Bond should consult its own tax advisor concerning the circumstances in which such 2025 Bond would be deemed reissued and the likely effects, if any, of such reissuance.

Defeasance

The legal defeasance of the 2025 Bonds may result in a deemed sale or exchange of such 2025 Bond under certain circumstances. Owners of such 2025 Bonds should consult their tax advisors as to the federal income tax consequences of such a defeasance.

Backup Withholding

An owner of a 2025 Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to the 2025 Bonds, if such owner, upon issuance of the 2025 Bonds, fails to provide to any person required to collect such information pursuant to Section 6049 of the Code with such owner's taxpayer identification number, furnishes an incorrect taxpayer identification number, fails to report interest, dividends or other "reportable payments" (as defined in the Code) properly, or, under certain circumstances, fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

Foreign Investors

An owner of a 2025 Bond that is not a "United States person" (as defined below) and is not subject to federal income tax as a result of any direct or indirect connection to the United States of America in addition to its ownership of a 2025 Bond will generally not be subject to United States income or withholding tax in respect of a payment on a 2025 Bond, provided that the owner complies to the extent necessary with certain identification requirements (including delivery of a statement, signed by the owner under penalties of perjury, certifying that such owner is not a United States person and providing the name and address of such owner). For this purpose the term "United States person" means a citizen or resident of the United States of America, a corporation, partnership or other entity created or organized in

or under the laws of the United States of America or any political subdivision thereof, or an estate or trust whose income from sources within the United States of America is includable in gross income for United States of America income tax purposes regardless of its connection with the conduct of a trade or business within the United States of America.

Except as explained in the preceding paragraph and subject to the provisions of any applicable tax treaty, a 30% United States withholding tax will apply to interest paid and original issue discount accruing on 2025 Bonds owned by foreign investors. In those instances in which payments of interest on the 2025 Bonds continue to be subject to withholding, special rules apply with respect to the withholding of tax on payments of interest on, or the sale or exchange of 2025 Bonds having original issue discount and held by foreign investors. Potential investors that are foreign persons should consult their own tax advisors regarding the specific tax consequences to them of owning a 2025 Bond.

Tax-Exempt Investors

In general, an entity that is exempt from federal income tax under the provisions of Section 501 of the Code is subject to tax on its unrelated business taxable income. An unrelated trade or business is any trade or business that is not substantially related to the purpose that forms the basis for such entity's exemption. However, under the provisions of Section 512 of the Code, interest may be excluded from the calculation of unrelated business taxable income unless the obligation that gave rise to such interest is subject to acquisition indebtedness. Therefore, except to the extent any owner of a 2025 Bond incurs acquisition indebtedness with respect to such 2025 Bond, interest paid or accrued with respect to such owner may be excluded by such tax-exempt owner from the calculation of unrelated business taxable income. Each potential tax-exempt holder of a 2025 Bond is urged to consult its own tax advisor regarding the application of these provisions.

ERISA Considerations

The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes certain requirements on "employee benefit plans" (as defined in Section 3(3) of ERISA) subject to ERISA, including entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, "ERISA Plans") and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirement of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the ERISA Plan. The prudence of any investment by an ERISA Plan in the 2025 Bonds must be determined by the responsible fiduciary of the ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment. Government and non-electing church plans are generally not subject to ERISA. However, such plans may be subject to similar or other restrictions under state or local law.

In addition, ERISA and the Code generally prohibit certain transactions between an ERISA Plan or a qualified employee benefit plan under the Code and persons who, with respect to that plan, are fiduciaries or other "parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of the Code. In the absence of an applicable statutory, class or administrative exemption, transactions between an ERISA Plan and a party in interest with respect to an ERISA Plan, including the acquisition by one from the other of the 2025 Bonds could be viewed as violating those prohibitions. In addition, Section 4975 of the Code prohibits transactions between certain tax-favored vehicles such as Individual Retirement Accounts and disqualified persons. Section 503 of the Code includes similar restrictions with respect to governmental and church plans. In this regard, the School District or any dealer of the 2025 Bonds might be considered or might become a "party in interest" within the meaning of ERISA or a "disqualified person" within the meaning of the Code, with respect to an ERISA Plan or a plan or arrangement subject to Sections 4975 or 503 of the Code. Prohibited transactions within the meaning of ERISA and the Code may arise if the 2025 Bonds are acquired by such plans or arrangements with respect to which the School District or any dealer is a party in interest or disqualified person.

In all events, fiduciaries of ERISA Plans and plans or arrangements subject to the above sections of the Code, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in the 2025 Bonds. The sale of the 2025 Bonds to a plan is in no respect a representation by the School District that such an investment meets the relevant legal requirements with respect to benefit plans generally or any particular plan. Any plan proposing to invest in the 2025 Bonds should consult with its counsel to confirm that such investment is permitted under the plan documents and will not result in a non-exempt prohibited transaction and will satisfy the other requirements of ERISA, the Code and other applicable law.

Health Care and Education Reconciliation Act of 2010

Pursuant to Section 1411 of the Code, as enacted by the Health Care and Education Reconciliation Act of 2010, an additional tax is imposed on individuals beginning January 1, 2013. The additional tax is 3.8% of the lesser of (i) net investment income (defined as gross income from interest, dividends, net gain from disposition of property not used in a trade or business, and certain other listed items of gross income), or (ii) the excess of “modified adjusted gross income” of the individual over \$200,000 for unmarried individuals (\$250,000 for married couples filing a joint return and a surviving spouse). Holders of the 2025 Bonds should consult with their tax advisor concerning this additional tax as it may apply to interest earned on the 2025 Bonds as well as gain on the sale of a 2025 Bond.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to above or adversely affect the market value of the 2025 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to indebtedness issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the 2025 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the 2025 Bonds or the market value thereof would be impacted thereby. Purchasers of the 2025 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the 2025 Bonds, and Bond Counsel expresses no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

Prospective purchasers of the 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.

RATINGS

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

UNDERWRITING

The General Obligation Combined Purpose Bonds, Federally Taxable 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.

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. 1
OF GRADY COUNTY, OKLAHOMA

BY: _____
President, Board of Education

EXHIBIT A

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

CHICKASHA SCHOOL DISTRICT NO. I-001

GRADY COUNTY, OKLAHOMA

JUNE 30, 2024

TABLE OF CONTENTS

	Page
<u>SCHOOL DISTRICT OFFICIALS</u>	
<u>INDEPENDENT AUDITOR'S REPORT</u>	1
<u>COMBINED FINANCIAL STATEMENTS</u>	
Combined Statement of Assets, Liabilities and Fund Balances - Regulatory Basis - All Fund Types and Account Groups	4
Combined Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances - Regulatory Basis - All Governmental Fund Types	5
Combined Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances - Budget and Actual - Regulatory Basis - Budgeted Governmental Fund Types	6
Notes to Combined Financial Statements	7
<u>OTHER SUPPLEMENTARY INFORMATION</u>	
<u>Combining Financial Statements</u>	
Combining Statement of Assets, Liabilities and Fund Balances - Regulatory Basis - All Special Revenue Funds	Exhibit A-1
Combining Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances - Regulatory Basis - Special Revenue Funds	Exhibit A-2
Combining Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances - Budget and Actual - Regulatory Basis - Special Revenue Funds	Exhibit A-3
Combining Statement of Assets, Liabilities and Fund Equity - Regulatory Basis - Trust & Agency Funds	Exhibit A-4
Combining Statement of Changes in Assets and Liabilities - Regulatory Basis - Trust & Agency Funds	Exhibit A-5
<u>Supporting Schedule(s)</u>	
Schedule of Expenditures of Federal Awards	Exhibit B-1
Notes to the Schedule of Expenditures of Federal Awards	Exhibit B-2
<u>GOVERNMENT AUDITING STANDARDS SECTION</u>	
* Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance With Government Auditing Standards	Exhibit C-1
<u>SINGLE AUDIT SECTION</u>	
* Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	Exhibit D-1
<u>SCHEDULE OF FINDINGS AND QUESTIONED COSTS</u>	
Summary of Auditor's Results	Exhibit E-1
Findings Related to Financial Reporting	Exhibit E-2
Summary Schedule of Prior Year Audit Findings	Exhibit F-1

CHICKASHA SCHOOL DISTRICT NO. I-001
GRADY COUNTY, OKLAHOMA
JUNE 30, 2024

TABLE OF CONTENTS

	Page
<u>OTHER OKLAHOMA DEPARTMENT OF EDUCATION REQUIRED INFORMATION</u>	
Statement of Statutory, Fidelity and Honesty Bonds	Exhibit G-1
Schedule of Accountants' Professional Liability Insurance Affidavit	Exhibit H-1

* The required internal control, compliance, and schedule of findings and questioned costs are required by Governmental Auditing Standards and *Uniform Guidance* when a single audit is applicable.

Chickasha School District No. I-001, Grady County, Oklahoma
School District Officials
June 30, 2024

BOARD OF EDUCATION

President	Zack McGill
Vice President	Cara Gerdes
2nd Vice President	Christy Clift
Member	Robyn Morse
Member	Laurie Allen
Board Clerk	Rochelle Bowens

SUPERINTENDENT OF SCHOOLS

Rick Croslin

ASSISTANT SUPERINTENDENT OF SCHOOLS

Jennifer Stegman

ENCUMBRANCE CLERK

Toni Simon

SCHOOL DISTRICT TREASURER

Vicki Gassaway

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education
Chickasha School District No. I-001
Grady County, Oklahoma

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying combined fund type and account group financial statements-regulatory basis of the Chickasha School District No. I-001, Grady County, Oklahoma, 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 described in the "Basis for Qualified Opinion on Regulatory Basis of Accounting" paragraph, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balance arising from regulatory basis transactions of each fund type and account group of Chickasha School District No. I-001, Grady County, Oklahoma as of June 30, 2024, and the revenues collected, expenditures paid and encumbered, and budgetary results, for the year then ended, on the regulatory basis of accounting 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" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Chickasha School District No. I-001, Grady County, Oklahoma, as of June 30, 2024, or the changes in its financial position and, where applicable, cash flows 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 Chickasha School District No. I-001, Grady County, Oklahoma and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Qualified Opinion on Regulatory Basis of Accounting

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 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, the financial statements are prepared by Chickasha School District No. I-001, Grady County, Oklahoma, on the basis of the financial reporting provisions of the Oklahoma State Department of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Oklahoma State Department of Education. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Chickasha School District No. I-001, Grady County, Oklahoma's basic financial statements. The combining financial statements—regulatory basis and the schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations 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 basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements 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, the combining financial statements—regulatory basis and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole on the regulatory basis of accounting described in Note 1.

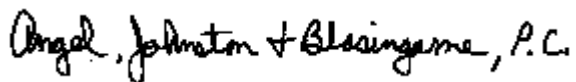
Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2024, on our consideration of the Chickasha School District No. I-001, Grady County, Oklahoma's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Chickasha School District No. I-001, Grady County, Oklahoma's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Chickasha School District No. I-001, Grady County, Oklahoma's internal control over financial reporting and compliance.



Chickasha, Oklahoma
December 4, 2024

COMBINED FINANCIAL STATEMENTS

Chickasha School District No. I-001, Grady County, Oklahoma
Combined Statement of Assets, Liabilities and Fund Balances
Regulatory Basis - All Fund Types and Account Groups
June 30, 2024

	Governmental Fund Types				Fiduciary Fund Types	Account Group	Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency	General Long- Term Debt	June 30, 2024
ASSETS							
Cash and Cash Equivalents	\$ 9,933,410	\$ 2,087,971	\$ 3,874,914	\$ 462,326	\$ 1,108,067	\$ 0	\$ 17,466,688
Investments	0	0	0	0	0	0	0
Amounts Available in Debt Service Fund	0	0	0	0	0	3,874,914	3,874,914
Amounts to be Provided for Retirement of General Long-Term Debt	0	0	0	0	0	3,530,086	3,530,086
Amounts to be Provided For Capitalized Lease Agreements	0	0	0	0	0	30,372,097	30,372,097
Amounts to be Provided For Compensated Absences	0	0	0	0	0	310,295	310,295
Total Assets	\$ 9,933,410	\$ 2,087,971	\$ 3,874,914	\$ 462,326	\$ 1,108,067	\$ 38,087,392	\$ 55,554,080
LIABILITIES AND FUND BALANCES							
Liabilities:							
Warrants Payable	\$ 2,792,518	\$ 11,329	\$ 0	\$ 391	\$ 0	\$ 0	\$ 2,804,238
Reserve for Encumbrances	235,860	160,519	0	35,500	0	0	431,879
Due to Activity Groups	0	0	0	0	1,074,530	0	1,074,530
Due to Gift Fund Recipients	0	0	0	0	33,537	0	33,537
General Obligation Bonds Payable	0	0	0	0	0	7,405,000	7,405,000
Capitalized Lease Obligations Payable	0	0	0	0	0	30,372,097	30,372,097
Compensated Absences Payable	0	0	0	0	0	310,295	310,295
Total Liabilities	\$ 3,028,379	\$ 171,848	\$ 0	\$ 35,891	\$ 1,108,067	\$ 38,087,392	\$ 42,431,577
Fund Balances:							
Restricted For:							
Debt Service	\$ 0	\$ 0	\$ 3,874,914	\$ 0	\$ 0	\$ 0	\$ 3,874,914
Capital Projects	0	0	0	426,435	0	0	426,435
Building Programs	0	1,916,123	0	0	0	0	1,916,123
Child Nutrition Programs	0	0	0	0	0	0	0
Cooperative Programs	0	0	0	0	0	0	0
Unassigned	6,905,031	0	0	0	0	0	6,905,031
Total Fund Balances	\$ 6,905,031	\$ 1,916,123	\$ 3,874,914	\$ 426,435	\$ 0	\$ 0	\$ 13,122,504
Total Liabilities and Fund Balances	\$ 9,933,410	\$ 2,087,971	\$ 3,874,914	\$ 462,326	\$ 1,108,067	\$ 38,087,392	\$ 55,554,080

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

Chickasha School District No. I-001, Grady County, Oklahoma
Combined Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances
Regulatory Basis - All Governmental Fund Types
For the Year Ended June 30, 2024

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	June 30, 2024
Revenue Collected:					
Local Sources	\$ 5,581,275	\$ 2,883,158	\$ 3,809,419	\$ 0	\$ 12,273,852
Intermediate Sources	828,273	0	0	0	828,273
State Sources	13,547,470	468,667	5,991	0	14,022,128
Federal Sources	4,490,489	274,220	0	0	4,764,709
Non-Revenue Receipts	138,768	0	0	0	138,768
<i>Total Revenue Collected</i>	<u>\$ 24,586,275</u>	<u>\$ 3,626,046</u>	<u>\$ 3,815,410</u>	<u>\$ 0</u>	<u>\$ 32,027,730</u>
Expenditures Paid:					
Instruction	\$ 12,976,417	\$ 0	\$ 0	\$ 114,284	\$ 13,090,701
Support Services	11,081,993	1,914,617	0	89,729	13,086,339
Operation of Non-Instructional Services	1,658,929	0	0	0	1,658,929
Facilities Acquisition and Construction	8,346	0	0	0	8,346
Other Outlays	11,976	11,039	0	0	23,014
Other Uses	0	0	0	0	0
Repayments	0	0	0	0	0
Interest Paid on Warrants and Bank Charges	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	3,185,000	0	3,185,000
Interest and Fiscal Agent Fees	0	0	54,806	0	54,806
<i>Total Expenditures Paid</i>	<u>\$ 25,737,660</u>	<u>\$ 1,925,656</u>	<u>\$ 3,239,806</u>	<u>\$ 204,013</u>	<u>\$ 31,107,135</u>
<i>Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances</i>	<u>\$ (1,151,386)</u>	<u>\$ 1,700,390</u>	<u>\$ 575,604</u>	<u>\$ (204,013)</u>	<u>\$ 920,595</u>
Adjustments to Prior Year Encumbrances	<u>\$ 299,190</u>	<u>\$ 23,656</u>	<u>\$ 0</u>	<u>\$ 7,115</u>	<u>\$ 329,960</u>
Other Financing Sources (Uses):					
Estopped Warrants	\$ 2,450	\$ 26,697	\$ 0	\$ 0	\$ 29,147
Bond Proceeds	0	0	0	119,000	119,000
Transfers In	0	0	0	0	0
Transfers Out	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>\$ 2,450</u>	<u>\$ 26,697</u>	<u>\$ 0</u>	<u>\$ 119,000</u>	<u>\$ 148,147</u>
<i>Excess (Deficiency) of Revenue Collected Over Expenditures Paid and Other Financing Sources (Uses)</i>	<u>\$ (849,746)</u>	<u>\$ 1,750,743</u>	<u>\$ 575,604</u>	<u>\$ (77,898)</u>	<u>\$ 1,398,702</u>
<i>Fund Balance - Beginning of Year</i>	<u>7,754,777</u>	<u>165,380</u>	<u>3,299,311</u>	<u>504,334</u>	<u>11,723,802</u>
<i>Fund Balance - End of Year</i>	<u>\$ 6,905,031</u>	<u>\$ 1,916,123</u>	<u>\$ 3,874,914</u>	<u>\$ 426,435</u>	<u>\$ 13,122,504</u>

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

Chickasha School District No. I-001, Grady County, Oklahoma
Combined Statement of Revenues Collected, Expenditures Paid, and Changes in Fund Balances
Budget and Actual - Regulatory Basis - Budgeted Governmental Fund Types
For the Year Ended June 30, 2024

	General Fund			Special Revenue Funds			Debt Service Fund		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
Revenue Collected:									
Local Sources	\$ 4,388,000	\$ 4,388,000	\$ 5,581,275	\$ 608,656	\$ 608,656	\$ 2,883,158	\$ 3,590,466	\$ 3,590,466	\$ 3,809,419
Intermediate Sources	791,835	791,835	828,273	0	0	0	0	0	0
State Sources	10,132,746	10,132,746	13,547,470	331,393	331,393	468,667	0	0	5,991
Federal Sources	4,490,489	4,490,489	4,490,489	0	0	274,220	0	0	0
Non-Revenue Receipts	0	0	138,768	0	0	0	0	0	0
<i>Total Revenue Collected</i>	<u>\$ 19,803,070</u>	<u>\$ 19,803,070</u>	<u>\$ 24,586,275</u>	<u>\$ 940,049</u>	<u>\$ 940,049</u>	<u>\$ 3,626,046</u>	<u>\$ 3,590,466</u>	<u>\$ 3,590,466</u>	<u>\$ 3,815,410</u>
Expenditures Paid:									
Instruction	\$ 13,475,427	\$ 13,475,427	\$ 12,976,417	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Support Services	12,598,883	12,598,883	11,081,993	1,105,429	1,105,429	1,914,617	0	0	0
Operation of Non-Instructional Services	1,483,537	1,483,537	1,658,929	0	0	0	0	0	0
Facilities Acquisition and Construction	0	0	8,346	0	0	0	0	0	0
Other Outlays	0	0	11,976	0	0	11,039	6,889,776	6,889,776	3,239,806
Other Uses	0	0	0	0	0	0	0	0	0
Repayments	0	0	0	0	0	0	0	0	0
Interest Paid on Warrants and Bank Charges	0	0	0	0	0	0	0	0	0
<i>Total Expenditures Paid</i>	<u>\$ 27,557,847</u>	<u>\$ 27,557,847</u>	<u>\$ 25,737,660</u>	<u>\$ 1,105,429</u>	<u>\$ 1,105,429</u>	<u>\$ 1,925,656</u>	<u>\$ 6,889,776</u>	<u>\$ 6,889,776</u>	<u>\$ 3,239,806</u>
<i>Excess of Revenues Collected Over (Under)</i>									
<i>Expenditures Paid Before Adjustments to</i>									
<i>Prior Year Encumbrances</i>	<u>\$ (7,754,777)</u>	<u>\$ (7,754,777)</u>	<u>\$ (1,151,386)</u>	<u>\$ (165,380)</u>	<u>\$ (165,380)</u>	<u>\$ 1,700,390</u>	<u>\$ (3,299,311)</u>	<u>\$ (3,299,311)</u>	<u>\$ 575,604</u>
Adjustments to Prior Year Encumbrances	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 299,190</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 23,656</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Other Financing Sources (Uses):									
Estopped Warrants	\$ 0	\$ 0	\$ 2,450	\$ 0	\$ 0	\$ 26,697	\$ 0	\$ 0	\$ 0
Transfers In	0	0	0	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,450</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 26,697</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<i>Excess (Deficiency) of Revenue Collected</i>									
<i>Over Expenditures Paid and Other Financing</i>									
<i>Sources (Uses)</i>	<u>\$ (7,754,777)</u>	<u>\$ (7,754,777)</u>	<u>\$ (849,746)</u>	<u>\$ (165,380)</u>	<u>\$ (165,380)</u>	<u>\$ 1,750,743</u>	<u>\$ (3,299,311)</u>	<u>\$ (3,299,311)</u>	<u>\$ 575,604</u>
<i>Fund Balance - Beginning of Year</i>	<u>7,754,777</u>	<u>7,754,777</u>	<u>7,754,777</u>	<u>165,380</u>	<u>165,380</u>	<u>165,380</u>	<u>3,299,311</u>	<u>3,299,311</u>	<u>3,299,311</u>
<i>Fund Balance - End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,905,031</u>	<u>\$ (0)</u>	<u>\$ (0)</u>	<u>\$ 1,916,123</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,874,914</u>

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

Chickasha School District No. I-001, Grady County, Oklahoma
Notes To Combined Financial Statements
For The Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies

The basic financial statements of the Chickasha School District No. I-001, Grady County, Oklahoma (the “District”) have been prepared in conformity with another comprehensive basis of accounting as prescribed by the Oklahoma State Department of Education. The more significant of the District’s accounting policies are described below.

1.A. Reporting Entity

The District is a corporate body for public purposes created under Title 70 of the Oklahoma Statutes and accordingly is a separate entity for operating and financial reporting purposes.

The District is part of the public-school system of Oklahoma under the general direction and control of the State Board of Education and is financially dependent on the State of Oklahoma 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 elected members. The appointed superintendent is the executive officer of the District.

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

1.B. Fund Accounting

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.

Chickasha School District No. I-001, Grady County, Oklahoma
Notes To Combined Financial Statements
For The Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies, (continued)

1.B. Fund Accounting, (continued)

Funds are classified into two categories: governmental 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).

1. General Fund - The General Fund is used to account for all financial transactions except those required to be accounted for in another fund. Major revenues 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.

2. Special Revenue Funds - The Special Revenue Funds of the District consist of the Building Fund.

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

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

4. Capital Projects Fund - The Capital Projects Fund consists of the District's Building and Transportation bond issues. These funds are used exclusively for acquiring school sites, constructing and equipping new school facilities, renovating existing facilities and acquiring transportation equipment.

Fiduciary Fund Types

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

Chickasha School District No. I-001, Grady County, Oklahoma
Notes To Combined Financial Statements
For The Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies, (continued)

1.B. Fund Accounting, (continued)

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

Account Groups

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

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

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

Memorandum Only - Total Column

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

1.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 34, *Basic Financial Statements-Management's Discussion and Analysis-for State and Local Governments*. This format significantly differs from that required by GASB 34.

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

- Encumbrances represented by purchase orders, contracts, and other commitments for the expenditure of monies and are recorded as expenditures when approved.
- Investments are recorded as assets when purchased.
- Warrants payable are recorded as liabilities when issued.
- Long-term debt is recorded when incurred.

Chickasha School District No. I-001, Grady County, Oklahoma
Notes To Combined Financial Statements
For The Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies, (continued)

1.C. Basis of Accounting and Presentation, (continued)

- Accrued compensated absences are recorded as an expenditure and liability when the obligation is incurred.

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 and liabilities are incurred for trust funds.

1.D. Budgets and Budgetary Accounting

The District is required by state law to prepare an annual budget. The board of education requests an initial temporary appropriations budget from the county excise board before June 30. Then no later than October 1, the board of education prepares financial statement and estimate of needs and files it with the applicable county clerk and the State Department of Education. The final budget may be revised upon approval of the board of education and the county excise board.

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

1.E. Assets, Liabilities and Fund Equity

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

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

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

Chickasha School District No. I-001, Grady County, Oklahoma
Notes To Combined Financial Statements
For The Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies, (continued)

1.E. Assets, Liabilities and Fund Equity, (continued)

If the first payment is not made timely, the entire tax becomes due and payable on January 2. Second half taxes become delinquent on April 1 of the year following the year of assessment. If not paid by the following October 1, the property is offered for sale for the amount of taxes due. The owner has two years to redeem the property by paying the taxes and penalty owed. If at the end of two years the owner has not done so, the purchaser is issued a deed to the property.

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

Fixed Assets and Property, Plant and Equipment - The General Fixed Asset Account Group has not been presented.

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

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

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

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 *nonspendable* (i.e., fund balance associated with assets that are *not in spendable form*, such as inventories or prepaid items, long-term portions of loans and notes receivable, or items that are legally required to be maintained intact (such as the corpus of a permanent fund) and those that are spendable (such as fund balance associated with cash, investments or receivables).

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

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

Chickasha School District No. I-001, Grady County, Oklahoma
Notes To Combined Financial Statements
For The Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies, (continued)

1.E. Assets, Liabilities and Fund Equity, (continued)

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

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

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

Resource Use Policy

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

1.F. Revenue, Expenses, and Expenditures

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

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

Chickasha School District No. I-001, Grady County, Oklahoma
Notes To Combined Financial Statements
For The Year Ended June 30, 2024

Note 2 – Deposit and Investment Risk

The District held the following deposits and investments at June 30, 2024:

			Carrying Value
Deposits			
Demand Deposits		\$	17,522,555
Time Deposits			0
Total Deposits		\$	17,522,555
Investments			
	<u>Credit Rating</u>	<u>Maturity</u>	<u>Fair Value</u>
			0
Total Investments			0
Reconciliation to the Combined Statement of Assets, Liabilities and Equity			
Cash and Cash Equivalents		\$	17,466,688
Activity Fund Outstanding Checks			55,867
Total Deposits and Investments		\$	17,522,555

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

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

The District did not have any custodian credit risk as of June 30, 2024 as defined above.

Investment Credit Risk - The District has no investment policy that limits its investment choices other than the limitations of state law that generally authorize investment in:

1. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
2. Certificates of deposit of banks when such certificates of deposits are secured by acceptable collateral for the deposit of public monies.
3. Savings accounts or saving certificates to the extent that such accounts or certificates are fully insured by the United States Government.
4. Repurchase agreements that have underlying collateral including obligations of the United States government, its agencies and instrumentalities, or the State of Oklahoma.
5. County, municipal or school district debt obligations for which an ad valorem tax may be levied.

Chickasha School District No. I-001, Grady County, Oklahoma
Notes To Combined Financial Statements
For The Year Ended June 30, 2024

Note 2 – Deposit and Investment Risk, (continued)

6. Money market funds regulated by the SEC and in which investments consist of obligations of the United States, its agencies and instrumentalities.
7. Warrants, bonds or judgments of the school district.
8. Qualified pooled investment programs through an interlocal cooperative agreement formed pursuant to applicable law and to which the board of education has voted to be a member, the investments of which consist of those items specified in paragraphs 1 through 7 above, as well as obligations of the United States agencies and instrumentalities.
9. Any other investment that is authorized by law.

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

The District did not have any investment credit risk as of June 30, 2024, as defined above.

Investment Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District discloses its exposure to interest rate risk by disclosing the maturity dates of its various investments. The District had no investment interest rate risk as defined above.

Concentration of Investment Credit Risk - Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the District (any over 5 percent are disclosed). Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this consideration. The District places no limit on the amount it may invest in any one issuer.

At June 30, 2024, the District had no concentration of credit risk as defined above.

Note 3 – General Long-Term Debt

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

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

Chickasha School District No. I-001, Grady County, Oklahoma
Notes To Combined Financial Statements
For The Year Ended June 30, 2024

Note 3 – General Long-Term Debt, (continued)

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	Compensated Absences	Total
Balance July 1, 2023	\$	10,590,000	\$ 30,980,088	\$ 291,559	\$ 41,861,647
Additions		0	1,623	18,736	20,359
Retirements		(3,185,000)	(609,614)	0	(3,794,614)
Balance, June 30, 2024	\$	<u>7,405,000</u>	<u>30,372,097</u>	<u>310,295</u>	<u>38,087,392</u>

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

	Interest Rate	Maturity Date	Amount Issued	Amount Outstanding
2021 General Obligation Bonds	.50-1.0%	March 1, 2027	\$ 4,820,000	\$ 1,620,000
2022 General Obligation Bldg Bonds	3.88%	July 1, 2025	5,215,000	5,215,000
2022 Combined Purpose Bonds	3.75%	November 1, 2025	570,000	570,000
Totals			<u>\$ 10,605,000</u>	<u>\$ 7,405,000</u>

Presented below is a summary of debt service requirements to maturity by years and by each bond issue:

	Principal	Interest	Total
2021 General Obligation Bonds			
2024-25	\$ 540,000	\$ 10,125	\$ 550,125
2025-26	540,000	7,425	547,425
2026-27	540,000	4,050	544,050
Sub-Total	<u>\$ 1,620,000</u>	<u>\$ 21,600</u>	<u>\$ 1,641,600</u>
2022 General Obligation Building Bonds			
2024-25	\$ 2,485,000	\$ 404,162	\$ 2,889,162
2025-26	2,730,000	105,788	2,835,788
Sub Total	<u>\$ 5,215,000</u>	<u>\$ 509,950</u>	<u>\$ 5,724,950</u>
2022 Combined Purpose Bonds			
2024-25	\$ 210,000	\$ 21,938	\$ 231,938
2025-26	360,000	10,969	370,969
Sub Total	<u>\$ 570,000</u>	<u>\$ 32,907</u>	<u>\$ 602,907</u>
Total All Bonds	<u>\$ 7,405,000</u>	<u>\$ 564,457</u>	<u>\$ 7,969,457</u>

Interest paid on general debt during the 2023-24 year was \$54,806.

The District has entered into various lease agreements as lessee for financing the acquisition of an Early Childhood Center, copiers, two new Grady County School Finance Authority lease purchases and buses. The lease agreements qualify as capital leases for accounting purposes since title transfers at the end of the lease terms and they have been recorded at the present value of the future minimum lease payments. The leases contain a clause which gives the District the ability to terminate the lease agreements at the end of each fiscal year.

Chickasha School District No. I-001, Grady County, Oklahoma
Notes To Combined Financial Statements
For The Year Ended June 30, 2024

Note 3 – General Long-Term Debt, (continued)

As noted in Note 1 to the financial statements, the District does not record fixed assets in the financial statements. Consistent with this, the District has not recorded the above assets as assets in the General fixed assets account group. The District has recorded the liability for future lease payments in the general long-term debt account group for the above leases. The schedule of future minimum lease payments under the capital lease and the present value of the net minimum lease payments at June 30, is as follows:

Year Ending June 30	Grady County Early 2022 School Childhood Finance Authority		Copiers	Total
	Center	Lease Revenue		
2025	\$ 5,365,500	\$ 545,000	\$ 42,453	\$ 5,952,953
2026	0	805,000	0	805,000
2027	0	2,335,000	0	2,335,000
2028	0	2,550,000	0	2,550,000
2029	0	2,785,000	0	2,785,000
2030	0	3,550,000	0	3,550,000
2031	0	3,830,000	0	3,830,000
2032	0	4,120,000	0	4,120,000
2033	0	4,445,000	0	4,445,000
Total	\$ 5,365,500	\$ 24,965,000	\$ 42,453	\$ 30,372,953
Amount Representing Interest	0	0	(856)	(856)
Present Value of Future Minimum Lease Payment \$	<u>5,365,500</u>	<u>24,965,000</u>	<u>\$ 41,597</u>	<u>\$ 30,372,097</u>

Compensated Absences - The District accrues for unused sick and vacation leave for eligible employees. Unused sick leave is calculated at \$10 per day and capped at 120 days. Unused sick days over 120 is still maintained in a bank for the purpose of the employee applying amount to buy additional teacher retirement. Unused vacation leave for eligible employees is calculated by multiplying the employee's daily rate by the number of unused vacation days at June 30. The following is the liability as of June 30, 2024:

Unused Sick Leave Liability	\$234,466
Unused Vacation Liability	75,829
Total Compensated Absences	<u>\$310,295</u>

Note 4 – Employee Retirement System

Plan Description - The District participates in the state-administered Oklahoma Teachers' Retirement System (the "System") which is a cost-sharing multiple-employer defined benefit Public Employee Retirement System (PERS). The administration, benefits, and funding of the System are governed by Article XVII, Section 70 of the Oklahoma Statutes. The System is administered by a board of trustees which acts as a fiduciary for investing the funds and governing the administration of the System. PERS provides retirement, disability and death benefits to plan members and beneficiaries. The District has no responsibility or authority for the operation and administration of the System nor has it any liability, except for the current contribution requirements.

Chickasha School District No. I-001, Grady County, Oklahoma
Notes To Combined Financial Statements
For The Year Ended June 30, 2024

Note 4 – Employee Retirement System, (continued)

The System issues a publicly available financial report that includes financial statements and required supplementary information that can be obtained in writing at the Teachers' Retirement System of Oklahoma, P.O. Box 53524, Oklahoma City, Ok 73152 or by calling (405) 521-2387.

Funding Policy - Under the System, contributions are made by the District, the State of Oklahoma, and the participating employees. Participation is required for all teachers and other certified employees and is optional for all other regular employees of public education institutions who work at least 20 hours per week.

The contribution rates for the District and its employees, which are not actuarially determined, are established by statute and applied to the employee's earnings, plus employer-paid fringe benefits. The District is required by statute to contribute 9.50% applicable compensation for the year ended June 30, 2024. The District is allowed by the Oklahoma Teacher's Retirement System to make the required contributions on behalf of the participating members. The required contribution for participating members is 7%.

The District's contributions to the System for the years ending June 30, 2024, 2023, and 2022 were \$1,364,736, \$1,214,768, and \$1,145,015, respectively.

The for employees covered by the System for the year ended June 30, 2024 was \$14,113,712; the District's total compensation was \$17,941,695. In addition to the District's 9.50% contributions, the District was required to pay into the System 8.40% of compensation arising from federal grants \$176,709. There were \$852,240 contributions made by employees during the year ended June 30, 2024.

Note 5 – Contingencies

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

Litigation - The District is a defendant in lawsuits. Although the outcome of these lawsuits is not presently determinable and the amounts are not readily estimable, the District believes the resolution of this matter will not have a material adverse effect on the financial statements and may be settled by the District's insurance carrier. The District intends to vigorously defend itself on the various lawsuits.

Note 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 official's liability. The District had the following insurance coverage during the year: Commercial property - \$143,075,400; general liability - \$1,000,000; and educator's liability \$1,000,000. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

Chickasha School District No. I-001, Grady County, Oklahoma
Notes To Combined Financial Statements
For The Year Ended June 30, 2024

Note 6 – Risk Management, (continued)

The School also participates in a risk pool for Workers' Compensation coverage in which there is a transfer or pooling of risks among the participants of that pool. In accordance with GASB No. 10, the school reports the required contribution to the pool, net of refunds, as insurance expense. The risk pool is the Oklahoma School Assurance Group (OSAG), an organization formed for the purpose of providing workers' compensation coverage to participating schools in the State of Oklahoma. In that capacity, OSAG is responsible for providing loss control services and certain fiscal activities, including obtaining contract arrangements for the underwriting, excess insurance agreements, claims processing, and legal defense for any and all claims submitted to them during the plan year. As a member of OSAG the District is required to pay fees set by OSAG according to an established payment schedule. A portion of the fees paid by the District goes into a loss fund for the District. The fee for the loss fund is calculated by projecting losses based on the 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 their loss fund in three years it is returned to them with no interest.

Note 7 – Use of Estimates

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

Note 8 – Subsequent Events

On June 10, 2024, the school formally authorized the issuance of the GO bonds of which \$5,425,000 was authorized from the 2010 bond election, \$375,000 was authorized from proposition #1 building bonds of August 2022 election and \$150,000 was authorized from proposition #2 of the transportation equipment bonds. The series of bonds will be combined for the purpose of sale and known as the \$5,950,000 General Obligation Combined Purpose Bonds, Federally Taxable Series. The bonds will become due as follows: \$2,925,000 in two years from their date and \$3,025,000 in three years from their date. These bonds were already voter-approved and were planned to be issued at this time and in this amount.

OTHER SUPPLEMENTARY INFORMATION

Chickasha School District No. I-001, Grady County, Oklahoma
Combining Statement of Assets, Liabilities and Fund Balances
Regulatory Basis - All Special Revenue Funds
June 30, 2024

	Building Fund	Total June 30, 2024
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 2,087,971	\$ 2,087,971
Investments	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u>\$ 2,087,971</u>	<u>\$ 2,087,971</u>
 <u>LIABILITIES AND FUND BALANCES</u>		
Liabilities:		
Warrants Payable	\$ 11,329	\$ 11,329
Reserve for Encumbrances	<u>160,519</u>	<u>160,519</u>
<i>Total Liabilities</i>	<u>\$ 171,848</u>	<u>\$ 171,848</u>
 Fund Balances:		
Restricted	<u>\$ 1,916,123</u>	<u>\$ 1,916,123</u>
<i>Total Fund Balances</i>	<u>\$ 1,916,123</u>	<u>\$ 1,916,123</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 2,087,971</u>	<u>\$ 2,087,971</u>

Chickasha School District No. I-001, Grady County, Oklahoma
Combining Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances
Regulatory Basis - Special Revenue Funds
For the Year Ended June 30, 2024

	Building Fund	Total June 30, 2024
Revenue Collected:		
Local Sources	\$ 2,883,158	\$ 2,883,158
Intermediate Sources	0	0
State Sources	468,667	468,667
Federal Sources	274,220	274,220
Non-Revenue Receipts	0	0
	<u>0</u>	<u>0</u>
<i>Total Revenue Collected</i>	\$ <u>3,626,046</u>	\$ <u>3,626,046</u>
Expenditures Paid:		
Instruction	\$ 0	\$ 0
Support Services	1,914,617	1,914,617
Operation of Non-Instructional Services	0	0
Facilities Acquisition and Construction	0	0
Other Outlays	11,039	11,039
Other Uses	0	0
Repayments	0	0
Interest Paid and Bank Charges	0	0
	<u>0</u>	<u>0</u>
<i>Total Expenditures Paid</i>	\$ <u>1,925,656</u>	\$ <u>1,925,656</u>
<i>Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances</i>	\$ <u>1,700,390</u>	\$ <u>1,700,390</u>
Adjustments to Prior Year Encumbrances	\$ <u>23,656</u>	\$ <u>23,656</u>
Other Financing Sources (Uses):		
Estopped Warrants	\$ 26,697	\$ 26,697
Transfers In	0	0
Transfers Out	0	0
	<u>0</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	\$ <u>26,697</u>	\$ <u>26,697</u>
<i>Excess (Deficiency) of Revenue Collected Over Expenditures Paid and Other Financing Sources (Uses)</i>	\$ 1,750,743	\$ 1,750,743
<i>Fund Balance - Beginning of Year</i>	<u>165,380</u>	<u>165,380</u>
<i>Fund Balance - End of Year</i>	<u><u>\$ 1,916,123</u></u>	<u><u>\$ 1,916,123</u></u>

Chickasha School District No. I-001, Grady County, Oklahoma
Combining Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances
Budget and Actual - Regulatory Basis - Special Revenue Funds
For the Year Ended June 30, 2024

	Building Fund		
	Original Budget	Final Budget	Actual
Revenue Collected:			
Local Sources	\$ 608,656	\$ 608,656	\$ 2,883,158
Intermediate Sources	0	0	0
State Sources	331,393	331,393	468,667
Federal Sources	0	0	274,220
Non-Revenue Receipts	0	0	0
<i>Total Revenue Collected</i>	<u>\$ 940,049</u>	<u>\$ 940,049</u>	<u>\$ 3,626,046</u>
Expenditures Paid:			
Instruction	\$ 0	\$ 0	\$ 0
Support Services	1,105,429	1,105,429	1,914,617
Operation of Non-Instructional Services	0	0	0
Facilities Acquisition and Construction	0	0	0
Other Outlays	0	0	11,039
Other Uses	0	0	0
Repayments	0	0	0
Interest Paid	0	0	0
<i>Total Expenditures Paid</i>	<u>\$ 1,105,429</u>	<u>\$ 1,105,429</u>	<u>\$ 1,925,656</u>
<i>Excess of Revenues Collected Over (Under) Expenditures Paid Before Adjustments to Prior Year Encumbrances</i>	<u>\$ (165,380)</u>	<u>\$ (165,380)</u>	<u>\$ 1,700,390</u>
Adjustments to Prior Year Encumbrances	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 23,656</u>
Other Financing Sources (Uses):			
Estopped Warrants	\$ 0	\$ 0	\$ 26,697
Transfers In	0	0	0
Transfers Out	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 26,697</u>
<i>Excess (Deficiency) of Revenue Collected Over Expenditures Paid and Other Financing Sources (Uses)</i>	<u>\$ (165,380)</u>	<u>\$ (165,380)</u>	<u>\$ 1,750,743</u>
<i>Fund Balance - Beginning of Year</i>	<u>165,380</u>	<u>165,380</u>	<u>165,380</u>
<i>Fund Balance - End of Year</i>	<u><u>\$ (0)</u></u>	<u><u>\$ (0)</u></u>	<u><u>\$ 1,916,123</u></u>

Chickasha School District No. I-001, Grady County, Oklahoma
Combining Statement of Assets, Liabilities and Fund Equity
Regulatory Basis - Trust & Agency Funds
June 30, 2024

<u>ASSETS</u>	<u>Trust & Agency Funds</u>
Cash	\$ 1,108,067
Investments	<u>0</u>
<i>Total Assets</i>	<u><u>\$ 1,108,067</u></u>
<u>LIABILITIES AND FUND EQUITY</u>	
Liabilities:	
Due To Activity Groups	\$ 1,074,530
Due to Gift Fund Recipients	<u>33,537</u>
<i>Total Liabilities</i>	<u><u>\$ 1,108,067</u></u>
Fund Equity:	
Unassigned	<u>\$ 0</u>
 <i>Total Liabilities and Fund Equity</i>	 <u><u>\$ 1,108,067</u></u>

Chickasha School District No. I-001, Grady County, Oklahoma
Combining Statement of Changes in Assets and Liabilities
Regulatory Basis - Trust & Agency Funds
For the Year Ended June 30, 2024

<u>ACTIVITIES</u>	<u>Balance</u> <u>July 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2024</u>
Fund 60 Activity Offices	\$ 47,590	\$ 515,923	\$ 19,124	\$ 544,389
Fund 61 Activity Offices	88,328	155,669	123,398	120,600
Fund 61 Activity Media Center	5,742	15,751	14,239	7,254
Fund 61 Activity Clubs	53,351	33,553	33,770	53,134
Fund 61 Activity FFA/Horticulture	11,834	104,539	92,510	23,863
Fund 61 Activity Day Care	115,105	162,966	150,390	127,681
Fund 61 Electives	27,749	31,554	30,294	29,009
Fund 61 Activity Classes	17,993	23,448	18,243	23,198
Fund 61 Non Categorical	0	0	0	0
Fund 62 Athletics	136,220	636,028	626,845	145,404
Total Activities	\$ <u>503,912</u>	\$ <u>1,679,431</u>	\$ <u>1,108,813</u>	\$ <u>1,074,530</u>
Gift Fund	<u>24,654</u>	<u>8,883</u>	<u>0</u>	<u>33,537</u>
Toal Activities & Gift Fund	\$ <u><u>528,566</u></u>	\$ <u><u>1,688,314</u></u>	\$ <u><u>1,108,813</u></u>	\$ <u><u>1,108,067</u></u>

Chickasha School District No. I-001, Grady County
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Federal Grantor/Pass Through Grantor/Program Title	Federal Assistance Listing #	Pass-Through Grantor's Project Number	Deferred Revenue (Accounts Receivable) July 1, 2023	Federal Grant Receipts	Federal Grant Expenditures	Deferred Revenue (Accounts Receivable) June 30, 2024	Indirect Costs Included In Federal Grant Expenditures
U.S. Department of Education							
Direct Programs:							
Indian Education Title VII	84.060A	561	(16,619)	86,994	82,059	(11,683)	0
Passed Through Oklahoma State Department of Education:							
Title I, Part A, Subpart 2-Neglected	84.010	518	(869)	5,781	4,912	(0)	165
Title I, Part A, Basic	84.010	511/552	(140,971)	1,059,321	1,078,000	(159,649)	34,881
Title I			(141,840)	1,065,103	1,082,912	(159,649)	35,046
IDEA-B, Professional Development	84.027	613	0	0	300	(300)	0
IDEA-B Flowthrough	84.027	621	(60,878)	579,988	614,411	(95,301)	19,973
IDEA-B Flowthrough-Private Schools	84.027	625	(2,917)	2,917	0	0	0
ARP IDEA-B Flow Through	84.027X	628	(8,811)	49,695	40,884	(0)	1,375
IDEA-B - Secondary Transition Services	84.027X	618	0	3,302	3,302	0	0
American Rescue Plan- IDEA-B Preschool	84.027X	643	0	1,451	1,451	0	47
IDEA-B Preschool	84.173	641	(1,508)	14,130	14,196	(1,574)	477
Special Education Cluster			(74,114)	651,482	674,543	(97,175)	21,872
Title II, Part A	84.367	541	(16,460)	116,385	100,848	(922)	2,538
Title V, Subpart B Rural and Low Income	84.358B	587	0	68,901	68,901	0	0
Adult Basic Education	84.002	731	(62,239)	135,571	178,737	(105,405)	0
Title IX Part A Homeless Children & Youth	84.196	596	(6,373)	42,844	43,864	(7,392)	1,228
Public Safety Partnership & Community Policy Grant	16.710	775	0	274,220	334,546	(60,325)	0
School Nurse Support Grant-Epidemiology & ILaboratory	93.323	724	(9,998)	9,998	0	0	0
ARP ESSER - Elem & Secondary School Emergency Relief	84.425U	722	(16,175)	170,175	170,348	(16,348)	0
ARP ESSER III-OK Paid Student Teacher	84.425U	725	(1,749)	10,494	6,997	0	0
ARP ESSER-Homeless II	84.425U	797	0	1,935	1,936	(0)	49
ARP ESSER III	84.425U	795	(76,165)	1,059,920	1,470,096	(486,341)	34,468
COVID-19 ESSER FUNDS			(94,089)	1,242,524	1,649,377	(502,690)	34,517
Passed Through Oklahoma Department of Career Technology:							
Clark Perkins	84.048	421	(24,668)	24,669	23,584	(23,584)	0
Total U.S. Department of Education			(446,400)	3,718,692	4,239,369	(968,825)	95,201
U.S. Department of Homeland Security							
Passed through Oklahoma Department of Emergency Mgmt:							
Federal Emergency Management Agency	(Note 5)	97.036	594	15,244	0	0	0
Total U.S. Department of Homeland Security				15,244	0	0	0
U.S. Department of the Interior							
Johnson O'Malley	15.130	563/564	(1,345)	12,050	22,493	(11,789)	0
Passed Through the Chickasaw Nation							
Chickasaw Grant	(Note 6)	21.019	773	360,943	0	0	0
Total U.S. Department of the Interior				359,598	12,050	22,493	(11,789)
U.S. Department of Agriculture							
Passed Through State Department of Education:							
USDA Supply Chain Commodity Credit Corp	10.555	759	0	58,564	58,564	0	0
Emergency Operational Costs Reimbursement	10.555	762	66,105	0	0	66,105	0
Breakfast Program	10.553	764	133,339	273,479	273,479	133,339	0
Lunch Program	10.555	763	131,458	690,723	690,723	131,458	0
Summer Food Service	10.559	766	0	11,201	11,201	0	0
Commodities Distributed-Lunch	(Note 3)	10.565	N/A	0	86,593	86,593	0
Child Nutrition Cluster				330,902	1,120,560	1,120,560	330,902
National School Lunch Equipment Asst. Grant	10.579	791		3,445	0	3,445	0
Total U.S. Department of Agriculture				334,347	1,120,560	1,120,560	334,347
TOTAL FEDERAL ASSISTANCE				262,789	4,851,301	5,382,422	(646,267)
							95,201

Chickasha School District No. I-001, Grady County, Oklahoma
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Note 1 – Basis of Presentation – The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the School under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of *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 School, it is not intended and does not present the financial position, changes in net position or cash flows of the School.

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

Note 3 – Food Distribution – Non-monetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed.

Note 4 – Adult Basic Education – Adjusted beginning balance to actual. Should have been \$62,239. We showed \$63,288. A difference of \$49.

Note 5 – Federal Emergency Management – The school had paid the expenditures for FEMA in a prior year, therefore, we have shown ending payable/receivable as zero (0).

Note 6 – Chickasaw Grant – The school is not required to track the remaining grant funds. The grant has been closed, therefore, we are adjusting ending receivable/payable to zero (0).

Note 7 – ARP ESSER III-OK paid student Teacher - The school actually had a receivable balance of \$1,749 from the prior year. We have adjusted the beginning balance to reflect this change. The school coded an amount of \$1,749 to Project code 352 per SDE instructions rather than project 725. Therefore, all teachers have been paid and no receivable or payable exist as of 6-30-24.

**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
Chickasha School District No. I-001
Grady County, Oklahoma

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying fund type and account group financial statements-regulatory basis, within the combined financial statements of Chickasha School District No. I-001, Grady County, Oklahoma, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated December 4, 2024. The report on these financial statements was adverse with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America because the presentation followed the regulatory basis of accounting for Oklahoma school districts and did not conform to the presentation requirements of the Governmental Accounting Standards Board. However, our report was qualified for the omission of the general fixed asset account group with respect to the presentation of financial statements on the regulatory basis of accounting authorized by the Oklahoma State Board of Education.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Chickasha School District No. I-001, Grady County, Oklahoma's, internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

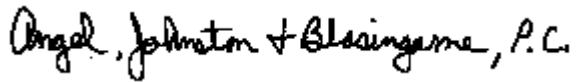
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Angel, Johnston & Blessingame, P.C." The signature is written in a cursive, flowing style.

Chickasha, Oklahoma
December 4, 2024

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

The Honorable Board of Education
Chickasha School District No. I-001
Grady County, Oklahoma

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Chickasha School District No. I-001, Grady County, Oklahoma's, compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of 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, Chickasha School District No. I-001, Grady County, Oklahoma complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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 Chickasha School District No. I-001, Grady County, Oklahoma and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of 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 Chickasha School District No. I-001, Grady County, Oklahoma's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance 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 effective 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.

Angel, Johnston + Blessingame, P.C.

Chickasha, Oklahoma
December 4, 2024

Chickasha School District No. I-001, Grady County, Oklahoma
Schedule of Findings and Questioned Cost
For the Year Ended June 30, 2024

Summary of Auditor's Results

Financial Statements:

Type of Auditor's Report Issued: Adverse opinion on the combined financial statements-regulatory basis 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.

Internal Control Over Financial Reporting: _____ Yes X No
Material Weakness(es) identified?

Significant Deficiencies identified not considered _____ Yes X No
to be material weaknesses?

Noncompliance material to financial statements _____ Yes X No
noted?

Federal Awards:

Type of auditor's report issued on compliance for major programs:

Unmodified-Regulatory Basis of Accounting

Internal Control Over Major Programs: _____ Yes X No
Material Weakness(es) identified?

Significant Deficiencies identified not considered _____ Yes X No
to be material weaknesses?

Audit Findings disclosed that are required to be _____ Yes X No
reported in accordance with the Uniform
Guidance, Section 200.516(a)?

Dollar threshold used to distinguish between Type \$750,000
A and Type B programs

Auditee Qualified as low-risk auditee under _____ Yes X No
Uniform Guidance?

Identification of Major Programs:

Federal Assistance Listing Number

84.010
84.027, 84.027X, 84.173
84.425U

Name of Federal Program or Cluster

Title I
Special Education Cluster
Covid-19 ESSER Funds

Chickasha School District No. I-001, Grady County, Oklahoma
Schedule of Findings and Questioned Cost
For the Year Ended June 30, 2024
(Continued)

Findings-Financial Statement Audit

(None)

Findings and Questioned Costs – Major Federal Award Programs Audit

(None)

Chickasha School District No. I-001, Grady County, Oklahoma
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2024

2023-001

Statement of Condition – Teacher Retirement was paid on \$55,011.15 on salary paid for termination of employment.

Criteria – Oklahoma Teacher’s Retirement System Employer Manual defines ineligible compensation as “payment made for termination of retirement including a contract buy-out.”

Cause/Effect of Condition – This was an oversight by the District. Teacher Retirement was overpaid.

Recommendation – The District should contact teacher retirement to discuss how to correct overpaid amount.

Current Status - This was not noted during the 2023-2024 audit.

OTHER OKLAHOMA DEPARTMENT OF EDUCATION REQUIRED INFORMATION

Chickasha School District No. I-001, Grady County, Oklahoma
Statement of Statutory, Fidelity and Honesty Bonds
For the Year Ended June 30, 2024

Bonding Company	Person Covered	Bond Number	Coverage Amount	Effective Dates
Liberty Mutual	Superintendent	1594556	\$ 100,000	01/01/2024 to 01/01/2025
Liberty Mutual	Assistant Superintendent	1594556	\$ 100,000	01/01/2024 to 01/01/2025
Liberty Mutual	Treasurer	1594556	\$ 100,000	01/01/2024 to 01/01/2025
Liberty Mutual	Encumbrance Clerk	1594556	\$ 10,000	01/01/2024 to 01/01/2025
Liberty Mutual	Minutes Clerk	1594556	\$ 10,000	01/01/2024 to 01/01/2025
Liberty Mutual	Activity Fund Custodian	1594556	\$ 10,000	01/01/2024 to 01/01/2025
Liberty Mutual	Payroll Clerk	1594556	\$ 10,000	01/01/2024 to 01/01/2025

**Chickasha School District No. I-001 Grady County, Oklahoma
Schedule of Accountant's Professional Liability Insurance Affidavit
For the Year Ended June 30, 2024**

STATE OF OKLAHOMA)
)ss
COUNTY OF GRADY)

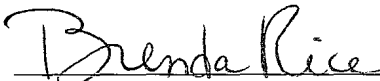
The undersigned auditing firm of lawful age, being first duly sworn on oath says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with *Chickasha School District No. I-001, Grady County, Oklahoma*, for the audit year 2023-2024.

ANGEL, JOHNSTON, & BLASINGAME, P.C.



by _____

Subscribed and sworn to before me this 11 day of December, 2024.


Notary Public

My Commission Expires 07-01-2026



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. 1, Grady County, Oklahoma (the “Issuer”) in connection with the issuance of the General Obligation Combined Purpose Bonds, Federally Taxable Series 2025 (the “Bonds”). The Bonds are being issued pursuant to a Resolution dated as of June 9, 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 attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent.

Section 13. Notices. Any notices or communications to School District under this Disclosure Agreement may be given as follows: Independent School District No. 1, Grady County, Oklahoma, Attention: Superintendent, Telephone: 405-220-6500.

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. 1,
GRADY COUNTY, OKLAHOMA**

By: _____
President, Board of Education

[Signature Page to Continuing Disclosure Agreement]

EXHIBIT A

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

The information under the Heading “Financial Information”

Exhibit A – Audited Financial Statements.

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EXHIBIT B

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

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

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

EXHIBIT C

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Independent School District No. 1 of Grady County, Oklahoma

Name of Bond Issue: \$2,205,000 General Obligation Combined Purpose Bonds, Federally
Taxable Series 2025

Date of Issuance: _____

Base CUSIP: _____

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

Dated: _____

**Independent School District No. 1 of Grady
County, Oklahoma**

By: _____