

NEW ISSUE – BOOK-ENTRY ONLY

Independent School District No. 67
of Payne County, Oklahoma

(Cushing Board of Education)

PRELIMINARY OFFICIAL STATEMENT

DATED: March 28, 2024

\$20,035,000 Building Bonds of 2024
(Federally Taxable)

SEALED BIDS WILL BE RECEIVED UNTIL:
11:30 o'clock a.m., on the 11th day of April, 2024

The bids will be opened and read and shall be awarded at the first Board of Education meeting held after the bids are due. This is expected to occur at 6:30 o'clock p.m. on the 11th day of April, 2024

FINANCIAL ADVISOR
STEPHEN H. MCDONALD & ASSOCIATES, INC.

OFFICIAL BID FORM – Exhibit B

11th day of April, 2024

Board of Education
Independent School District No. 67
Payne County, Oklahoma

Gentlemen:

For your issue of General Obligation Building Bonds of 2024 (Federally Taxable), dated May 1, 2024, of the par value of \$20,035,000 with principal and semi-annual interest payable through The Depository Trust Company (“DTC”) by UMB Bank, n.a., Oklahoma City, Oklahoma, as Paying Agent and Registrar, we hereby agree to pay you therefor a price of par and accrued interest plus a total premium of \$ _____ for bonds maturing and bearing interest as follows:

\$6,675,000 due 5-1-2026 @ _____ %

\$6,680,000 due 5-1-2028 @ _____ %

\$6,680,000 due 5-1-2027 @ _____ %

Net Interest Cost: \$ _____

Average Interest Rate: _____ %

Delivery of the Bonds shall be made at our (the purchaser’s) expense through DTC against payment of the agreed upon purchase price under the following stipulations: (1) that said Bonds are to be in the hands of the Attorney General of the State of Oklahoma for examination within 30 days from this date without litigation pending; (2) that within 10 days after approval of said Bonds by the Attorney General, we are to be furnished with certified transcript of proceedings covering this issue; (3) that the Bonds shall be tendered to us for payment within 35 days after their approval by the Attorney General which shall not exceed 70 days from this date; and (4) after the expiration of the 30 day contest period we are to be furnished with such additional showings as may be necessary to establish legality, legal delivery and freedom from litigation all to the satisfaction of Hilborne & Weidman, Bond Counsel, Tulsa, Oklahoma, whose fee shall be paid by the School District, otherwise delivery shall be made to us but only at our option.

We agree to provide the Paying Agent and Registrar a complete and accurate list of bondholders, with such other information as it may require, at least five (5) business days prior to the date of closing. We further agree to indemnify and hold the School District and its Paying Agent and Registrar harmless for any loss or liability resulting from errors or omissions in the list so provided to said Paying Agent and Registrar.

We attach hereto certified or cashier's check in the sum of \$400,700.00 to be held by you uncashed and to be forfeited to you as full liquidated damages in the event we fail or refuse to comply with the terms of this agreement; said check to be returned to us (1) immediately if this proposal is rejected or (2) 70 days from this date if demanded by us, in the event you are unable to comply with the provisions hereof.

This bid is a firm offer for the purchase of the Bonds identified in the Notice of Sale of Bonds and is not subject to any conditions, except as permitted under the terms of the Notice of Sale of Bonds. This bid shall not be revocable. The undersigned has an established industry reputation for underwriting new issuances of municipal bonds.

This proposal is made for immediate acceptance or rejection.

Respectfully submitted,

By: _____

At a legal meeting held on the date first above written, the above proposal was considered and upon motion regularly made, seconded and carried was accepted and the bonds sold, awarded and ordered delivered in compliance with the terms and conditions hereof.

WITNESS our official hands and seal the date first above written.

President, Board of Education

ATTEST:

Clerk, Board of Education

(SEAL)

NOTICE OF SALE OF BONDS

Conditions of Sale

**Independent School District No. 67
Payne County, Oklahoma**

**\$20,035,000 Building Bonds of 2024
(Federally Taxable)**

Place and Time of Sale

The Board of Education of Independent School District No. 67 of Payne County, Oklahoma (the "School District"), will receive sealed bids at the Board Room, Administrative Offices, Cushing Public Schools, 1401 North Little, Cushing, Oklahoma, **until 11:30 o'clock a.m., Thursday, the 11th day of April, 2024**, for the sale of its \$20,035,000 Building Bonds of 2024 (the "Bonds"), more completely described in the "Preliminary Official Statement". The bids will be opened and read and shall be awarded at the first Board of Education meeting held after the bids are due. This is expected to occur at 6:30 o'clock p.m. on the 11th day of April, 2024.

Address of Bids

Sealed bids, plainly marked "Bid for Bonds", may be mailed either to "Dr. Melissa Amon, Superintendent of Schools, Cushing Public Schools, P. O. Box 1609, Cushing, Oklahoma 74023" or to the School District's Financial Advisor, Stephen H. McDonald & Associates, Inc., ATTN: Ron Fisher, 2200 McKown Drive, Norman, Oklahoma 73072. Sealed bids must be submitted in duplicate on the Official Bid Form furnished herein.

Types of Bids and Interest Rates

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

Basis for Award

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

Good Faith Deposit

Each bid must be accompanied by a Good Faith Deposit ("Deposit") in the form of a Wire Transfer or Certified or Cashier's Check made payable to "**Treasurer, Independent School District No. 67 of Payne County, Oklahoma**" in the amount of two percent (2%) of the par value of the Bonds, or **\$400,700.00**. The Deposit of the successful bidder will be retained by the School District to assure performance of the contract on the part of said bidder.

The School District will waive the Good Faith requirement prior to the bids being due. The successful bidder will be required to wire the Good Faith deposit the afternoon of April 11, 2024, after the bids are due at 11:30 o'clock a.m. (Central Time).

In the event said bidder should fail or refuse to take up and pay for the Bonds in accordance with his bid, then said Deposit will be cashed as full liquidated damages. Otherwise, said Deposit will be returned to the purchaser upon payment for the Bonds, or credited to the purchase price. No interest on the Deposit will accrue to the Purchaser. Checks of unsuccessful bidders will be promptly returned.

Electronic Bids

Bids may be submitted through the facilities of PARITY in accordance with the Rules of Participation and other requirements of PARITY. Subscription to the BiDCOMP/PARITY Competitive Bidding System is required in order to submit a bid electronically. Bidders can contact PARITY at (212) 849-5021 to inquire about electronic bidding services. Any electronic bid submitted through other means shall be disregarded.

Bids submitted through PARITY shall be regarded as though the information were submitted by the bidder on the Bid Form and executed on the bidder's behalf by a duly authorized signatory. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale and the Official Bid Form.

If any provision of this Notice of Sale shall conflict with information provided by the electronic bidding system, the Notice of Sale shall control. The School District shall not be responsible for any malfunction or mistake made by, or as a result of the use of PARITY, the use of such facilities being the sole responsibility of the bidder.

For purposes of the electronic bidding process, the time as maintained by PARITY shall constitute the official time. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale and the Official Bid Form.

Book-Entry Only Bonds

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

Legal Opinion

Bids may be submitted subject to the opinion of the Attorney General of the State of Oklahoma, and the approving opinion of Hilborne & Weidman, Bond Counsel, Tulsa, Oklahoma, each of which will be provided by the School District without cost to the purchaser.

Municipal Bond Insurance

The School District will not make application for a municipal bond issue insurance policy. The School District undertakes no responsibility and makes no representations with respect to any municipal bond issue insurance policy should the Underwriters choose to obtain such a policy. As such, no mention will be made of any municipal bond issue insurance policy on the original book-entry bonds, nor will the School District or Bond Counsel sign any certificates or other documentation relating to any such policy.

Ratings

Standard & Poor's Ratings Group ("Standard & Poor's") has assigned its municipal bond rating of "A" to this issue of bonds. Such rating will reflect only the view of Standard & Poor's, and an explanation of the significance of such rating may be obtained only from Standard & Poor's. There is no assurance that such rating will remain in effect for any given period of time or that it may not be lowered or withdrawn entirely by Standard & Poor's if in its judgment circumstances so warrant. The Financial Advisor has not undertaken any responsibility either to bring to the attention of the owners of the Bonds any proposed revision or withdrawal of the rating of the Bonds or to oppose any such revision or withdrawal. Any downward revision or withdrawal of such rating could have an adverse effect on the market price of the Bonds.

Tax Status of the Bonds

It is expected that interest on the Bonds will be included in gross income for federal income tax purposes, and that interest on the Bonds will be exempt from State of Oklahoma income taxation.

Non-Litigation Certificate

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

Compliance with SEC Rule 15c2-12

Official Statement. The School District has prepared the accompanying Preliminary Official Statement, and for the limited purpose of complying with Rule 15c2-12, promulgated by the Securities and Exchange Commission, deems such Preliminary Official Statement to be final as of its date within the meaning of such Rule for the purpose of review prior to bidding. The School District will furnish to the Purchaser or Purchasers acting through a designated senior representative, in accordance with instructions received from the Purchaser(s), within seven (7) business days from the sale date a maximum of 20 copies of a Final Official Statement reflecting interest rates and other terms relating to the initial reoffering of the Bonds. The cost of any Final Official Statements in excess of the number specified shall be prepared and distributed at the cost of the Purchaser(s). The Purchaser(s) shall be responsible for providing the initial reoffering prices and other terms, if any, to the Financial Consultant by the close of the next business day after the sale. Except as noted above, the School District assumes no responsibility or obligation for the distribution or delivery of any copies of the Final Official Statement in connection with the offering or reoffering of the Bonds.

Continuing Disclosure. The School District will undertake, pursuant to Rule 15c2-12, in a written agreement for the benefit of holders of the Bonds, to submit 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), and to provide notice of certain events to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) system. A description of such undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Final Official Statement.

CUSIP Numbers

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

Delivery

Delivery of the Bonds shall be made at the expense of the Purchaser through The Depository Trust Company ("DTC") against payment of the agreed upon purchase price. Delivery of the Bonds to the purchaser is anticipated on or about the 30th day of May, 2024.

Additional Information

Additional information may be obtained from the School District's Financial Advisor, Stephen H. McDonald & Associates, Inc., 2200 McKown Drive, Norman, Oklahoma 73072. Contact Ron Fisher at (405) 329-0123, ext. 25; or ronfisher@shmcdonald.net.

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**Standard & Poor's Rating: A
Rating: Oklahoma #1**

In the opinion of Hilborne & Weidman, Bond Counsel, Tulsa, Oklahoma, under existing law, interest on the Bonds is included in the gross income of the owners thereof for Federal income tax purposes, and interest on the Bonds is exempt from Oklahoma income taxation. See "Tax Matters" herein.

**\$20,035,000
Independent School District No. 67
Payne County, Oklahoma
(Cushing Public Schools)
Building Bonds of 2024
(Federally Taxable)**

Dated: May 1, 2024

Due: May 1, as shown below

The Bonds are being issued by Independent School District No. 67 of Payne County, Oklahoma (the "School District"). The Bonds are dated as of May 1, 2024. Interest on the Bonds is payable semiannually on May 1 and November 1 of each year (each an "Interest Payment Date"), commencing May 1, 2025. The Bonds will be initially issued, in fully registered form, in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. Purchases of the Bonds will be made in book-entry form only, through brokers and dealers who are, or who act through DTC participants. Purchases of the Bonds may be made in the denomination of \$5,000 or any integral multiple thereof. **Beneficial owners of the Bonds will not receive physical delivery of Bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Bonds.** So long as DTC or its nominee is the registered owner of the Bonds, payment of the principal and interest on the Bonds will be payable by UMB Bank, n.a., Oklahoma City, Oklahoma, as initial Paying Agent and Registrar (the "Paying Agent and Registrar"), to DTC or its nominee and disbursement of such payments to DTC Participants will be the responsibility of DTC and disbursement of such payments to beneficial owners of the Bonds will be the responsibility of DTC Participants and Indirect Participants. No physical delivery of the Bonds will be made to the owners thereof. (see "The Bonds – Book-Entry System" herein).

The Bonds are not callable prior to their stated maturities.

The proceeds from the Bonds will be used to construct, equip and/or acquire a New Elementary School as follows: general requirements, site work, concrete, and masonry; and construct, equip and/or acquire additions and renovations at the high school fine arts building as follows: a new choir and band room addition and classroom renovations, as well as to pay all legal, financial and other costs relating to the issuance of the Bonds, as described herein.

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

Maturity Schedule

Due May 1	Principal Amount	Interest Rate	Yield	Due May 1	Principal Amount	Interest Rate	Yield
2026	\$6,675,000			2028	\$6,680,000		
2027	\$6,680,000						

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

The Bonds are offered when, as and if issued by the School District, and subject to the approving opinion of Hilborne & Weidman, Bond Counsel, Tulsa, Oklahoma. It is expected that the Bonds will be available for delivery on or about the 30th day of May, 2024.

**FINANCIAL ADVISOR
STEPHEN H. MCDONALD & ASSOCIATES, INC.
Norman, Oklahoma**

**Board of Education
Independent School District No. 67
Payne County, Oklahoma**

Barrett Shupe, *President*
Brina Tate, *Vice President*
Dena Floyd, *Clerk and Member*
Shawn Hubble, *Member*
Colm McCauley, *Member*

SCHOOL ADMINISTRATION

Dr. Melissa Amon, *Superintendent of Schools*
Danielle Allen, *School District Treasurer*

FINANCIAL ADVISOR

Stephen H. McDonald & Associates, Inc.
Norman, Oklahoma

This Official Statement, which includes the cover page and the Exhibits hereto, does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

No dealer, broker, salesperson or other person has been authorized by the School District or the Financial Advisor to give information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing.

The information set forth herein has been obtained from the School District and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the Financial Advisor. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized.

The information and expressions of opinion contained 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 in the information or opinions set forth herein, since the date of this Official Statement.

Contents

INTRODUCTORY STATEMENT	1
THE BONDS	1
Authorization and Purpose.....	1
General Description	1
Redemption Prior to Maturity.....	2
Tax Status of the Bonds	2
Registration and Transfer.....	2
Book-Entry System.....	2
Security and Source of Payment.....	4
FINANCIAL MATTERS	5
Ad Valorem Taxes	5
Compliance with Constitutional Debt Limitation.....	7
Authorized but Unissued Bonds	8
Composition and Growth of the Net Assessed Valuation	8
General Obligation Bonded Debt Outstanding.....	8
Annual Debt Service Requirements of General Obligation Bonded Debt Outstanding.....	9
Net Direct, Overlapping and Underlying General Obligation Bonded Indebtedness (as of June 30, 2023).....	9
Sinking Fund Tax Collections	10
Percentage of Taxes Collected.....	10
Trend of Tax Rates of Major Taxing Units*	11
INDEPENDENT SCHOOL DISTRICT NO. 67, PAYNE COUNTY, OKLAHOMA.....	11
General Information.....	11
School District General Fund Revenues and Expenditures	12
Detail of School District General Fund Revenues.....	12
Student Enrollment Trend.....	12
Student Enrollment Projection.....	13
ECONOMIC INDICES	13
Unemployment Rate (Twelve Month Moving Average).....	13
Sales Tax Collections - City of Cushing.....	13
Retail Sales - City of Cushing.....	14
Largest Taxpayers.....	14
LITIGATION.....	14
LEGAL MATTERS.....	15
CONTINUING DISCLOSURE.....	15

POTENTIAL IMPACT OF COVID-19	16
TAX MATTERS.....	16
Tax Opinions.....	16
General Matters.....	16
Bond Premium	17
Market Discount	17
Sales or Other Dispositions.....	18
Defeasance	18
Backup Withholding.....	18
Foreign Investors	18
Tax-Exempt Investors.....	19
ERISA Considerations.....	19
Health Care and Education Reconciliation Act of 2010.....	20
Changes in Federal and State Tax Law	20
RATINGS	20
FINANCIAL STATEMENTS.....	21
UNDERWRITING	21
CONCLUDING STATEMENT	21

Appendix A - Continuing Disclosure Certificate

Appendix B - Financial Information and Operating Data

Exhibit A - Audited Financial Statements for the Fiscal Year Ended June 30, 2023

INTRODUCTORY STATEMENT

This Official Statement, including the Exhibits attached hereto (if any), has been prepared on behalf of Independent School District No. 67 of Payne County, Oklahoma (the “School District”), in connection with the original issuance and sale by the School District of its Building Bonds of 2024 (the “Bonds”).

All financial and other information presented in this Official Statement has been provided by the School District from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the School District. No representation is made that past experience, as is shown by such financial and other information, will necessarily continue or be repeated in the future.

Reference to provisions of Oklahoma law, whether codified in the Oklahoma Constitution or the Oklahoma Statutes are references to current provisions. These provisions are subject to amendment, repeal or supplement.

THE BONDS

Authorization and Purpose

The Bonds are being issued and offered pursuant to the authority set forth in Article 10, Section 26 of the Oklahoma Constitution, as amended, Oklahoma Statutes 2011, Title 62§353 and 354, Title 70§15-101ff and/or 106, and a Bond Resolution of the Board of Education of the School District to be adopted on the 11th day of April, 2024. The Bonds were authorized to be issued at a special election held in the School District on the 8th day of February, 2022.

Proceeds from the Bonds will be used to construct, equip and/or acquire a New Elementary School as follows: general requirements, site work, concrete, and masonry; and construct, equip and/or acquire additions and renovations at the high school fine arts building as follows: a new choir and band room addition and classroom renovations, as well as to pay all legal, financial and other costs relating to the issuance of the Bonds.

General Description

The Bonds are dated May 1, 2024, are fully registered bonds, and are in denominations of \$5,000 or any integral multiple thereof. The Bonds bear interest from May 1, 2024, and interest will be paid semiannually on May 1 and November 1 of each year (each an “Interest Payment Date”), commencing May 1, 2025. It is anticipated that the Bonds will be available for delivery on or about the 30th day of May, 2024.

The principal of the Bonds is payable, when due, at the designated corporate trust office of UMB Bank, n.a. (the “Registrar” and “Paying Agent”), in Oklahoma City, Oklahoma. Interest on the Bonds will be paid on each Interest Payment Date by check mailed to the registered owner thereof at the address shown on the registration books maintained by the Registrar and Paying Agent at the close of business on the 15th day of the calendar month preceding the Interest Payment Date, or if such day is a Saturday, Sunday or holiday, on the next preceding business day (the “Record Date”).

Redemption Prior to Maturity

The Bonds are not callable prior to their stated maturity.

Tax Status of the Bonds

It is expected that interest on the Bonds will be included in gross income for federal income tax purposes, and that interest on the Bonds will be exempt from State of Oklahoma income taxation. See the section titled “Tax Matters” herein.

Registration and Transfer

Bonds presented to the Registrar for transfer after the close of business on a Record Date and before the close of business on the next subsequent Interest Payment Date will be registered in the name of the transferee but the interest payment will be made to the registered owners shown on the books of the Registrar as of the close of business on the Record Date.

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

Book-Entry System

THE INFORMATION IN THIS SECTION, “BOOK-ENTRY SYSTEM”, HAS BEEN FURNISHED BY THE DEPOSITORY TRUST COMPANY. NO REPRESENTATION IS MADE BY THE SCHOOL DISTRICT AS TO THE COMPLETENESS OR ACCURACY OF SUCH INFORMATION. THE SCHOOL DISTRICT SHALL HAVE NO RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR THE PERSONS FOR WHICH THEY ACT AS NOMINEES WITH RESPECT TO THE BONDS, OR FOR ANY PRINCIPAL, PREMIUM, IF ANY, OR INTEREST PAYMENT THEREOF.

The Depository Trust Company (“DTC”), New York, NY, 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 Bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of each such maturity, and will be deposited with DTC at the office of the Paying Agent and Registrar on behalf of DTC utilizing the DTC FAST system of registration.

DTC, 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 2.2 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument from over 100 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, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, 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 both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a rating of “AA+” from S&P Global Ratings, a Standard and Poor’s Financial Services LLC business. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the 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 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 and Registrar on behalf of DTC utilizing the DTC FAST system of registration) are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC (or the Paying Agent and Registrar on behalf of DTC utilizing the DTC FAST system of registration) and their registration in the name of Cede & Co. or such other 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.

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).

All 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 Agent on 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, Agent, or the School District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of any payments 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 Agent. Disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

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

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

Security and Source of Payment

The Bonds, in the opinion of Bond Counsel, are direct and general obligations of the School District and are payable as to both principal and interest from ad valorem taxes to be levied against all taxable property within the School District, without limitation as to rate or amount.

Ad valorem taxes for the Bonds shall be levied annually beginning in Fiscal Year 2024-25, shall become delinquent one-half on January 1 and one-half on April 1 of each year, and are required to be collected by the County Treasurer, apportioned and paid over to the School District Treasurer, and then deposited directly and only into the Sinking Fund of the School District. IN NO EVENT MAY SUCH AD VALOREM TAXES BE DEPOSITED INTO THE GENERAL FUND OR ANY FUND OF THE SCHOOL DISTRICT OTHER THAN THE SINKING FUND.

As stated above, the Bonds are payable from ad valorem taxes on all taxable property within the School District including real, personal and public service property, and any other moneys available for such purpose. Real and personal property in the School District is currently assessed at a rate of approximately 11% of estimated full market value. Public service property assessments are determined by the Oklahoma State Tax Commission, and currently the assessment ratio is approximately 11.84% of estimated full market value of airline and railroad property and 22.85% of estimated full market value of all other public service property. Pursuant to Oklahoma statutes, County Assessors are required to reassess property within the County at least once each five years. The School District is required to pay its proportionate share of the cost of such reassessment.

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

requirements shall then be divided by the total net assessed valuation of all real, personal and public service property in order to determine the appropriate tax rate for each property owner.

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

FINANCIAL MATTERS

Ad Valorem Taxes

Taxable property in the State of Oklahoma (the "State") is placed in one of three classifications: real property, personal property, and public service property. Assessment ratios for real and personal property are determined locally by each County Assessor within guidelines established by the State Board of Equalization and the Oklahoma Tax Commission. Real property assessment ratios may range from 11% to 13.5% of full market value, and personal property assessment ratios may range from 10% to 15%. The assessment ratio for public service property is determined on a statewide basis by the Oklahoma Tax Commission. Currently, real and personal property in the County is assessed at a ratio of 11.4% of full market value. Public service property is assessed at a ratio of 11.84% of estimated full market value of airline and railroad property and 22.85% of estimated full market value of all other public service property. County Assessors are required to reassess property within the County at least once each five years. The School District is required to pay its proportionate share of the cost of such reassessment.

School districts in Oklahoma are limited to a total of thirty-five (35) mills ad valorem tax for operating (General Fund) purposes, and five (5) mills for Building Fund purposes. In addition, 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. Such funds are placed in the School District's Sinking Fund and are expended only for these purposes. The ad valorem tax rates for Sinking Fund purposes are determined by ascertaining the actual dollars of revenues required for payment of principal and interest on indebtedness and judicial judgments. Such total amount may be reduced by any surplus from the prior fiscal year and any contributions made into the Sinking Fund in lieu of ad valorem taxes. 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 taxable property in order to determine the appropriate tax rate for each property owner.

After review and approval by the Board of Education, copies of the Sinking Fund Estimate are submitted to the County Excise Board to determine the ad valorem tax levy and appropriations. This submission is required to be made by August 27th of each year. The estimates are for the purposes of determining ad valorem taxes required to fund the General, Building, and Sinking Funds. The amounts contained in the Estimate of Needs are verified by the County Excise Board and, upon verification, the levy contained therein is ordered to be certified to the County Assessor in order that the County Assessor may extend said levy upon the tax rolls for the year for which the Estimate of Needs is submitted. While the County Excise Board may make recommendations with respect to the levy request, it only has the authority to change the reserve for delinquent taxes.

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

Compliance with Constitutional Debt Limitation

The current, summary debt statement of the School District revised from that filed with the State of Oklahoma as of June 30, 2022, is shown below:

2023-24 Estimated Full Market Value	\$3,120,254,694
2023-24 Assessed Valuation, including Homestead Exemptions	\$376,691,808
2023-24 Assessed Valuation, excluding Homestead Exemption	\$374,165,785

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

County	Net Assessed Valuation	District Unadjusted Legal Debt Limit (1)	Millage Adjustment Factor (If App.)	District Adjusted Legal Debt Limit (2)
Payne County	\$341,959,917	\$34,195,991.70	1.0105000000	\$34,555,049.61
Lincoln County	\$32,205,868	\$3,220,586.80	1.0322130000	\$3,324,331.56
TOTAL ADJUSTED LEGAL DEBT LIMIT (BONDING CAPACITY)				\$37,879,381.17

(1) Net Assessed Valuation times 10%.

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

Total Bonded Indebtedness (including the Bonds)	\$29,995,000
<u>Less: Current Sinking Fund Balance</u>	<u>5,336,794</u>
Net General Obligation Bonded Indebtedness	\$24,658,206
Remaining Bonding Capacity	\$13,221,175
Ratio of Net General Obligation Bonded Indebtedness to Net Assessed Valuation	6.59%
Ratio of Net General Obligation Bonded Indebtedness to Estimated Full Market Value	0.79%

Authorized but Unissued Bonds

The School District has an additional \$47,175,000 in bonds authorized to be issued. It is anticipated that the remaining bonds will be issued as follows: \$20,035,000 in June 2028; and \$27,140,000 in June 2032.

Composition and Growth of the Net Assessed Valuation

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

Property	Payne County	Lincoln County	Total	Percentage
Real	\$58,492,957	\$1,692,163	\$60,185,120	16.08%
Personal	\$224,940,045	\$24,513,393	\$249,453,438	66.67%
Public Service	\$58,526,915	\$6,000,312	\$64,527,227	17.25%
TOTAL	\$341,959,917	\$32,205,868	\$374,165,785	100.00%
Percentage	91.39%	8.61%	100.00%	

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

Fiscal Year	Amount	Fiscal Year	Amount
2023-2024	\$374,165,785	2018-2019	\$331,174,345
2022-2023	\$374,034,929	2017-2018	\$311,284,521
2021-2022	\$325,006,590	2016-2017	\$274,067,082
2020-2021	\$328,988,820	2015-2016	\$234,833,030
2019-2020	\$290,402,460	2014-2015	\$215,112,652

During this period, the Net Assessed Valuation of the School District increased \$159,053,133 or 73.94%.

General Obligation Bonded Debt Outstanding

Date of Issuance	Original Principal Amount	Remaining Maturities	Maturity Dates	Total Outstanding
6-1-22	\$9,960,000	\$9,960,000	6-1-24	\$9,960,000
5-1-24	\$20,035,000	\$6,675,000	5-1-26	
		\$6,680,000	5-1-27/28	\$20,035,000
TOTAL				\$29,995,000

Annual Debt Service Requirements of General Obligation Bonded Debt Outstanding

Fiscal Year	Existing Bonds		Building Bonds*		Total New Debt Service Requirement
	Principal	Interest	Principal	Interest	
2023-2024	\$9,960,000.00	\$139,440.00			\$10,099,440.00
2024-2025				\$1,101,925.00	\$1,101,925.00
2025-2026			\$6,675,000.00	\$1,101,925.00	\$7,776,925.00
2026-2027			\$6,680,000.00	\$734,800.00	\$7,414,800.00
2027-2028			\$6,680,000.00	\$367,400.00	\$7,047,400.00
TOTAL	\$9,960,000.00	\$139,440.00	\$20,035,000.00	\$3,306,050.00	\$33,440,490.00

* The average annual interest rate on the Bonds is assumed to be 5.50%.

Net Direct, Overlapping and Underlying General Obligation Bonded Indebtedness (as of June 30, 2023)

Municipality	Net Indebtedness	Amount Applying to the School Dist.	Ratio to Assessed Value of the School Dist.	Per Capita Debt
Cushing School District	\$24,658,206	\$24,658,206	6.59%	\$2,806.85
City of Cushing	\$0	\$0	0.00%	\$0.00
Payne County	\$0	\$0	0.00%	\$0.00
Lincoln County	\$0	\$0	0.00%	\$0.00
TOTAL	\$24,658,206	\$24,658,206	6.59%	\$2,806.85

Sinking Fund Tax Collections

Fiscal Year	Net Levy	Gross Levy	Current Collections	Total Collections
2023-2024	\$5,082,641	\$5,336,773	In process of collection	
2022-2023	\$5,402,067	\$5,672,170	\$5,503,302	\$5,555,042
2021-2022	\$4,003,198	\$4,203,358	\$3,786,880	\$3,881,858
2020-2021	\$3,699,610	\$3,884,591	\$3,713,073	\$3,744,844
2019-2020	\$4,179,398	\$4,388,368	\$4,288,223	\$4,552,448
2018-2019	\$4,057,392	\$4,260,262	\$3,904,130	\$4,031,827

Percentage of Taxes Collected

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

Fiscal Year	Ratio of Current Tax Collections to Net Levy	Ratio of Total Tax Receipts to Net Levy
2022-2023	101.87%	102.83%
2021-2022	94.60%	96.97%
2020-2021	100.36%	101.22%
2019-2020	102.60%	108.93%
2018-2019	96.22%	99.37%

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

Fiscal Year	Ratio of Current Tax Collections to Gross Levy	Ratio of Total Tax Receipts to Gross Levy
2022-2023	97.02%	97.94%
2021-2022	90.09%	92.35%
2020-2021	95.58%	96.40%
2019-2020	97.72%	103.74%
2018-2019	91.64%	94.64%

Trend of Tax Rates of Major Taxing Units*

Fiscal Year	Cushing School District	City of Cushing	Payne County	Technology Center	Total Levy
2014-2015	56.95	0.00	16.43	13.22	86.60
2015-2016	55.44	0.00	16.43	13.22	85.09
2016-2017	54.88	0.00	16.43	13.22	84.53
2017-2018	52.65	0.00	16.43	13.22	82.30
2018-2019	53.28	0.00	16.43	13.22	82.93
2019-2020	55.95	0.00	16.43	13.22	85.60
2020-2021	52.23	0.00	16.43	13.22	81.88
2021-2022	53.35	0.00	16.43	13.22	83.00
2022-2023	55.58	0.00	16.43	13.22	85.23
2023-2024	54.68	0.00	16.43	13.22	84.33

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

INDEPENDENT SCHOOL DISTRICT NO. 67, PAYNE COUNTY, OKLAHOMA

General Information

The School District is located in north central Oklahoma, in Payne County, approximately 65 miles northeast of the City of Oklahoma City, Oklahoma. The School District, encompassing approximately 79 square miles, serves a portion of the City of Cushing (population: 8,375) and the surrounding rural area in Payne and Lincoln Counties. School District administrators estimate the population of the School District to be approximately 8,785 people. The School District employs 149 certified teachers, has an enrollment of 1,757, and operates 17 regular bus routes transporting approximately 56% of the student body to and from school daily. 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 Cushing and surrounding communities, with those not so employed primarily engaged in farming and ranching. No separate employment figures are available for the School District; however, preliminary figures provided by the United States Department of Labor’s Bureau of Labor Statistics indicate the current (December 2023) unemployment rate for Payne County is 2.6% compared to 3.2% in the State of Oklahoma as a whole, and 3.5% for the United States.

School District General Fund Revenues and Expenditures

Fiscal Year Ending 6-30	Beginning General Fund Balance	Total Revenue	Total Expenditures	Adjustments to Prior Year Encumbrances	Ending General Fund Balance
2019	\$1,758,399	\$15,907,979	\$15,858,032	\$57	\$1,808,403
2020	\$1,808,402	\$15,064,191	\$15,295,934	\$0	\$1,576,658
2021	\$1,576,658	\$16,693,572	\$16,584,091	\$2,396	\$1,688,535
2022	\$1,688,535	\$16,661,606	\$17,437,833	\$23,533	\$935,841
2023	\$935,841	\$18,487,003	\$16,661,404	\$620	\$2,762,060

Detail of School District General Fund Revenues

Fiscal Year Ending 6-30	Local Sources	County Sources	State Sources	Federal Sources	Total Revenues
2019	\$11,377,272	\$653,315	\$2,874,738	\$1,002,654	\$15,907,979
2020	\$10,734,138	\$674,801	\$2,921,355	\$733,897	\$15,064,191
2021	\$11,574,638	\$721,557	\$2,756,667	\$1,640,710	\$16,693,572
2022	\$10,928,955	\$682,030	\$2,817,105	\$2,233,516	\$16,661,606
2023	\$13,394,980	\$790,259	\$2,857,100	\$1,444,664	\$18,487,003

Student Enrollment Trend

School Year	Total Enrollment	Percentage Change
2014-2015	1,880	
2015-2016	1,887	0.37%
2016-2017	1,847	-2.12%
2017-2018	1,879	1.73%
2018-2019	1,838	-2.18%
2019-2020	1,802	-1.96%
2020-2021	1,553	-13.82%
2021-2022	1,691	8.89%
2022-2023	1,699	0.47%
2023-2024	1,757	3.41%

Student Enrollment Projection

School Year	Total Enrollment	Percentage Change
2024-2025	1,760	0.17%
2025-2026	1,760	0.00%
2026-2027	1,760	0.00%
2027-2028	1,760	0.00%
2028-2029	1,760	0.00%

ECONOMIC INDICES

Unemployment Rate (Twelve Month Moving Average)

	December 2023	November 2023	December 2022
United States	3.5%	3.5%	3.3%
State of Oklahoma	3.2%	3.3%	2.6%
Payne County	2.6%	2.8%	2.3%

Source: United States Department of Labor Bureau of Labor Statistics.

Sales Tax Collections - City of Cushing

Fiscal Year Ending June 30	Sales Tax Collections
2014	\$7,083,204
2015	\$6,423,067
2016	\$5,729,016
2017	\$5,639,033
2018	\$5,922,555
2019	\$6,397,601
2020	\$5,927,699
2021	\$5,880,398
2022	\$6,333,504
2023	\$6,497,469

Source: Oklahoma Tax Commission.

Retail Sales - City of Cushing

Fiscal Year Ending June 30	Retail Sales
2014	\$177,080,103
2015	\$160,576,683
2016	\$143,225,409
2017	\$140,975,816
2018	\$148,063,877
2019	\$159,940,034
2020	\$148,192,469
2021	\$147,009,955
2022	\$158,337,611
2023	\$162,436,733

Source: Oklahoma Tax Commission.

Largest Taxpayers

Name of Taxpayer	Type of Business	Net Assessed Valuation
Enbridge Storage (Cushing), LLC	Natural Gas Storage	\$69,094,988
BP Oil Supply	Oil & Gas Industry	\$16,625,328
Enbridge Pipelines (FSP), LLC	Pipeline	\$16,385,729
Plains Marketing, LP	Oil & Gas Industry	\$16,135,960
Valero Marketing & Supply Co.	Oil & Gas Industry	\$14,488,617
MPLX Ozark Pipe Line, LLC	Pipeline	\$10,876,615
Rose Rock Midstream Crude, LP	Oil & Gas Industry	\$10,234,232
Magellan Terminals Holdings, LP	Oil & Gas Industry	\$10,168,399
Tidal Energy Marketing (US), LLC	Oil & Gas Industry	\$9,971,151
Vitol, Inc.	Oil & Gas Industry	\$6,984,591
Total Net Assessed Valuation of Top Ten Taxpayers:		\$180,965,610
Percentage of School District's Net Assessed Valuation:		48.37%

Source: Payne County Assessor's Office.

LITIGATION

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

LEGAL MATTERS

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

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 Certificate (the “Disclosure Certificate”), the form of which is attached hereto as Appendix A. 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, material 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 Certificate 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 Certificate. Any such failure must be reported in accordance with Rule 15c2-12 and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Rule 15c2-12 requires that an issuer or other obligated party disclose in its official statement any instances in the previous five years in which such issuer or obligated party failed to comply, in all material respects, with any previous undertakings in a written contract or agreement specified in paragraph (b)(5) of the Rule. In connection with one or more of the School District’s previous bond issues or bond issues of an authority issued on behalf of the School District, the School District entered into individual continuing disclosure undertakings (“Undertakings”) in written agreements specified in paragraph (b)(5)(i) of the Rule. With respect to the Cushing Educational Facilities Authority’s Educational Facilities Lease Revenue Bonds (Cushing Public Schools Project), Series 2013, the School District failed to timely file with EMMA its Audited, or Unaudited, Financial Statements for the Fiscal Years ended June 30, 2019, and June 30, 2021, and failed to timely file notice of such failures.

POTENTIAL IMPACT OF COVID-19

Certain external events, such as pandemics, natural disasters, severe weather, technological emergencies, riots, acts of war or terrorism or other circumstances, could potentially disrupt the operations and effectiveness of municipal governments, such as the School District. One such external event is the global outbreak of COVID-19 (“COVID-19”), a respiratory disease declared in 2020 to be a pandemic (the “Pandemic”) by the World Health Organization and an emergency by federal and state governments. Since the start of the Pandemic, Presidential administrations, Congress, the State, and various federal and State agencies and regulatory bodies have enacted legislation and/or issued orders or directives (collectively, “Governmental Actions”) to alleviate the effects of the Pandemic. Such legislation and/or orders have been extended and/or modified, and others have expired or been rescinded and/or enjoined. While new legislation may be enacted, new orders may be issued, and existing and new orders may be extended, modified, litigated, or allowed to expire, no guarantee can be made with regards to the duration and/or effectiveness of any such legislation or orders.

The Governmental Actions, and other future federal, State, and local measures, may have both adverse and positive effects on the operations, financial condition and bond ratings of the School District. In addition, unemployment in the State, business closures and/or restrictions in the State and stock market fluctuation may have adverse effects, as well. The School District continue to assess the economic and social effects of the Pandemic and its impact on their respective operations, financial condition and bond ratings. At present, the School District has not experienced any materially adverse financial impacts from the Pandemic; however, there could be reductions in property tax receipts and other collections, including the corresponding disbursements thereof, as well as other disruptions for a period of time. The School District cannot predict (i) the duration or extent of the Pandemic or any other outbreak emergency or (ii) whether and to what extent the Pandemic or other outbreak or emergency may disrupt the local or global economy, manufacturing, or supply chain, or whether any such disruption may adversely impact the operations, financial condition and bond ratings of the School District.

TAX MATTERS

Tax Opinions

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

In the opinion of bond counsel, interest on the Bonds is exempt from State of Oklahoma income taxation under present law.

Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the 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 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 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 Bonds.

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

Market Discount

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

An owner of a Bond that acquired such Bond at a market discount also may be required to defer, until the maturity date of such 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 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 Bond. The amount of such net interest expense deferred in a taxable year may not exceed the amount of market discount accrued on the Bond for

the days during the taxable year on which the owner held such 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 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 Bond sells the 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 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 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 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 Bond should consult its own tax advisor concerning the circumstances in which such Bond would be deemed reissued and the likely effects, if any, of such reissuance.

Defeasance

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

Backup Withholding

An owner of a Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to the Bonds, if such owner, upon issuance of the 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 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 Bond will generally not be subject to United States income or withholding tax in respect of a payment on a 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 Bonds owned by foreign investors. In those instances in which payments of interest on the 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 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 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 Bond incurs acquisition indebtedness with respect to such 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 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 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 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 Authority or any dealer of the 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 Bonds are acquired by such plans or arrangements with respect to which the Authority 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 Bonds. The sale of the 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 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 Bonds should consult with their tax advisor concerning this additional tax as it may apply to interest earned on the Bonds as well as gain on the sale of a 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 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 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 Bonds or the market value thereof would be impacted thereby. Purchasers of the 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 Bonds, and Bond Counsel expresses no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

RATINGS

Standard & Poor’s Ratings Group (“Standard & Poor’s”) has assigned its municipal bond rating of “A” to this issue of bonds. Such rating will reflect only the view of Standard & Poor’s, and an explanation of the significance of such rating may be obtained only from Standard & Poor’s.

There is no assurance that such rating will remain in effect for any given period of time or that it may not be lowered or withdrawn entirely by Standard & Poor's if in its judgment circumstances so warrant. The Financial Advisor has not undertaken any responsibility either to bring to the attention of the owners of the Bonds any proposed revision or withdrawal of the rating of the Bonds or to oppose any such revision or withdrawal. Any downward revision or withdrawal of such rating could have an adverse effect on the market price of the Bonds.

FINANCIAL STATEMENTS

The financial statements of the School District for the fiscal year ended June 30, 2023, which were examined by CBEW Professional Group, LLP, Certified Public Accountants, Cushing, Oklahoma, appear in this Official Statement as Exhibit A.

UNDERWRITING

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

While the Underwriters expect, insofar as possible, to maintain a secondary market for the Bonds, no assurance can be given concerning the future maintenance of such a market by the Underwriters or others, and prospective purchasers of the Bonds should therefore be prepared to hold their Bonds to their maturity.

The Underwriters are not acting as a financial advisor to the School District in connection with the offer and sale of the Bonds.

CONCLUDING STATEMENT

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

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

Independent School District No. 67,
Payne County, Oklahoma

/s/ Barrett Shupe
President, Board of Education

ATTEST:

/s/ Dena Floyd
Clerk, Board of Education

Appendix A – Continuing Disclosure Certificate

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by Independent School District No. 67 of Payne County, Oklahoma (the “Issuer”) in connection with the issuance of \$20,035,000 General Obligation Building Bonds of 2024 (the “Bonds”). The Bonds are being issued pursuant to a Resolution dated the 11th day of April, 2024. The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders, including beneficial owners, and in order to assist the Participating Underwriters in complying with paragraph (d)(2) of SEC Rule 15c2-12.

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

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

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

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

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

“**Financial Obligation**” shall mean 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.

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

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

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

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

“**Prescribed Form**” means, with regard to the filing of Annual Financial Information, Audited Financial Statements and notices of Listed 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**” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

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

SECTION 3. Provision of Annual Reports.

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

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

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

SECTION 4. Content of Annual Reports. The Issuer’s Annual Report shall contain or incorporate by reference certain financial information and operating data relating to the Issuer of the type included in Appendix B of the final official statement with respect to the Bonds attached hereto as Exhibit B, but only to the extent such information is customarily prepared by the Issuer annually and is made publicly available, and the Issuer’s Audited Financial Statements, when and if available, or its Unaudited Financial Statements. If the Audited Financial Statements are not available by the time the Annual Report must be provided, Unaudited Financial Statements will be provided and Audited Financial Statements will be provided, when and if available, to the MSRB.

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

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

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

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

SECTION 5. Reporting of Listed Events.

(a) Upon the occurrence of any of the following Listed Events, the Issuer (or the Dissemination Agent on behalf of the Issuer) shall give notice of the occurrence of such event to the MSRB in accordance with this Section 5:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if Material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, 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 of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modification to rights of Bondholders, if Material;
8. Bond calls, if Material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if Material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such

an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if Material;

14. Appointment of a successor or additional Trustee/Paying Agent or the change of name of a Trustee/Paying Agent, if Material;
15. Incurrence of a financial obligation of the obligated person, if material, or 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; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, the Issuer shall file a notice of the occurrence of a Listed Event in Prescribed Form with the MSRB within 10 business days of the occurrence of the applicable event. Notwithstanding the foregoing: notice of the occurrence of any Listed Event described in (a)(8) above need not be given under this Section 5 any earlier than when notice (if any) of the underlying event is given to the registered owners of the affected Bonds pursuant to the resolution authorizing the issuance of the Bonds; and notice of any scheduled sinking fund redemption in accordance with the schedule set forth in such resolution or the Official Statement need not be given under this Disclosure Certificate.

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

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

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

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

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any bondholder, including beneficial owners, may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court

order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

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

SECTION 12. 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 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and Bondholders, including beneficial owners, from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Assignment. The Issuer shall not transfer its obligations under this Disclosure Certificate unless the transferee agrees to assume all obligations of the Issuer hereunder or to execute a continuing disclosure undertaking under the Rule.

SECTION 15. Recordkeeping. The Issuer shall maintain records of all Annual Report filings and Listed Events filings, 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. Issuer Contact. The Issuer designates as the person from whom its Annual Report and Listed Events disclosure can be obtained: Superintendent of Schools, Cushing Public Schools, P. O. Box 1609, Cushing, Oklahoma 74023 (918) 225-3425.

Dated this 30th day of May, 2024.

**Independent School District No. 67 of Payne
County, Oklahoma**

By: _____
President, Board of Education

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Independent School District No. 67 of Payne County, Oklahoma

Name of Bond Issue: \$20,035,000 General Obligation Building Bonds of 2024

Date of Issuance: _____

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 11th day of April, 2024. The Issuer anticipates that the Annual Report will be filed by .

Dated: _____

**Independent School District No. 67 of Payne
County, Oklahoma**

By: _____
President, Board of Education

APPENDIX B

FINANCIAL INFORMATION AND OPERATING DATA

Composition and Growth of the Net Assessed Valuation

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

Property	Payne County	Lincoln County	Total	Percentage
Real	\$58,492,957	\$1,692,163	\$60,185,120	16.08%
Personal	\$224,940,045	\$24,513,393	\$249,453,438	66.67%
Public Service	\$58,526,915	\$6,000,312	\$64,527,227	17.25%
TOTAL	\$341,959,917	\$32,205,868	\$374,165,785	100.00%
Percentage	91.39%	8.61%	100.00%	

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

Fiscal Year	Amount	Fiscal Year	Amount
2023-2024	\$374,165,785	2018-2019	\$331,174,345
2022-2023	\$374,034,929	2017-2018	\$311,284,521
2021-2022	\$325,006,590	2016-2017	\$274,067,082
2020-2021	\$328,988,820	2015-2016	\$234,833,030
2019-2020	\$290,402,460	2014-2015	\$215,112,652

During this period, the Net Assessed Valuation of the School District increased \$159,053,133 or 73.94%.

General Obligation Bonded Debt Outstanding

Date of Issuance	Original Principal Amount	Remaining Maturities	Maturity Dates	Total Outstanding
6-1-22	\$9,960,000	\$9,960,000	6-1-24	\$9,960,000
5-1-24	\$20,035,000	\$6,675,000	5-1-26	
		\$6,680,000	5-1-27/28	<u>\$20,035,000</u>
TOTAL				<u>\$29,995,000</u>

Annual Debt Service Requirements of General Obligation Bonded Debt Outstanding

Fiscal Year	Existing Bonds		Building Bonds*		Total New Debt Service Requirement
	Principal	Interest	Principal	Interest	
2023-2024	\$9,960,000.00	\$139,440.00			\$10,099,440.00
2024-2025				\$1,101,925.00	\$1,101,925.00
2025-2026			\$6,675,000.00	\$1,101,925.00	\$7,776,925.00
2026-2027			\$6,680,000.00	\$734,800.00	\$7,414,800.00
2027-2028			\$6,680,000.00	\$367,400.00	\$7,047,400.00
TOTAL	\$9,960,000.00	\$139,440.00	\$20,035,000.00	\$3,306,050.00	\$33,440,490.00

* The average annual interest rate on the Bonds is assumed to be 5.50%.

Net Direct, Overlapping and Underlying General Obligation Bonded Indebtedness (as of June 30, 2023)

Municipality	Net Indebtedness	Amount Applying to the School Dist.	Ratio to Assessed Value of the School Dist.	Per Capita Debt
Cushing School District	\$24,658,206	\$24,658,206	6.59%	\$2,806.85
City of Cushing	\$0	\$0	0.00%	\$0.00
Payne County	\$0	\$0	0.00%	\$0.00
Lincoln County	\$0	\$0	0.00%	\$0.00
TOTAL	\$24,658,206	\$24,658,206	6.59%	\$2,806.85

Sinking Fund Tax Collections

Fiscal Year	Net Levy	Gross Levy	Current Collections	Total Collections
2023-2024	\$5,082,641	\$5,336,773	In process of collection	
2022-2023	\$5,402,067	\$5,672,170	\$5,503,302	\$5,555,042
2021-2022	\$4,003,198	\$4,203,358	\$3,786,880	\$3,881,858
2020-2021	\$3,699,610	\$3,884,591	\$3,713,073	\$3,744,844
2019-2020	\$4,179,398	\$4,388,368	\$4,288,223	\$4,552,448
2018-2019	\$4,057,392	\$4,260,262	\$3,904,130	\$4,031,827

Percentage of Taxes Collected

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

Fiscal Year	Ratio of Current Tax Collections to Net Levy	Ratio of Total Tax Receipts to Net Levy
2022-2023	101.87%	102.83%
2021-2022	94.60%	96.97%
2020-2021	100.36%	101.22%
2019-2020	102.60%	108.93%
2018-2019	96.22%	99.37%

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

Fiscal Year	Ratio of Current Tax Collections to Gross Levy	Ratio of Total Tax Receipts to Gross Levy
2022-2023	97.02%	97.94%
2021-2022	90.09%	92.35%
2020-2021	95.58%	96.40%
2019-2020	97.72%	103.74%
2018-2019	91.64%	94.64%

Trend of Tax Rates of Major Taxing Units*

Fiscal Year	Cushing School District	City of Cushing	Payne County	Technology Center	Total Levy
2014-2015	56.95	0.00	16.43	13.22	86.60
2015-2016	55.44	0.00	16.43	13.22	85.09
2016-2017	54.88	0.00	16.43	13.22	84.53
2017-2018	52.65	0.00	16.43	13.22	82.30
2018-2019	53.28	0.00	16.43	13.22	82.93
2019-2020	55.95	0.00	16.43	13.22	85.60
2020-2021	52.23	0.00	16.43	13.22	81.88
2021-2022	53.35	0.00	16.43	13.22	83.00
2022-2023	55.58	0.00	16.43	13.22	85.23
2023-2024	54.68	0.00	16.43	13.22	84.33

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

School District General Fund Revenues and Expenditures

Fiscal Year Ending 6-30	Beginning General Fund Balance	Total Revenue	Total Expenditures	Adjustments to Prior Year Encumbrances	Ending General Fund Balance
2019	\$1,758,399	\$15,907,979	\$15,858,032	\$57	\$1,808,403
2020	\$1,808,402	\$15,064,191	\$15,295,934	\$0	\$1,576,658
2021	\$1,576,658	\$16,693,572	\$16,584,091	\$2,396	\$1,688,535
2022	\$1,688,535	\$16,661,606	\$17,437,833	\$23,533	\$935,841
2023	\$935,841	\$18,487,003	\$16,661,404	\$620	\$2,762,060

Detail of School District General Fund Revenues

Fiscal Year Ending 6-30	Local Sources	County Sources	State Sources	Federal Sources	Total Revenues
2019	\$11,377,272	\$653,315	\$2,874,738	\$1,002,654	\$15,907,979
2020	\$10,734,138	\$674,801	\$2,921,355	\$733,897	\$15,064,191
2021	\$11,574,638	\$721,557	\$2,756,667	\$1,640,710	\$16,693,572
2022	\$10,928,955	\$682,030	\$2,817,105	\$2,233,516	\$16,661,606
2023	\$13,394,980	\$790,259	\$2,857,100	\$1,444,664	\$18,487,003

Student Enrollment Trend

School Year	Total Enrollment	Percentage Change
2014-2015	1,880	
2015-2016	1,887	0.37%
2016-2017	1,847	-2.12%
2017-2018	1,879	1.73%
2018-2019	1,838	-2.18%
2019-2020	1,802	-1.96%
2020-2021	1,553	-13.82%
2021-2022	1,691	8.89%
2022-2023	1,699	0.47%
2023-2024	1,757	3.41%

Student Enrollment Projection

School Year	Total Enrollment	Percentage Change
2024-2025	1,760	0.17%
2025-2026	1,760	0.00%
2026-2027	1,760	0.00%
2027-2028	1,760	0.00%
2028-2029	1,760	0.00%

ECONOMIC INDICES

Unemployment Rate (Twelve Month Moving Average)

	December 2023	November 2023	December 2022
United States	3.5%	3.5%	3.3%
State of Oklahoma	3.2%	3.3%	2.6%
Payne County	2.6%	2.8%	2.3%

Source: United States Department of Labor Bureau of Labor Statistics.

Sales Tax Collections - City of Cushing

<u>Fiscal Year Ending June 30</u>	<u>Sales Tax Collections</u>
2014	\$7,083,204
2015	\$6,423,067
2016	\$5,729,016
2017	\$5,639,033
2018	\$5,922,555
2019	\$6,397,601
2020	\$5,927,699
2021	\$5,880,398
2022	\$6,333,504
2023	\$6,497,469

Source: Oklahoma Tax Commission.

Retail Sales - City of Cushing

<u>Fiscal Year Ending June 30</u>	<u>Retail Sales</u>
2014	\$177,080,103
2015	\$160,576,683
2016	\$143,225,409
2017	\$140,975,816
2018	\$148,063,877
2019	\$159,940,034
2020	\$148,192,469
2021	\$147,009,955
2022	\$158,337,611
2023	\$162,436,733

Source: Oklahoma Tax Commission.

Largest Taxpayers

Name of Taxpayer	Type of Business	Net Assessed Valuation
Enbridge Storage (Cushing), LLC	Natural Gas Storage	\$69,094,988
BP Oil Supply	Oil & Gas Industry	\$16,625,328
Enbridge Pipelines (FSP), LLC	Pipeline	\$16,385,729
Plains Marketing, LP	Oil & Gas Industry	\$16,135,960
Valero Marketing & Supply Co.	Oil & Gas Industry	\$14,488,617
MPLX Ozark Pipe Line, LLC	Pipeline	\$10,876,615
Rose Rock Midstream Crude, LP	Oil & Gas Industry	\$10,234,232
Magellan Terminals Holdings, LP	Oil & Gas Industry	\$10,168,399
Tidal Energy Marketing (US), LLC	Oil & Gas Industry	\$9,971,151
Vitol, Inc.	Oil & Gas Industry	\$6,984,591
Total Net Assessed Valuation of Top Ten Taxpayers:		\$180,965,610
Percentage of School District's Net Assessed Valuation:		48.37%

Source: Payne County Assessor's Office.

Exhibit A

**CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma**

**BASIC FINANCIAL STATEMENTS
June 30, 2023**

**CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma**

**SCHOOL DISTRICT OFFICIALS
June 30, 2023**

BOARD OF EDUCATION

President	Barrett Shupe
Vice-President	Brina Tate
Member	Shawn Hubble
Member	Dena Floyd
Member	Dr. Colm McCauley

CLERK OF BOARD OF EDUCATION

Dena Floyd

SCHOOL DISTRICT TREASURER

Danielle Allen

SUPERINTENDENT OF SCHOOLS

Dr. Melissa Amon

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

CONTENTS

	Page No.
School District Officials	
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-8
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position – Regulatory Basis	9
Statement of Activities and Changes in Net Position – Regulatory Basis	10
Fund Financial Statements:	
Balance Sheet - Governmental Funds - Regulatory Basis	11
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position – Regulatory Basis	12
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Regulatory Basis	13
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Government-Wide Statement of Activities and Changes in Net Position – Regulatory Basis	14
Statement of Changes in Fiduciary Net Position - Fiduciary Funds - Regulatory Basis	15-16
Notes to the Basic Financial Statements	17-30
Supplemental Information:	
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Governmental Funds	31-34
Notes to Budgetary Information	35
Schedule of Expenditures of Federal Awards	36-38
Reports Required by <i>Government Auditing Standards</i>:	
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	39-40
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	41-43
Schedule of Findings and Questioned Costs	44
Summary Schedule of Prior Audit Findings	45

**CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma**

CONTENTS

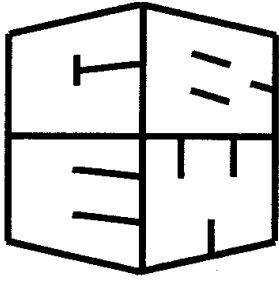
Page No.

Other Department of Education Required Information:

Accountant's Professional Liability Insurance Affidavit

46

Audit Acknowledgement



CBEW Professional Group, LLP

Certified Public Accountants

P.O. Box 790

Cushing, OK 74023

918-225-4216 FAX 918-225-4315

Charles E. Crooks, Jr., CPA – Trisha J. Rieman, CPA – Gabrielle Conchola, CPA

INDEPENDENT AUDITOR'S REPORT

August 25, 2023

The Honorable Board of Education
Cushing School District Number I-67
Cushing, Payne County, Oklahoma

Opinions

We have audited the accompanying basic financial statements—regulatory basis of the governmental activities, each major fund, and the aggregate remaining fund information of the Cushing School District Number I-67, Payne County, Oklahoma (District), as of and for the year ended June 30, 2023 and the related notes to the financial statements, as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the basic financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position—regulatory basis of the governmental activities, each major fund and the aggregate remaining fund information of the Cushing School District Number I-67, Payne County, Oklahoma, as of June 30, 2023, and the respective changes in financial position—regulatory basis 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 the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the basic financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Cushing School District Number I-67, Payne County, Oklahoma as of June 30, 2023, the changes in its financial position, or, where applicable, its 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 the Cushing School District Number I-67, Cushing, Payne 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 Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1, the financial statements are prepared by the Cushing School District Number I-67, 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 comply with 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 determined, are presumed to be material.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with financial reporting provisions of the Oklahoma State Department of Education to meet financial reporting requirements of the State of Oklahoma. 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Cushing School District Number I-67, Payne County, Oklahoma 's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cushing School District Number I-67, Payne County, Oklahoma 's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is 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 schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole arising from regulatory basis transactions.

Management's discussion and analysis and budgetary comparison information and notes presented are the responsibility of management and, although not a part of the basic financial statements – regulatory basis, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements – regulatory basis in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements – regulatory basis, and other knowledge we obtained during our audit of the basic financial statements – regulatory basis. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

CBEW Professional Group, LLP

CBEW PROFESSIONAL GROUP, LLP
Certified Public Accountants

Cushing Public Schools

**DR. MELISSA AMON, SUPERINTENDENT
1401 NORTH LITTLE
CUSHING, OKLAHOMA 74023**

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2023
Unaudited

As management of the Cushing School District Number I-67 (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

The total net position of the District increased \$7,085,544 or (10.6%) over the fiscal year.

General revenues accounted for \$24,627,992 or 90.1% of total governmental activities revenue. Program specific revenues accounted for \$2,704,903 or 9.9% of total governmental activities revenue.

The District had \$20,247,351 in expenses related to governmental activities; \$2,704,903 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities were offset by property tax levies, state and county sources, and other miscellaneous sources.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information.

Government-wide financial statements – The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected property taxes).

The government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The government-wide financial statements can be found on pages 9–10 of this report.

Fund financial statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories – governmental funds and fiduciary funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the government’s near-term financing decision. Both the governmental funds balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains six individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General, Building, Sinking and Building Bond funds, all of which are considered to be major funds. Data from the other three funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The District adopts an annual appropriated budget for its General, Special Revenue (Building and Child Nutrition Funds) and Debt Service Funds. Budgetary comparison schedules have been provided for the major funds to demonstrate compliance with the budget and are presented as required supplemental information.

The basic governmental fund financial statements can be found on pages 11–14 of this report.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of these funds are not available to support the District’s own programs.

The District uses an agency fund to account for resources held for student activities and groups. The basic fiduciary fund financial statement can be found on pages 15-16 of this report.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on page 17–30 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain information required by the Oklahoma State Department of Education concerning the District’s budgetary comparisons and notes. Required supplementary information can be found on pages 31–35 of this report.

Governmental-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the District, assets (excluding accumulated depreciation) exceed liabilities by \$73,910,447 as of June 30, 2023.

The largest portion of the District’s net position (64.34%) reflects its investments in capital assets (e.g., land, buildings and improvements, furniture, fixtures and equipment, and vehicles), less any debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide service to students; consequently these assets are *not* available for future spending. Although the District’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

District's Net position

	Governmental Activities	
	6/30/23	6/30/22
Current and other assets	\$ 28,626,592	\$ 31,156,469
Capital assets	109,421,253	55,252,615
Total assets	<u>138,047,845</u>	<u>86,409,084</u>
Long-term liabilities	61,870,000	17,170,000
Other liabilities	2,267,398	2,414,182
Total liabilities	<u>64,137,398</u>	<u>19,584,182</u>
Net position:		
Invested in capital assets, net of related debt	47,551,253	38,082,615
Restricted	23,597,134	27,806,446
Unrestricted	2,762,060	935,842
Total net position	<u>\$ 73,910,447</u>	<u>\$ 66,824,903</u>

An additional portion of the District's net position (31.93%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position \$2,762,060 may be used to meet the government's ongoing obligation to citizens and creditors.

As of June 30, 2023, the District is able to report positive balances in all three categories of net position for the government as a whole.

Analysis of the District's Operations – The following table provides a summary of the District's operations for the year ended June 30, 2023 with comparative totals for the year ended June 30, 2022. Governmental activities increased the District's total net position by \$7,085,544.

District's Changes in Net position

	Governmental Activities	
	6/30/23	6/30/22
Revenues:		
Program revenues		
Charges for services	\$ 127,311	\$ 10,485
Operating grants and contributions	2,577,592	3,360,348
General revenues:		
Property taxes	20,575,100	16,064,875
State and county aid not restricted to specific programs	3,647,390	3,499,156
Earnings on investments	170,301	54,807
Rental activities	70,583	67,181
Miscellaneous	163,664	156,148
Special items:		
Adjustment to prior year encumbrances	954	24,202
Total revenues	<u>27,332,895</u>	<u>23,237,202</u>
Expenses:		
Instructional services	10,396,214	10,265,195
Support services	7,680,537	7,717,715
Non-instructional services	15,590	19,873
Capital repairs	-	344,760
Repayments	24,564	70,034
Food service	796,943	932,916
Interest and fiscal agent charges	460,430	123,770
Unallocated depreciation	873,073	873,073
Total expenses	<u>20,247,351</u>	<u>20,347,336</u>
Increase in net position	7,085,544	2,889,866
Net position - beginning of year	66,824,903	63,935,037
Net position - end of year	<u>\$ 73,910,447</u>	<u>\$ 66,824,903</u>

Financial Analysis of the Governments Funds

Governmental funds – The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$73,910,447. Approximately 68% of the total amount (\$50,313,313) constitutes unreserved fund balance. The remainder of the fund balance is reserved to indicate that is not available for new spending because it has already been committed 1) to pay for debt service (\$5,156,239), 2) to pay for Building (\$16,431,377), 3) to pay for child nutrition (\$639,439) and 4) to pay for capital projects (\$1,370,079).

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2023, amounts to \$139,035,171 (excluding accumulated depreciation). This investment in capital assets includes land, building and improvements, furniture, fixtures and equipment, and vehicles.

Major capital asset events during the current fiscal year included the following: Construction, equipment and capital improvement of the new elementary school, middle school addition, playground, stadium concessions, freshman wing, band wing and high school renovations.

Capital Assets at Year-end Excluding Accumulated Depreciation

	Governmental Activities	
	6/30/23	6/30/22
Land	\$ 1,193,875	\$ 1,193,875
Work in process	55,267,123	225,412
Buildings and improvements	72,476,432	72,476,432
Furniture, fixtures and equipment	7,275,099	7,275,099
Vehicles	2,822,642	2,822,642
Total	<u>\$ 139,035,171</u>	<u>\$ 83,993,460</u>

Additional information on the District’s capital assets can be found in note 2 on page 26 of this report.

Debt Administration

At the end of the current fiscal year, the District had a total of general obligation bonds payable of \$9,960,000, which are backed by the future revenues of the Debt Service Fund and a lease payable of \$51,910,000, which are backed by future revenues from general obligation bond issues and building fund revenues.

Outstanding Debt at Year-end – General Obligation Bonds and Lease Payable

	Governmental Activities	
	6/30/23	6/30/22
General obligations	\$ 9,960,000	\$ 9,960,000
Leases payable	51,910,000	7,210,000
Total	<u>\$ 61,870,000</u>	<u>\$ 17,170,000</u>

Additional information on the District’s long-term debt can be found in footnote 2 on pages 26–27 of this report.

Economic Factors and Next Year’s Budgets and Rates

In the 2023-24 Budget, General fund revenues are budgeted to increase from the 2022-23 Budget. General property taxes as certified assessed valuations have increased over this year. The state sources of revenue make up 10% of General fund revenues. This revenue source is the most volatile and subject to decline if the State of Oklahoma is unable to supplement its income.

As a result of the potential impact in revenue, the District has made a concerted effort to limit appropriations to only those items truly necessary.

Request for Information

The financial report is designed to provide a general overview of the District’s finances for all those with an interest in the government’s finances. If you have questions about this report or need any additional information, contact Dr. Melissa Amon, Superintendent, 1401 North Little, Cushing, OK 74023, or call 918-225-3425.

**CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma**

**STATEMENT OF NET POSITION - REGULATORY BASIS
June 30, 2023**

	Governmental Activities
Assets:	
Cash and investments	\$ 28,626,592
Capital Assets:	
Land	1,193,875
Work in process	55,267,123
Depreciable buildings, property and equipment net of depreciation	52,960,255
Total assets	138,047,845
Liabilities:	
Warrants payable	2,267,398
Encumbrances	-
Leases payable currently	-
General obligation bonds payable currently	9,960,000
Long-term liabilities:	
Leases payable	51,910,000
General obligations bonds payable	-
Total liabilities	64,137,398
Net Position:	
Net Investment in capital assets	47,551,253
Restricted	23,597,134
Unrestricted	2,762,060
Total net position	\$ 73,910,447

The accompanying notes are an integral part of the basic financial statements.

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION - REGULATORY BASIS
For the Fiscal Year Ended June 30, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Revenue and Changes</u>
		<u>Services</u>	<u>Grants and</u>	<u>in Net Position</u>
			<u>Contributions</u>	<u>Total</u>
				<u>Governmental</u>
				<u>Activities</u>
Governmental activities:				
Instruction	\$ 10,396,214	\$ -	\$ 1,444,664	\$ (8,951,550)
Support services	7,680,537	-	380,190	(7,300,347)
Non-instructional services	15,590	-	-	(15,590)
Capital repairs	-	-	-	-
Other outlays	24,564	-	-	(24,564)
Food Service	796,943	127,311	752,738	83,106
Interest and fiscal agent charges	460,430	-	-	(460,430)
Unallocated depreciation*	873,073	-	-	(873,073)
Total school district	\$ 20,247,351	\$ 127,311	\$ 2,577,592	(17,542,448)
General revenues:				
Property taxes, levied for general purposes				15,020,058
Property taxes, levied for debt service				5,555,042
State aid				2,857,131
County sources not restricted to specific programs				790,259
Earnings on investments				170,301
Rental activities				70,583
Miscellaneous				163,664
Special items:				
Lapsed Appropriations & Estoppel of warrants				954
Total general revenues and transfers				24,627,992
Change in net position				7,085,544
Net position - beginning of year				66,824,903
Net position - end of year				\$ 73,910,447

*- This amount does not include the depreciation that is included in the direct expenses of various programs.

The accompanying notes are an integral part of the basic financial statements.

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

BALANCE SHEET
GOVERNMENTAL FUNDS
REGULATORY BASIS
June 30, 2023

	<u>General Fund</u>	<u>Special Revenue Building</u>	<u>Capital Projects General</u>	<u>Debt Service</u>	<u>Special Revenue Child Nutrition (Non-major)</u>	<u>Total Governmental Funds</u>
Assets:						
Cash and investments	\$ 5,002,675	\$ 16,444,725	\$ 1,370,079	\$ 5,156,239	\$ 652,874	\$ 28,626,592
Total assets	<u>\$ 5,002,675</u>	<u>\$ 16,444,725</u>	<u>\$ 1,370,079</u>	<u>\$ 5,156,239</u>	<u>\$ 652,874</u>	<u>\$ 28,626,592</u>
Liabilities:						
Warrants payable	\$ 2,240,615	\$ 13,348	\$ -	\$ -	\$ 13,435	\$ 2,267,398
Encumbrances	-	-	-	-	-	-
Total liabilities	<u>2,240,615</u>	<u>13,348</u>	<u>-</u>	<u>-</u>	<u>13,435</u>	<u>2,267,398</u>
Fund balances:						
Restricted for:						
Debt service	-	-	-	5,156,239	-	5,156,239
CO-OP	-	-	-	-	-	-
Building	-	16,431,377	-	-	-	16,431,377
Child nutrition	-	-	-	-	639,439	639,439
Capital projects	-	-	1,370,079	-	-	1,370,079
Unassigned	<u>2,762,060</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,762,060</u>
Total fund balances	<u>2,762,060</u>	<u>16,431,377</u>	<u>1,370,079</u>	<u>5,156,239</u>	<u>639,439</u>	<u>26,359,194</u>
Total liabilities and fund balances	<u>\$ 5,002,675</u>	<u>\$ 16,444,725</u>	<u>\$ 1,370,079</u>	<u>\$ 5,156,239</u>	<u>\$ 652,874</u>	<u>\$ 28,626,592</u>

The accompanying notes are an integral part of the basic financial statements.

**CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE
STATEMENT OF NET POSITION - REGULATORY BASIS
June 30, 2023**

Total Fund Balances - Total Governmental Funds	\$ 26,359,194
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These consist of:	
Land	1,193,875
Work in process	55,267,123
Depreciable buildings, property and equipment net of depreciation	<u>52,960,255</u>
	109,421,253
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(61,870,000)</u>
Net position of governmental activities	\$ <u><u>73,910,447</u></u>

The accompanying notes are an integral part of the basic financial statements.

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
REGULATORY BASIS
For the Fiscal Year Ended June 30, 2023

	<u>General Fund</u>	<u>Special Revenue Building</u>	<u>Capital Projects General</u>	<u>Debt Service</u>	<u>Special Revenue Child Nutrition (Non-major)</u>	<u>Total Governmental Funds</u>
Revenues:						
Local sources	\$ 13,369,320	\$ 2,010,566	\$ -	\$ 5,555,042	\$ 127,311	\$ 21,062,239
Intermediate sources	790,259	-	-	-	-	790,259
State sources	2,857,100	8	-	24	7,806	2,864,938
Federal sources	1,444,664	379,190	-	-	744,932	2,568,786
Other sources	25,660	17,640	-	-	2,419	45,719
Total revenues	<u>18,487,003</u>	<u>2,407,404</u>	<u>-</u>	<u>5,555,066</u>	<u>882,468</u>	<u>27,331,941</u>
Expenditures:						
Instruction	10,387,439	8,775	-	-	-	10,396,214
Support services	6,248,784	1,322,103	109,650	-	-	7,680,537
Non-instructional services	15,590	-	-	-	796,943	812,533
Capital outlay	-	2,045,482	1,086,229	-	-	3,131,711
Other outlays	9,591	12,554	-	-	2,419	24,564
Repayments	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	7,210,000	-	-	7,210,000
Interest & fiscal agent charges	-	-	181,550	278,880	-	460,430
Total expenditures	<u>16,661,404</u>	<u>3,388,914</u>	<u>8,587,429</u>	<u>278,880</u>	<u>799,362</u>	<u>29,715,989</u>
Excess of revenues over (under) expenditures	1,825,599	(981,510)	(8,587,429)	5,276,186	83,106	(2,384,048)
Adjustments to prior year encumbrances	<u>620</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>334</u>	<u>954</u>
Net changes in fund balance	1,826,219	(981,510)	(8,587,429)	5,276,186	83,440	(2,383,094)
Fund balance - beginning of year	<u>935,841</u>	<u>17,412,887</u>	<u>9,957,508</u>	<u>(119,947)</u>	<u>555,999</u>	<u>28,742,288</u>
Fund balance - end of year	<u>\$ 2,762,060</u>	<u>\$ 16,431,377</u>	<u>\$ 1,370,079</u>	<u>\$ 5,156,239</u>	<u>\$ 639,439</u>	<u>\$ 26,359,194</u>

The accompanying notes are an integral part of the basic financial statements.

**CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES AND CHANGES
IN NET POSITION - REGULATORY BASIS
For the Fiscal Year Ended June 30, 2023**

Net Change in Fund Balances - Total Governmental Funds	\$ (2,383,094)
Amounts reported in governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets have not been reflected. This is the amount of capital outlays during the current period.	3,131,711
Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in Governmental Funds.	(873,073)
Bond proceeds are reported as income in governmental funds, the receipt of bond proceeds increase long-term liabilities in the statement of net assets. This is the amount of bond proceeds received during the current period.	-
Repayment of long-term obligations is reported as an expenditure in governmental funds, the repayment reduces long-term liabilities in the statement of net position. This is the amount of repayments during the current period.	<u>7,210,000</u>
Change in net position of governmental activities	<u>\$ 7,085,544</u>

The accompanying notes are an integral part of the basic financial statements.

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
AGENCY FUND
REGULATORY BASIS
June 30, 2023

School Activity Funds					
	Balance July 1, 2022	Additions	Deletions	Adjustments	Balance June 30, 2023
Assets:					
Cash:					
High school	\$ 217,654	\$ 454,051	\$ 445,242	\$ (2,340)	\$ 224,123
Middle school	132,580	98,629	110,074	4,494	125,629
Central office	78,983	4,574,508	66,565	75,355	4,662,281
	Total Assets	\$ 5,127,188	\$ 621,881	\$ 77,509	\$ 5,012,033
Liabilities:					
Due to student groups:					
High school:					
Administration	\$ 27,778	\$ 6,761	\$ 7,451	\$ 2,680	\$ 29,768
Art	42	-	-	-	42
Athletics	32,684	116,437	108,557	1,651	42,215
Band	16,249	26,745	33,023	-	9,971
FFA	24,994	74,229	72,857	-	26,366
FCCLA	2,647	2,384	2,234	-	2,797
Dance Team	1,174	23,691	20,735	(30)	4,100
Cheerleading	4,071	18,250	17,716	2	4,607
Spanish Club	664	-	-	-	664
Flowers	528	-	-	-	528
Media Center	687	856	977	-	566
Girls Basketball	3,985	1,847	5,538	-	294
All Sports	50,405	63,395	64,386	(161)	49,253
Drama	2,584	12,642	4,157	(7,118)	3,951
Student Council	9,625	10,013	9,058	270	10,850
Boys Basketball	550	18,241	15,730	-	3,061
Yearbook	21,034	5,820	8,369	(180)	18,305
Vocal Music	1,299	57,408	56,883	-	1,824
Academic Team	228	-	246	246	228
9th Cheerleaders	44	-	-	-	44
Math/Science/Physics	4,853	6,131	5,477	-	5,507
FCA	527	2,376	2,098	300	1,105
NHS/GT	3,330	1,440	2,431	-	2,339
Reese-MMR	104	-	-	-	104
Quarterback Club	681	-	681	-	-
Soccer	2,126	-	-	-	2,126
BPA	866	835	1,369	-	332
Key Club	2,497	-	-	-	2,497
Cross Country	1,397	4,550	5,269	-	678

The accompanying notes are an integral part of the basic financial statements.

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
AGENCY FUND
REGULATORY BASIS
June 30, 2023

	School Activity Funds				Balance June 30, 2023
	Balance July 1, 2022	Additions	Deletions	Adjustments	
(Continued):					
Middle school:					
Administration	16,281	26,173	27,915	4,014	18,553
Tiny Tigers	6,358	6,898	10,893	-	2,363
FACS	867	395	447	680	1,495
Athletics	71,515	38,697	43,052	625	67,785
Student Council	20,200	8,133	8,963	(832)	18,538
Yearbook	8,533	3,428	3,202	(75)	8,684
Library	1,989	3,515	3,713	107	1,898
Art	4	-	-	-	4
Speech & Drama	5,935	6,485	6,592	-	5,828
Chorus	898	4,905	5,297	(25)	481
Central office:					-
Clearing	-	2,957	2,957	-	-
Cultural Organization	1,701	-	949	-	752
Transportation	-	1,440	1,440	-	-
Office Fund	1,108	755	2,197	1,930	1,596
Pre-K Child Enrichment	-	16,643	13,114	(360)	3,169
Lower Elementary	21,614	13,709	13,730	-	21,593
Upper Elementary	30,654	18,763	22,573	(98)	26,746
Pre-K	17,462	10,292	7,503	(15)	20,236
IC Payment Processing	-	934	15	(771)	148
Special Education	383	-	-	-	383
Tiger Fund	-	4,505,974	-	74,899	4,580,873
Technology	6,062	3,041	2,087	(230)	6,786
Total Liabilities	\$ 429,217	\$ 5,127,188	\$ 621,881	\$ 77,509	\$ 5,012,033

The accompanying notes are an integral part of the basic financial statements.

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Cushing School District Number I-67 (the "District") conform to the regulatory basis of accounting, which is another comprehensive basis of accounting prescribed by the Oklahoma State Department of Education and conforms to the system of accounting authorized by the State of Oklahoma. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America. The District's accounting policies are described in the following notes that are an integral part of the District's financial statements.

A. Reporting Entity

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

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

These financial statements present only the activities of the District. The Cushing Public School Foundation is not included in the reporting entity since the District does not appoint any of the board members or exercise any oversight authority over the Foundation. The Foundation is an independently operated non-profit organization that was developed to assist teachers in improving the quality of education and to provide scholarships. The Foundation exists outside the operational boundaries of the school system. There are no component units (entities considered to be financially accountable to the District).

B. Measurement Focus, Basis of Accounting and Basis of Presentation – Fund Accounting

The District prepares its financial statements in a presentation format that is, in substance, the format established by GASB Statement No. 34, *Basic Financial Statements-Management's Discussion and Analysis for State and Local Governments*.

As to basis of accounting, the basic financial statements are essentially prepared on a basis of cash receipts and disbursements modified as required by the regulations of the Oklahoma State Department of Education as follows:

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

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation – Fund Accounting (Continued)

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.

The Fund financial statements conform to the regulatory (statutory) basis of accounting, which is another comprehensive basis of accounting other than generally accepted accounting principles. The accounting policies are prescribed by the Oklahoma Department of Education and conform to the system of accounting authorized by the State of Oklahoma.

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information. Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the regulatory basis of accounting.

Government-wide Financial Statements – The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except fiduciary funds.

The statement of net position presents the financial condition of the District activities at year-end. The statement of activities presents demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes, interest and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements – During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Fund Accounting – The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. There are two categories of funds: governmental and fiduciary.

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation – Fund Accounting (Continued)

Governmental Funds – are used to account for the District's general activities including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds). Governmental fund types use the Regulatory (Statutory) basis of accounting, which is primarily cash receipts and disbursements with certain modifications as required by the regulations of the Oklahoma State Department of Education. If the District utilized the basis of accounting recognized as generally accepted, the governmental funds would use the modified accrual basis of accounting based on the flow of current financial resources measurement focus recognizing revenues when susceptible to accrual (i.e., when they become measurable and available, normally considered available if collected within 60 days of the end of the current fiscal period). As a result, Ad valorem taxes on real and personal property associated with the current fiscal period and all other revenue items are recorded as revenues when collected rather than when "measurable" and "available." Entitlements, grants and shared revenues are recorded at the time of receipt. Expenditures are generally recognized when encumbered or reserved rather than at the time the related liability is incurred. Unmatured interest for debt service is recognized when due and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Fiduciary type funds are accounted for using the cash basis of accounting. These practices differ from accounting principles generally accepted in the United States of America.

The following are the District's major governmental funds:

General fund – is the main operating fund of the District. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. This is a budgeted fund, and any fund balances are considered as resources available for use. Major revenue sources include local property taxes and federal and state funding. Expenditures include all costs associated with the daily operations of the schools except for programs funded for building repairs and maintenance, school construction, and debt service on bonds and other long-term debt. The General Fund also accounts for federal and state financed programs where restricted monies must be expended for specific programs. Project accounting is employed to maintain integrity for the various sources of these funds.

Capital Projects fund – consists of the District's Bond Fund and accounts for the proceeds of bond sales used exclusively for acquiring school sites, constructing and equipping new school facilities, renovating existing facilities, acquisition of technical equipment and the acquisition of transportation equipment.

Debt Service fund – consists of the District's Sinking Fund and accounts for the accumulation of financial resources for servicing of general long-term debt (principal, interest and related costs). This is a budgeted fund. The primary revenue sources are local property taxes levied specifically for debt service.

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

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation – Fund Accounting (Continued)

Other governmental funds of the District that are considered non-major funds include:

Special Revenue funds – account for revenue sources that are restricted to expenditures for specific purposes (not including expendable trusts or major capital projects). The special revenue funds are composed of the District’s Building Fund, Child Nutrition Fund and CO-OP Fund. These are budgeted funds and any fund balances are considered as resources available for use.

Child Nutrition Fund – consists of monies derived from federal and state financial assistance and food sales. This fund is used to account for the operations of the school cafeteria.

CO-OP Fund – is a special revenue fund which is called the Oklahoma Technical Assistance Center. It accounts for revenue sources that are restricted to expenditures for specific purposes. These are budgeted funds and any fund balances are considered as resources available for use. This fund has not been in use this year.

Fiduciary Funds – account for assets held by the District in a trustee capacity or as an agent on behalf of others.

Agency fund – is custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the cash basis of accounting. This fund is the School Activities Fund used to account for monies collected principally through fundraising efforts of the students and District-sponsored groups. This is an unbudgeted fund. The administration is responsible, under the authority of the Board, of collecting, disbursing and accounting for these activity funds. These funds have no equity, assets are equal to liabilities, and do not include revenues and expenditures for general operation of the District.

C. Assets, Liabilities, Fund Balance, Revenue and Expenditures

1. Deposits and Investments

State statutes govern the District’s investment policy. Permissible investments include direct obligations of the United States Government and Agencies; certificates of deposit of savings and loan associations, and bank and trust companies; and savings accounts or savings certificates of savings and loan associations, and trust companies. Collateral is required for demand deposits and certificates of deposit for all amounts not covered by federal deposit insurance. Investments are stated at cost. The School District invests entirely in certificates of deposit, U.S. Treasury Securities, and participates in the Secured Investment Program of Oklahoma State School Boards Association, as authorized by Oklahoma Statutes Title 62, Section 348.

2. Fair Value of Financial Instruments

The District’s financial instruments include cash and investments. The District’s estimates of the fair value of all financial instruments does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of net assets and fund balance sheets. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Assets, Liabilities, Fund Balance, Revenue and Expenditures (Continued)

3. Estimates

The preparation of financial statements in conformity with the regulatory basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

4. Interfund Transactions

Interfund transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund or expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the fund that is reimbursed. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers.

5. Inventories

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

6. Capital Assets

Capital assets, which include land, buildings and improvements, furniture, fixtures and equipment, and vehicles, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

All reported capital assets are depreciated except for land. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	40 - 100
Furniture, Fixtures and Equipment	10 - 100
Vehicles	5 - 40

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Assets, Liabilities, Fund Balance, Revenue and Expenditures (Continued)

7. Compensated Absences

The District provides vacation and sick leave benefits in accordance with Title 70 of the Oklahoma Statutes, Article 6-104, which provides for annual sick leave and personal business days. District policy allows certified employees to accumulate such days to a maximum number of days. None of the benefits are payable upon retirement or death. Accrued vacation and sick leave benefits are not reflected in the financial statements because such statements are prepared on the regulatory basis of accounting. This practice differs from generally accepted accounting principles.

8. Long-term Obligations

In the government-wide financial statements, long-term debt and long-term lease obligations are reported as liabilities in the applicable statement of net position.

9. Net Position

In the government-wide financial statement, net position represents the difference between assets and liabilities. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws or other governments, or are imposed by law through constitutional provisions or enabling legislation.

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.

Committed fund balance represents amount 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.

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Assets, Liabilities, Fund Balance, Revenue and Expenditures (Continued)

9. Net position (Continued)

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.

10. Property Taxes and Other Local Revenues

The District is authorized by state law to levy property taxes, which consist of ad valorem taxes on real and personal property within the District. The County Assessor, upon receipt of the certification of tax levies from the County Excise Board, extends the tax levies on the tax roll for submission to the County Treasurer. Property taxes are levied on November 1 and are due on receipt of the tax bill. The first half of taxes is due prior to January 1. The second half is due prior to April 1. If the first payment is not made timely, the entire tax becomes due and payable on January 2. Second half taxes become delinquent on April 1 of the year following the assessment. If not paid by the following October 1, the property is offered for sale for the amount of the taxes due. The owner has two years to redeem the property by paying the taxes and penalty owed. If at the end of two years the owner has not done so, the purchaser is issued a deed to the property. No provision has been made for uncollected taxes, as all taxes are deemed collectible. Other local sources of revenues include tuition, fees, rentals, disposals, commissions and reimbursements.

11. Intermediate Revenues

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

12. State Revenues

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

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

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Assets, Liabilities, Fund Balance, Revenue and Expenditures (Continued)

13. Federal Revenues

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

14. Non-Monetary Transactions

The District receives commodities from the U. S. Department of Agriculture. The value of these commodities has been included in the Schedule of Expenditures of Federal Awards and they have been reflected in the basic financial statements as revenue and expense.

15. Resource Use Policy

It is in the School'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 School considers restricted amounts to be spent first before any unrestricted amounts are used. Furthermore, it is the School'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.

2. DETAILED NOTES CONCERNING THE FUNDS

A. Deposits and Investments

Custodial Credit Risk

At June 30, 2023, the District held deposits of approximately \$28,626,592 at financial institutions. The District's cash deposits, including interest-bearing certificates of deposit, are entirely covered by Federal Depository Insurance (FDIC) or direct obligation of the U.S. Government insured or collateralized with securities held by the District or by its agent in the District's name.

Investment Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Investment Credit Risk

The District has no policy that limits its investment choices other than the limitation of state law as follows:

- a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023

2. DETAILED NOTES CONCERNING THE FUNDS (Continued)

A. Deposits and Investments (Continued)

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

The cash and investments held at June 30, 2023 are as follows:

Type	Weighted Average Maturity (Months)	Credit Rating	Market Value	Cost
Investments				
Money Market	N/A	AAAm	\$ 14,344,954	\$ 14,344,954
CDs	14		14,281,638	14,281,638
Total investments			<u>\$ 28,626,592</u>	<u>\$ 28,626,592</u>

Concentration of Investment Credit Risk

The District places no limit on the amount it may invest in any one issuer. The District has the following of credit risk: 50.1% in Money Market funds (\$14,344,954) and 49.9% in CDs (\$14,281,638).

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023

2. DETAILED NOTES CONCERNING THE FUNDS (Continued)

B. Capital Assets

Primary Government capital asset activity for the year ended is as follows:

Governmental Activities:	Balance 6/30/22	Additions	Disposals	Balance 6/30/23
Non-depreciable assets:				
Land	\$ 1,193,875	\$ -	\$ -	\$ 1,193,875
Work in process	225,412	55,041,711	-	55,267,123
Total non-depreciable assets	<u>1,419,287</u>	<u>55,041,711</u>	<u>-</u>	<u>56,460,998</u>
Depreciable assets:				
Buildings and improvements	72,476,432	-	-	72,476,432
Furniture, fixtures and equipment	7,275,099	-	-	7,275,099
Vehicles	2,822,642	-	-	2,822,642
Total depreciable assets	<u>82,574,173</u>	<u>-</u>	<u>-</u>	<u>82,574,173</u>
Less accumulated depreciation:				
Buildings and improvements	(19,429,274)	(724,764)	-	(20,154,038)
Furniture, fixtures and equipment	(6,981,154)	(49,864)	-	(7,031,018)
Vehicles	(2,330,417)	(98,445)	-	(2,428,862)
Total accumulated depreciation	<u>(28,740,845)</u>	<u>(873,073)</u>	<u>-</u>	<u>(29,613,918)</u>
Net depreciable assets	<u>53,833,328</u>	<u>(873,073)</u>	<u>-</u>	<u>52,960,255</u>
Net governmental activities capital assets	<u>\$ 55,252,615</u>	<u>\$ 54,168,638</u>	<u>\$ -</u>	<u>\$ 109,421,253</u>

C. Long-term Debt

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

The District issued building bonds in the amount of \$9,960,000 on June 1, 2023. Bond maturities begin June 1, 2024 with a payment of \$9,960,000.

Debt service requirements for the 2023 building bonds are as follows:

Year Ended June 30,	General Obligation Bonds		Interest	Total Requirements
<u>2024</u>	Rate	Principal	Interest	Requirements
	2.80%	\$ 9,960,000	\$ 278,880	\$ 10,238,880
		<u>\$ 9,960,000</u>	<u>\$ 278,880</u>	<u>\$ 10,238,880</u>

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023

2. DETAILED NOTES CONCERNING THE FUNDS (Continued)

D. Leases

As per Oklahoma Statutes 200, Section 430.1, the District executed a lease for construction, equipment and capital improvement of the new middle school building, a roofing project and a new track during the 2013-14 year. The lease is to be financed by the issue of building bonds on a yearly basis and paid annually. This lease was paid off in the current year.

As per Oklahoma Statutes 200, Section 430.1, the District executed a lease for construction, equipment and capital improvement of the new elementary school, middle school addition, playground, stadium concessions, freshman wing, band wing and high school renovations. The lease is to be financed by the issue of building bonds on a yearly basis and paid annually.

Annual rental and interest payments to maturity are as follows:

Year Ended June 30,	Amount
2024	2,595,500
2025	13,676,375
2026	2,027,250
2027	2,027,250
2028	2,027,250
2029	15,857,625
2030	1,318,000
2031	1,318,000
2032	1,318,000
2033	\$ 27,019,000
Total	69,184,250
Less Interest	(17,274,250)
Total	\$ 51,910,000

The above leases contain a clause that gives the District the ability to terminate the lease agreements at the end of each fiscal year. The District has recorded the liability for future lease payments in the general long-term debt account group for these leased assets.

Long-term debt consists of bonds payable and lease obligations. The following is a summary of the changes in general long-term debt transactions of the District for the fiscal year:

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023
Bonds payable	\$ 9,960,000	\$ -	\$ -	\$ 9,960,000
Leases payable	7,210,000	51,910,000	7,210,000	51,910,000
Total	\$ 17,170,000	\$ 51,910,000	\$ 7,210,000	\$ 61,870,000

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023

3. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; or acts of God. The District purchases commercial insurance to cover these risks, including general and auto liability, property damage, and public officials' liability. The District had the following insurance coverage during the year: commercial property - \$1,460,000,000; general liability - \$1,000,000; and educators' liability \$1,000,000. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

The 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.

The District is also a member of the Oklahoma Public Schools Unemployment Compensation Program. In this program the District is required to contribute 1.6% of their taxable payroll for unemployment insurance. The funds for each district are kept separate and districts can contribute more than 1.6% of their payroll if they elect to. The money contributed by each District earns interest and is fully insured. If the District has claims in excess of the amount in their account, they would be liable for the excess.

B. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. 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.

C. Non-Monetary Transactions

The fair market value as determined by the Oklahoma Department of Human Services of the commodities received during the period under audit was \$84,720.

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023

3. OTHER INFORMATION (Continued)

D. Employee Retirement System and Plan

Description of Plan

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

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

Basis of Accounting

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

Funding Policy

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

Annual Pension Cost

The District's total contributions for 2023, 2022 and 2021 were \$916,734, \$889,461 and \$837,546, respectively.

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023

3. OTHER INFORMATION (Continued)

E. Surety Bonds

The Superintendent and Assistant Superintendent are bonded by Ohio Casualty Insurance Company. The bond number is 5080586, for the penal sum of \$100,000 each for the term July 1, 2022 to July 1, 2023.

The Treasurer is bonded by Ohio Casualty Insurance Company. The bond number is 5080586, for the penal sum of \$100,000 for the term July 1, 2022 to July 1, 2023.

The Lunch Fund Clerks are each bonded by Ohio Casualty Insurance Company. The bond number is 5080586, it covers each lunch fund clerk for the penal sum of \$5,000, and it is for the term July 1, 2022 to July 1, 2023.

The encumbrance clerk is bonded by Ohio Casualty Insurance Company. The bond number is 5080586, for the penal sum of \$5,000 for the term July 1, 2022 to July 1, 2023.

The Activity Fund Clerks are each bonded by Ohio Casualty Insurance Company. The bond number is 5080586, it covers each activity fund clerk for the penal sum of \$5,000, and it is for the term July 1, 2022 to July 1, 2023.

The minutes clerk is bonded by Ohio Casualty Insurance Company. The bond number is 5080586, for the penal sum of \$5,000 for the term July 1, 2022 to July 1, 2023.

The HR/payroll manager is bonded by Ohio Casualty Insurance Company. The bond number is 5080586, for the penal sum of \$10,000 for the term July 1, 2022 to July 1, 2023.

4. RELATED PARTY

The Cushing Educational Facilities Authority was created by Trust Indenture dated September 13, 2013, under the provisions of Title 60, Oklahoma Statutes 2011, Sections 176 to 180.3, inclusive. The Trust was created generally to promote the development of educational, recreational and cultural activities within and near the territorial limits of the City and to thereby provide educational, recreational and cultural facilities which will benefit and strengthen culture and the economy of the City of Cushing, Oklahoma. The Authority is exempt from State and Federal Income taxes. The City of Cushing, as beneficiary, has elected to preserve the legal structure of this Authority for a potential future use. The School will be liable to pay the following back through bond issues.

In 2013, the Authority issued 2013 General Obligation Bonds in the amount of \$39,730,000 for the purpose of constructing, equipping, repairing and remodeling school buildings, acquiring school furniture, fixtures and equipment and acquiring and improving school sites. This project was fully paid for in the current year.

In 2023, the Authority issued 2023 General Obligation Bonds in the amount of \$69,700,000 for the purpose of constructing, equipping, repairing and remodeling school buildings, acquiring school furniture, fixtures and equipment and acquiring and improving school sites.

5. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of the audit report, which is the date the financial statements were available to be issued and have determined that there is a possibility that the Cushing School Building Fund may be required to re-pay Stroud Schools Building Fund for excess property tax revenues received due to Lincoln County incorrectly identifying the school districts in the property tax valuations. No estimated amount of liability has been added to the financial statements at this time.

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

SUPPLEMENTAL INFORMATION
June 30, 2023

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
(Non-GAAP Budgetary Basis)

GENERAL FUND
For the Fiscal Year Ended June 30, 2023
(Unaudited)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues:				
Local sources	\$ 12,583,070	\$ 12,583,070	\$ 13,369,320	\$ 786,250
Intermediate sources	682,030	682,030	790,259	108,229
State sources	2,817,105	2,817,105	2,857,100	39,995
Federal sources	2,618,881	2,618,881	1,444,664	(1,174,217)
Other sources	-	-	25,660	25,660
Total revenues	<u>18,701,086</u>	<u>18,701,086</u>	<u>18,487,003</u>	<u>(214,083)</u>
Expenditures:				
Instruction	13,362,827	13,362,827	10,387,439	2,975,388
Support services	6,248,919	6,248,919	6,248,784	135
Non-instructional services	15,590	15,590	15,590	-
Capital outlay	-	-	-	-
Other outlays	9,591	9,591	9,591	-
Principal retirement	-	-	-	-
Interest & fiscal agent charges	-	-	-	-
Repayments	-	-	-	-
Total expenditures	<u>19,636,927</u>	<u>19,636,927</u>	<u>16,661,404</u>	<u>2,975,523</u>
Net change in fund balance	(935,841)	(935,841)	1,825,599	2,761,440
Beginning fund balance	935,841	935,841	935,841	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>620</u>	<u>620</u>
Ending fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,762,060</u>	<u>\$ 2,762,060</u>

The accompanying notes are an integral part of this statement.

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
(Non-GAAP Budgetary Basis)

SPECIAL REVENUE FUNDS - BUILDING FUND
For the Fiscal Year Ended June 30, 2023
(Unaudited)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues:				
Local sources	\$ 1,757,304	\$ 1,757,304	\$ 2,010,566	\$ 253,262
Intermediate sources	-	-	-	-
State sources	-	-	8	8
Federal sources	-	-	379,190	379,190
Other sources	-	-	17,640	17,640
	<u>1,757,304</u>	<u>1,757,304</u>	<u>2,407,404</u>	<u>650,100</u>
Total revenues	<u>1,757,304</u>	<u>1,757,304</u>	<u>2,407,404</u>	<u>650,100</u>
Expenditures:				
Instruction	8,775	8,775	8,775	-
Support services	1,322,103	1,322,103	1,322,103	-
Non-instructional services	-	-	-	-
Capital outlay	17,826,759	17,826,759	2,045,482	15,781,277
Other outlays	12,554	12,554	12,554	-
Repayments	-	-	-	-
	<u>19,170,191</u>	<u>19,170,191</u>	<u>3,388,914</u>	<u>15,781,277</u>
Total expenditures	<u>19,170,191</u>	<u>19,170,191</u>	<u>3,388,914</u>	<u>15,781,277</u>
Net change in fund balance	(17,412,887)	(17,412,887)	(981,510)	16,431,377
Beginning fund balance	17,412,887	17,412,887	17,412,887	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,431,377</u>	<u>\$ 16,431,377</u>

The accompanying notes are an integral part of this statement.

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
(Non-GAAP Budgetary Basis)

SPECIAL REVENUE FUNDS - CHILD NUTRITION FUND
For the Fiscal Year Ended June 30, 2023
(Unaudited)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues:				
Local sources	\$ 70,699	\$ 70,699	\$ 127,311	\$ 56,612
Intermediate sources	-	-	-	-
State sources	9,344	9,344	7,806	(1,538)
Federal sources	1,184,389	1,184,389	744,932	(439,457)
Other sources	-	-	2,419	2,419
	<u>1,264,432</u>	<u>1,264,432</u>	<u>882,468</u>	<u>(381,964)</u>
Total revenues				
	<u>1,264,432</u>	<u>1,264,432</u>	<u>882,468</u>	<u>(381,964)</u>
Expenditures:				
Support services	-	-	-	-
Non-instructional services	1,818,012	1,818,012	796,943	1,021,069
Capital outlay	-	-	-	-
Other outlays	2,419	2,419	2,419	-
Repayments	-	-	-	-
	<u>1,820,431</u>	<u>1,820,431</u>	<u>799,362</u>	<u>1,021,069</u>
Total expenditures				
	<u>1,820,431</u>	<u>1,820,431</u>	<u>799,362</u>	<u>1,021,069</u>
Net change in fund balance	(555,999)	(555,999)	83,106	639,105
Beginning fund balance	555,999	555,999	555,999	-
Prior year encumbrances appropriated	-	-	334	334
Ending fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 639,439</u>	<u>\$ 639,439</u>

The accompanying notes are an integral part of this statement.

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
(Non-GAAP Budgetary Basis)

DEBT SERVICE FUND
For the Fiscal Year Ended June 30, 2023
(Unaudited)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues:				
Local sources	\$ 5,402,067	\$ 5,402,067	\$ 5,555,042	\$ 152,975
Intermediate sources	-	-	-	-
State sources	-	-	24	24
Federal sources	-	-	-	-
Other sources	-	-	-	-
Total revenues	<u>5,402,067</u>	<u>5,402,067</u>	<u>5,555,066</u>	<u>152,999</u>
Expenditures:				
Debt service:				
Principal retirement	-	-	-	-
Interest & fiscal agent charges	<u>278,880</u>	<u>278,880</u>	<u>278,880</u>	<u>-</u>
Total expenditures	<u>278,880</u>	<u>278,880</u>	<u>278,880</u>	<u>-</u>
Net change in fund balance	5,123,187	5,123,187	5,276,186	152,999
Beginning fund balance	<u>(119,947)</u>	<u>(119,947)</u>	<u>(119,947)</u>	<u>-</u>
Ending fund balances	<u>\$ 5,003,240</u>	<u>\$ 5,003,240</u>	<u>\$ 5,156,239</u>	<u>\$ 152,999</u>

The accompanying notes are an integral part of this statement.

**CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma**

**NOTES TO BUDGETARY INFORMATION
For the Fiscal Year Ended June 30, 2023
(Unaudited)**

BUDGETARY INFORMATION

The District is required by state law to prepare an annual budget. A preliminary budget is submitted to the Board of Education by December 31 for the fiscal year beginning the following July 1. Since the voters have permanently approved the additional levies, the preliminary budget becomes the legal budget. An annual Estimate of Needs is then approved by the Board and subsequently filed with the County Clerk and approved by the County Excise Board. Supplemental appropriations can be made during the year.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders and other commitments of resources are recorded as expenditures of the applicable fund - is utilized in all Governmental Funds of the District. Purchase orders or contracts document encumbrances for goods or purchased services. Under Oklahoma law, unencumbered appropriations lapse at year-end.

**CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023**

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal Assistance Listing</u>	<u>Pass-through Grantor's Project Number</u>	<u>Grant Number</u>	<u>Approved Amount</u>	<u>Balance July 1, 2022</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Balance June 30, 2023</u>
<u>U.S. Department of Education:</u>								
<u>Direct Programs:</u>								
Title VII - Indian Education	84.060	561	S060A220008	\$ 65,148	\$ -	\$ 65,148	\$ 65,148	\$ -
Sub-Total				<u>65,148</u>	<u>-</u>	<u>65,148</u>	<u>65,148</u>	<u>-</u>
<u>Passed through State Department of Education:</u>								
Title I	84.010	785 - 511	S010A220036	362,769	-	359,567	359,567	-
Title I	84.010	515	S010A220036	58,121	-	52,669	54,804	(2,135)
Title I 21-22	84.010	515	S010A210036	-	(115)	115	-	-
Title II, Part A	84.367	785 - 541	S367A220035	67,726	-	67,726	67,726	-
Title IV, Part A	84.424	785 - 552	S424A220037	24,851	-	24,851	24,851	-
Title V	84.358	785 - 587	S358B220035	68,392	-	58,014	58,014	-
Sub-Total				<u>581,859</u>	<u>(115)</u>	<u>562,942</u>	<u>564,962</u>	<u>(2,135)</u>
<u>ESSER Cluster:</u>								
ESSER III	84.425U	795	S425D220024	1,520,428	-	834,516	1,022,731	(188,215)
ESSER III 21-22	84.425U	795	S425D220024	2,631,573	(6,608)	6,608	-	-
ESSER III Homeless II	84.425W	797	S425D220024	7,103	-	-	-	-
ESSER II	84.425	793	S425D210024	3,794	-	3,794	3,794	-
ESSER II 21-22	84.425	793	S425D210024	405,490	(105)	105	-	-
ESSER II	84.425U	725	S425D220024	5,247	-	5,247	5,248	(1)
ESSER II	84.425U	726	S425D220024	1,938	-	1,938	1,938	-
ESSER Cluster Sub-Total				<u>4,575,573</u>	<u>(6,713)</u>	<u>852,208</u>	<u>1,033,711</u>	<u>(188,216)</u>
<u>Passed through State Department of Career and Technology Education:</u>								
Carl Perkins	84.048	421	V048A220036	18,845	-	17,453	17,453	-
Sub-Total				<u>18,845</u>	<u>-</u>	<u>17,453</u>	<u>17,453</u>	<u>-</u>

**CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023**

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal Assistance Listing</u>	<u>Pass-through Grantor's Project Number</u>	<u>Grant Number</u>	<u>Program or Award Amount</u>	<u>Balance July 1, 2022</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Balance June 30, 2023</u>
IDEA Cluster:								
IDEA-B, Special Ed Prof Dev	84.027	613		600	-	-	-	-
IDEA-B, ARP Flowthrough	84.027	628		85,468	-	-	-	-
IDEA-B, SEA Discretionary	84.027	615		2,240	-	533	533	-
IDEA-B, ARP Preschool	84.173	643		4,849	-	-	-	-
IDEA Cluster Sub-Total				<u>93,157</u>	<u>-</u>	<u>533</u>	<u>533</u>	<u>-</u>
<u>U.S. Department of Agriculture:</u>								
<u>Passed through State Department of Education:</u>								
Child Nutrition Programs:								
Supply Chain	10.555	759		88,856	-	51,890	1,744	50,146
P-EBT	10.649	760		1,242	-	628	-	628
Distance Learn & Telemed	10.855	770		325,571	-	325,569	240,330	85,239
NSPL Cares Emergency Fund	10.555	762		16,757	-	-	-	-
National School Lunch Program	10.555	763		746,213	-	461,948	426,444	35,504
School Breakfast Program	10.553	764		227,980	-	227,980	227,980	-
Summer Food Service Program	10.559	766		83,116	-	2,487	2,799	(312)
Child Nutrition Cluster sub-total				<u>1,489,735</u>	<u>-</u>	<u>1,070,502</u>	<u>899,297</u>	<u>171,205</u>
Passed through Oklahoma Department of Agriculture								
Human Services (Note C)	10.565			84,720	-	84,720	84,720	-
Sub-Total				<u>1,574,455</u>	<u>-</u>	<u>1,155,222</u>	<u>984,017</u>	<u>171,205</u>
Total Expenditures of Federal Awards				<u>\$ 6,909,037</u>	<u>\$ (6,828)</u>	<u>\$ 2,653,506</u>	<u>\$ 2,665,824</u>	<u>\$ (19,146)</u>

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023

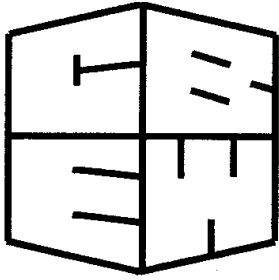
Note A - Basis of Presentation - The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the School under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only selected portion of the operations of the School, it is not intended and does not present the financial position, changes in net assets, or cash flows of the School.

Note B - 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 C. 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 C - Food Distribution - Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*
June 30, 2023



CBEW Professional Group, LLP

Certified Public Accountants

P.O. Box 790

Cushing, OK 74023

918-225-4216 FAX 918-225-4315

Charles E. Crooks, Jr., CPA – Trisha J. Rieman, CPA – Gabrielle Conchola, CPA

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

August 25, 2023

The Honorable Board of Education
Cushing School District Number I-67
Cushing, Payne 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 basic financial statements —regulatory basis of the governmental activities, each major fund, and the aggregate remaining fund information of the Cushing School District Number I-67, Cushing, Payne County, Oklahoma (District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated August 25, 2023, which was adverse with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in the United States because the presentation followed the regulatory basis of accounting for Oklahoma school districts and did not conform to the presentation requirements of the Governmental Accounting Standards Board.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

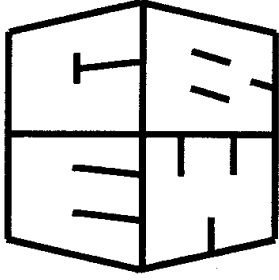
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Purpose of this Report

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

CBEW Professional Group, LLP

CBEW PROFESSIONAL GROUP, LLP
Certified Public Accountants



CBEW Professional Group, LLP

Certified Public Accountants

P.O. Box 790

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Charles E. Crooks, Jr., CPA – Trisha J. Rieman, CPA – Gabrielle Conchola, CPA

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

August 25, 2023

The Honorable Board of Education
Cushing School District Number I-67
Cushing, Payne County, Oklahoma

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Cushing School District Number I-67, Cushing, Payne County, Oklahoma (the District)'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. 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, Cushing School District Number I-67, Cushing, Payne 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, 2023.

Basis of 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 Cushing School District Number I-67, Cushing, Payne 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 Cushing School District Number I-67, Cushing, Payne County, Oklahoma's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Cushing School District Number I-67, Cushing, Payne County, Oklahoma's federal programs.

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Serving Our Clients Since 1960

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 Cushing School District Number I-67, Cushing, Payne 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 Cushing School District Number I-67, Cushing, Payne County, Oklahoma's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Cushing School District Number I-67, Cushing, Payne County, Oklahoma's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Cushing School District Number I-67, Cushing, Payne County, Oklahoma's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Cushing School District Number I-67, Cushing, Payne County, Oklahoma's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

CBEW Professional Group, LLP

CBEW PROFESSIONAL GROUP, LLP
Certified Public Accountants

CUSHING SCHOOLS DISTRICT NO. I-67
Payne County, Oklahoma

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2023

SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

Type of Auditor's Report Issued: Adverse opinion on the basic financial statements—regulatory basis in conformity with generally accepted accounting principles and an unmodified opinion on the governmental activities, each major fund and the aggregate remaining fund information in conformity with a regulatory basis of accounting prescribed by the Oklahoma Department of Education.

Internal Control Over Financial Reporting:

Material Weakness(es) identified? Yes No

Significant Deficiencies identified not considered to be material weaknesses? None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards:

Type of auditors report issued on compliance for major programs: Unmodified in conformity with the regulatory basis of accounting.

Internal Control Over Major Programs:

Material Weakness(es) identified? Yes No

Significant Deficiencies identified not considered to be material weaknesses? None reported

Audit findings disclosed that are required to be reported in accordance with the Uniform Guidance, Section .516(a)? Yes No

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

Auditee Qualified as low-risk auditee? Yes No

Identification of Major Programs:

CFDA#

84.425 – ESSER II and ESSER III Formula Funds

84.060 – Title VII - Indian Education

FINDINGS - FINANCIAL STATEMENT AUDIT

1. None.

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

1. None

**CUSHING SCHOOLS DISTRICT NO. I-67
Payne County, Oklahoma**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2023**

None.

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

OTHER INFORMATION
June 30, 2023

CUSHING SCHOOL DISTRICT NUMBER I-67
Payne County, Oklahoma

ACCOUNTANT'S PROFESSIONAL
LIABILITY INSURANCE AFFIDAVIT

JULY 1, 2022 TO JUNE 30, 2023

State of Oklahoma)

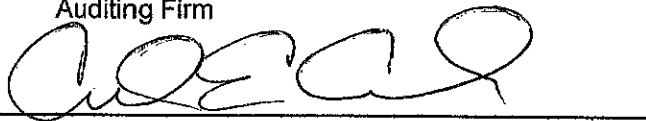
County of Payne)

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 Cushing School District for the audit year 2022-2023.

CBEW PROFESSIONAL GROUP, LLP
Certified Public Accountants

Auditing Firm

By



Authorized Agent

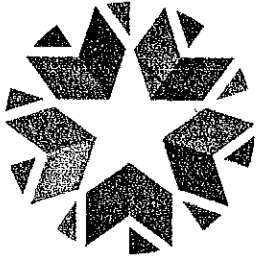
Subscribed and sworn to before me on this 25 day of, August, 2023.


Notary Public

My commission expires on:

22 day of Sept, 2024 # 16009115





OKLAHOMA Education

Audit
Acknowledgement Audit
Year: 2022-2023

District Name Cushing Public Schools

District Number 1-67

County Name Payne County

County Code 60

The annual independent audit was presented to the Board of Education in a meeting conducted in accordance with the Open Meeting Act 25 O.S. Section 301-314 on September 7, 2023

The audit was presented by CBEW Professional Group, LLP *[Signature]*
Date of Meeting

(Independent Auditor)

(Independent Auditor's Signature)

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

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

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

Signature of the Board of Education:

[Signature]
Superintendent

[Signature]
Board of Education President

[Signature]
Board of Education Vice President

[Signature]
Board of Education Member

[Signature]
Board of Education Member

[Signature]
Board of Education Member

[Signature]
Board of Education Member

Subscribed and sworn before me on Sept 7, 2023

My Commission expires 3/10/24

[Signature]
(Notary Public)

