

# **NEW ISSUE – BOOK-ENTRY ONLY**

Independent School District No. 20  
of Muskogee County, Oklahoma

*(Muskogee Board of Education)*

## **PRELIMINARY OFFICIAL STATEMENT**

DATED: April 7, 2026

\$10,800,000 Building Bonds of 2026  
(Federally Taxable)

**SEALED BIDS WILL BE RECEIVED UNTIL:**  
**12:30 o'clock p.m., on the 21st day of April, 2026**

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 5:30 o'clock p.m. on the 21st day of April, 2026

FINANCIAL ADVISOR  
STEPHEN H. MCDONALD & ASSOCIATES, INC.

OFFICIAL BID FORM – Exhibit B

21st day of April, 2026

Board of Education  
Independent School District No. 20  
Muskogee County, Oklahoma

For your issue of General Obligation Building Bonds of 2026 (Federally Taxable), dated June 1, 2026, of the par value of \$10,800,000 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:

\$5,400,000 due 6-1-2028 @ \_\_\_\_\_ %

\$5,400,000 due 6-1-2029 @ \_\_\_\_\_ %

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 Floyd & Driver, PLLC, Attorneys at Law, Norman, Oklahoma, Bond Counsel, 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 \$216,000.00 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. 20 Muskogee County, Oklahoma

### \$10,800,000 Building Bonds of 2026 (Federally Taxable)

#### Place and Time of Sale

The Board of Education of Independent School District No. 20 of Muskogee County, Oklahoma (the "School District"), will receive sealed bids at the Board Room, Education Service Center, Muskogee Public Schools, 202 W. Broadway, Muskogee, Oklahoma, **until 12:30 o'clock p.m., Tuesday, the 21st day of April, 2026**, for the sale of its \$10,800,000 Building Bonds of 2026 (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 5:30 o'clock p.m. on the 21st day of April, 2026.

#### Address of Bids

Sealed bids, plainly marked "Bid for Bonds", may be mailed either to "Mr. David Chester, Executive Director of Finance, Muskogee Public Schools, 202 West Broadway Street, Muskogee, Oklahoma 74401" 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. 20 of Muskogee County, Oklahoma**" in the amount of two percent (2%) of the par value of the Bonds, or **\$216,000.00**. 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 21, 2026, after the bids are due at 12:30 o'clock p.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 Floyd & Driver, PLLC, Attorneys at Law, Norman, 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**

S&P Global Ratings ("S&P") has assigned its municipal bond rating of "BBB" to this issue of bonds. Such rating will reflect only the view of S&P and an explanation of the significance of such rating may be obtained only from S&P. 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 S&P 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 4th day of June, 2026.

### **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.

**NEW ISSUE – BOOK-ENTRY ONLY**

**S&P Rating: BBB  
Rating: Oklahoma #1**

*In the opinion of Floyd & Driver, P.L.L.C., Attorneys at Law, Norman, 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.*

**\$10,800,000  
Independent School District No. 20  
Muskogee County, Oklahoma  
(Muskogee Public Schools)  
Building Bonds of 2026  
(Federally Taxable)**

**Dated: June 1, 2026**

**Due: June 1, as shown below**

The Bonds are being issued by Independent School District No. 20 of Muskogee County, Oklahoma (the “School District”). The Bonds are dated as of June 1, 2026. Interest on the Bonds is payable semiannually on June 1 and December 1 of each year (each an “Interest Payment Date”), commencing June 1, 2027. 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, furnish and/or acquire a fieldhouse to include, but not be limited to: metals, wood and plastics, thermal and moisture protection, doors, windows, finishes, specialties, equipment, mechanical equipment and electrical, 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 June 1	Principal Amount	Interest Rate	Yield	Due June 1	Principal Amount	Interest Rate	Yield
2028	\$5,400,000			2029	\$5,400,000		

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 Floyd & Driver, P.L.L.C., Attorneys at Law, Norman, Oklahoma. It is expected that the Bonds will be available for delivery on or about the 4th day of June, 2026.*

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

**Board of Education  
Independent School District No. 20  
Muskogee County, Oklahoma**

Bobby Jefferson, *President*  
Tommy Anderson, *Vice President*  
Larry Stewart, *Clerk and Member*  
Debra HorseChief, *Member*  
Danny Shiew, *Member*

**SCHOOL ADMINISTRATION**

Dr. Jarod Mendenhall, *Superintendent of Schools*  
David Chester, *Executive Director of Finance*  
Mika Barton, *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.

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## **INTRODUCTORY STATEMENT**

This Official Statement, including the Exhibits attached hereto (if any), has been prepared on behalf of Independent School District No. 20 of Muskogee County, Oklahoma (the “School District”), in connection with the original issuance and sale by the School District of its Building Bonds of 2026 (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 21st day of April, 2026. The Bonds were authorized to be issued at a special election held in the School District on the 8th day of October, 2019.

Proceeds from the Bonds will be used to construct, equip, furnish and/or acquire a fieldhouse to include, but not be limited to: metals, wood and plastics, thermal and moisture protection, doors, windows, finishes, specialties, equipment, mechanical equipment and electrical, as well as to pay all legal, financial and other costs relating to the issuance of the Bonds.

### **General Description**

The Bonds are dated June 1, 2026, are fully registered bonds, and are in denominations of \$5,000 or any integral multiple thereof. The Bonds bear interest from June 1, 2026, and interest will be paid semiannually on June 1 and December 1 of each year (each an “Interest Payment Date”), commencing June 1, 2027. It is anticipated that the Bonds will be available for delivery on or about the 4th day of June, 2026.

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](http://www.dtcc.com) and [www.dtc.org](http://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 2026-27, 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% 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, 2025, is shown below:

2025-26 Estimated Full Market Value	\$3,170,644,741
2025-26 Assessed Valuation, including Homestead Exemptions	\$360,302,448
2025-26 Assessed Valuation, excluding Homestead Exemption	\$340,045,618

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)
Muskogee County	\$340,045,618	\$34,004,561.80	1.01139800000	<u>\$34,392,145.80</u>
<b>TOTAL ADJUSTED LEGAL DEBT LIMIT (BONDING CAPACITY)</b>				<b>\$34,392,145.80</b>

(1) Net Assessed Valuation times 10%.

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

Total Bonded Indebtedness (including the Bonds)	\$35,900,000
<u>Less: Current Sinking Fund Balance</u>	<u>8,058,798</u>
Net General Obligation Bonded Indebtedness	\$27,841,202
Remaining Bonding Capacity	\$6,550,944
Ratio of Net General Obligation Bonded Indebtedness to Net Assessed Valuation	8.19%
Ratio of Net General Obligation Bonded Indebtedness to Estimated Full Market Value	0.88%

### Authorized but Unissued Bonds

The School District has an additional \$68,325,000 in bonds authorized to be issued. It is anticipated that the remaining bonds will be issued as follows: \$4,845,000 in July 2027; \$10,640,000 in July 2028; \$8,680,000 in July 2029; \$10,785,000 in July 2030; \$9,000,000 in July 2031; \$10,875,000 in July 2032; \$9,205,000 in July 2033; and \$4,295,000 in July 2034.

### Composition and Growth of the Net Assessed Valuation

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

<u>Property</u>	<u>Muskogee County</u>	<u>Percentage</u>
Real	\$197,537,644	58.09%
Personal	\$120,272,077	35.37%
Public Service	\$22,235,897	6.54%
TOTAL	\$340,045,618	100.00%

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

<u>Fiscal Year</u>	<u>Amount</u>	<u>Fiscal Year</u>	<u>Amount</u>
2025-2026	\$340,045,618	2020-2021	\$278,208,677
2024-2025	\$321,801,418	2019-2020	\$279,153,145
2023-2024	\$330,217,880	2018-2019	\$276,502,164
2022-2023	\$302,099,342	2017-2018	\$271,599,142
2021-2022	\$287,398,095	2016-2017	\$271,749,807

During this period, the Net Assessed Valuation of the School District increased \$68,295,811 or 25.13%.

**General Obligation Bonded Debt Outstanding**

Date of Issuance	Original Principal Amount	Remaining Maturities	Maturity Dates	Total Outstanding
7-1-21	\$5,975,000	\$1,500,000	7-1-26	\$1,500,000
7-1-22	\$7,130,000	\$1,800,000	7-1-26/27	\$3,600,000
7-1-23	\$7,500,000	\$1,875,000	7-1-26/28	\$5,625,000
6-1-24	\$7,550,000	\$3,775,000	6-1-26/27	\$7,550,000
5-1-25	\$6,825,000	\$1,700,000	5-1-27/29	
		\$1,725,000	5-1-30	\$6,825,000
6-1-26	\$10,800,000	\$5,400,000	6-1-28/29	\$10,800,000
<b>TOTAL</b>				<b>\$35,900,000</b>

**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	
2025-2026	\$3,775,000.00	\$505,212.50			\$4,280,212.50
2026-2027	\$10,650,000.00	\$843,768.75		\$513,000.00	\$12,006,768.75
2027-2028	\$5,375,000.00	\$399,800.00	\$5,400,000.00	\$513,000.00	\$11,687,800.00
2028-2029	\$3,575,000.00	\$201,000.00	\$5,400,000.00	\$256,500.00	\$9,432,500.00
2029-2030	\$1,725,000.00	\$77,625.00			\$1,802,625.00
<b>TOTAL</b>	<b>\$25,100,000.00</b>	<b>\$2,027,406.25</b>	<b>\$10,800,000.00</b>	<b>\$1,282,500.00</b>	<b>\$39,209,906.25</b>

\* The average annual interest rate on the Bonds is assumed to be 4.75%.

**Net Direct, Overlapping and Underlying General Obligation Bonded Indebtedness (as of June 30, 2025)**

Municipality	Net Indebtedness	Amount Applying to the School Dist.	Ratio to Assessed Value of the School Dist.	Per Capita Debt
Muskogee School District	\$27,841,202	\$27,841,202	8.19%	\$1,212.60
City of Muskogee	\$894,601	\$764,341	0.22%	\$33.29
Muskogee County	\$4,697,328	\$2,433,944	0.72%	\$106.01
<b>TOTAL</b>	<b>\$33,433,131</b>	<b>\$31,039,487</b>	<b>9.13%</b>	<b>\$1,351.90</b>

### Sinking Fund Tax Collections

Fiscal Year	Net Levy	Gross Levy	Current Collections	Total Collections
2025-2026	\$10,523,880	\$11,050,074	In process of collection	
2024-2025	\$9,958,633	\$10,456,565	\$9,988,532	\$10,241,272
2023-2024	\$8,429,079	\$8,850,532	\$8,038,966	\$8,268,000
2022-2023	\$7,037,000	\$7,388,850	\$7,138,364	\$7,401,965
2021-2022	\$6,853,929	\$7,196,625	\$6,915,243	\$7,827,121
2020-2021	\$6,125,970	\$6,738,567	\$6,574,733	\$6,843,732

### 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
2024-2025	100.30%	102.84%
2023-2024	95.37%	98.09%
2022-2023	101.44%	105.19%
2021-2022	100.89%	114.20%
2020-2021	107.33%	111.72%

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
2024-2025	95.52%	97.94%
2023-2024	90.83%	93.42%
2022-2023	96.61%	100.18%
2021-2022	96.09%	108.76%
2020-2021	97.57%	101.56%

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

Fiscal Year	Muskogee School District	City of Muskogee	Muskogee County	EMS District	Technology Center	Total Levy
2016-2017	60.02	1.29	20.76	3.04	10.13	95.24
2017-2018	58.58	1.73	20.76	3.04	10.13	94.24
2018-2019	60.53	2.99	20.76	3.04	10.13	97.45
2019-2020	62.67	2.88	20.76	3.04	10.13	99.48
2020-2021	64.68	1.65	20.76	3.04	10.13	100.26
2021-2022	65.50	0.68	20.76	3.04	10.13	100.11
2022-2023	64.92	0.77	20.76	3.04	10.13	99.62
2023-2024	67.26	1.20	20.76	3.04	10.13	102.39
2024-2025	72.95	2.08	20.76	3.04	10.13	108.96
2025-2026	72.96	1.80	24.07	3.04	10.13	112.00

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

**INDEPENDENT SCHOOL DISTRICT NO. 20, MUSKOGEE COUNTY, OKLAHOMA**

**General Information**

Independent School District No. 20 of Muskogee County, Oklahoma (Muskogee Public Schools) is a 44 square mile school district serving a portion of the City of Muskogee (Population: 36,878), the County Seat of Muskogee County, and the surrounding rural area in Muskogee County, Oklahoma. The City of Muskogee is located in the center of the School District, approximately 45 miles southeast of the City of Tulsa, Oklahoma. The School District lies astride the Muskogee Turnpike which is the major vehicular traffic route between Tulsa and Muskogee. School District administrators estimate the population of the School District to be approximately 22,960 people. The School District employs 262 certified teachers and has a current enrollment of 4,592. The School District is fully accredited by the Oklahoma State Department of Education.

Residents of the School District are employed at businesses throughout the City of Muskogee, 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 2025) unemployment rate for Muskogee County is 5.1% compared to 3.8% in the State of Oklahoma as a whole, and 4.1% for the United States.

### School District General Fund Revenues and Expenditures

Fiscal Year Ending 6-30	Beginning General Fund Balance	Total Revenue	Total Expenditures	Total Other Financing Sources (Uses)	Ending General Fund Balance
2021	\$812,315	\$54,347,152	\$52,043,432	\$552	\$3,116,587
2022	\$3,116,587	\$52,658,277	\$51,281,455	\$277,102	\$4,770,511
2023	\$4,770,511	\$46,316,791	\$49,376,726	\$582	\$1,711,158
2024	\$1,711,158	\$49,608,228	\$50,852,296	\$4,729	\$471,820
2025	\$471,820	\$51,628,713	\$50,945,557	\$882	\$1,155,858

### Detail of School District General Fund Revenues

Fiscal Year Ending 6-30	Local Sources	County Sources	State Sources	Federal Sources	Total Revenues
2021	\$11,082,992	\$1,110,848	\$25,054,946	\$17,098,366	\$54,347,152
2022	\$12,071,600	\$1,087,003	\$25,565,871	\$13,933,803	\$52,658,277
2023	\$11,779,092	\$1,052,788	\$23,994,570	\$9,490,341	\$46,316,791
2024	\$11,956,280	\$1,106,166	\$28,259,110	\$8,286,673	\$49,608,228
2025	\$13,320,803	\$1,145,935	\$29,111,770	\$8,050,205	\$51,628,713

### Student Enrollment Trend

School Year	Total Enrollment	Percentage Change
2016-2017	5,981	
2017-2018	5,856	-2.09%
2018-2019	5,613	-4.15%
2019-2020	5,377	-4.20%
2020-2021	4,702	-12.55%
2021-2022	4,806	2.21%
2022-2023	4,728	-1.62%
2023-2024	4,845	2.47%
2024-2025	4,718	-2.62%
2025-2026	4,592	-2.67%

**Student Enrollment Projection**

School Year	Total Enrollment	Percentage Change
2026-2027	4,600	0.17%
2027-2028	4,600	0.00%
2028-2029	4,600	0.00%
2029-2030	4,600	0.00%
2030-2031	4,600	0.00%

**ECONOMIC INDICES**

**Unemployment Rate (Twelve Month Moving Average)**

	December 2025	November 2025	December 2024
United States	4.1%	4.3%	3.8%
State of Oklahoma	3.8%	3.9%	3.0%
Muskogee County	5.1%	5.4%	4.3%

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

**Sales Tax Collections - City of Muskogee**

Fiscal Year Ending June 30	Sales Tax Collections
2016	\$24,610,884
2017	\$24,863,891
2018	\$24,009,821
2019	\$24,484,167
2020	\$25,057,695
2021	\$27,494,162
2022	\$28,909,922
2023	\$30,871,915
2024	\$30,425,102
2025	\$31,316,828

Source: Oklahoma Tax Commission.

**Retail Sales - City of Muskogee**

Fiscal Year Ending June 30	Retail Sales
2016	\$615,272,105
2017	\$621,597,267
2018	\$600,245,531
2019	\$612,104,183
2020	\$626,442,378
2021	\$687,354,046
2022	\$722,748,055
2023	\$771,797,868
2024	\$760,627,547
2025	\$782,920,707

Source: Oklahoma Tax Commission.

**Largest Taxpayers**

Name of Taxpayer	Type of Business	Net Assessed Valuation
Georgia-Pacific Muskogee, LLC	Paper Products	\$43,233,369.00
Oklahoma Gas & Electric Co.	Electric Utility	\$12,011,715
Georgia-Pacific Consumer Ops, LLC	Paper Products	\$10,803,296
Owens Brockway Glass Cont. Inc.	Glass Products	\$6,645,726
Captive-Aire	Ventilation Manufacturing	\$6,205,615
Vallourec Star LP	Tubular Products Mfg	\$4,590,346
Fort Howard Paper Co.	Paper Products	\$3,968,496
Graham Packaging Co.	Plastic Packaging Solutions	\$3,929,943
Union Pacific Railroad	Railroad	\$3,365,679
Greenvolt Innovations, LLC	Windfarm	\$3,248,562
Total Net Assessed Valuation of Top Ten Taxpayers:		\$98,002,747
Percentage of School District's Net Assessed Valuation:		28.82%

Source: Muskogee 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 Floyd & Driver, P.L.L.C., Attorneys at Law, Norman, Oklahoma, Bond Counsel. 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](http://www.emma.msrb.org). Nothing contained on EMMA relating to the School District or the Bonds is incorporated by reference in this Official Statement.

A failure by the School District to comply with the Continuing Disclosure 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. The School District does not believe it has failed to comply, in all material respects, with any of these Undertakings within the previous five years.

## **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**

S&P Global Ratings (“S&P”) has assigned its municipal bond rating of “BBB” to this issue of bonds. Such rating will reflect only the view of S&P and an explanation of the significance of such rating may be obtained only from S&P. 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 S&P 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, 2025, which were examined by Jenkins & Kemper, Certified Public Accountants, P.C., Bixby, 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. 20,  
Muskogee County, Oklahoma

/s/ Bobby Jefferson  
President, Board of Education

ATTEST:

/s/ Larry Stewart  
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. 20 of Muskogee County, Oklahoma (the “Issuer”) in connection with the issuance of \$10,800,000 General Obligation Building Bonds of 2026 (the “Bonds”). The Bonds are being issued pursuant to a Resolution dated the 21st day of April, 2026. 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](http://www.emma.msrb.org) (or such other address or addresses as the MSRB may from time to time specify), such electronic format, accompanied by such identifying information, as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of such information.

“**Rule**” 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, Muskogee Public Schools, 202 West Broadway Street, Muskogee, Oklahoma 74401 (918) 684-3700.

Dated this 4th day of June, 2026.

**Independent School District No. 20 of  
Muskogee County, Oklahoma**

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

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Independent School District No. 20 of Muskogee County,  
Oklahoma

Name of Bond Issue: \$10,800,000 General Obligation Building Bonds of 2026

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 4th day of June, 2026. The Issuer anticipates that the Annual Report will be filed by .

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

**Independent School District No. 20 of  
Muskogee 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 2025-26 is as follows:

<u>Property</u>	<u>Muskogee County</u>	<u>Percentage</u>
Real	\$197,537,644	58.09%
Personal	\$120,272,077	35.37%
Public Service	\$22,235,897	6.54%
<b>TOTAL</b>	<b>\$340,045,618</b>	<b>100.00%</b>

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

<u>Fiscal Year</u>	<u>Amount</u>	<u>Fiscal Year</u>	<u>Amount</u>
2025-2026	\$340,045,618	2020-2021	\$278,208,677
2024-2025	\$321,801,418	2019-2020	\$279,153,145
2023-2024	\$330,217,880	2018-2019	\$276,502,164
2022-2023	\$302,099,342	2017-2018	\$271,599,142
2021-2022	\$287,398,095	2016-2017	\$271,749,807

During this period, the Net Assessed Valuation of the School District increased \$68,295,811 or 25.13%.

**General Obligation Bonded Debt Outstanding**

Date of Issuance	Original Principal Amount	Remaining Maturities	Maturity Dates	Total Outstanding
7-1-21	\$5,975,000	\$1,500,000	7-1-26	\$1,500,000
7-1-22	\$7,130,000	\$1,800,000	7-1-26/27	\$3,600,000
7-1-23	\$7,500,000	\$1,875,000	7-1-26/28	\$5,625,000
6-1-24	\$7,550,000	\$3,775,000	6-1-26/27	\$7,550,000
5-1-25	\$6,825,000	\$1,700,000 \$1,725,000	5-1-27/29 5-1-30	\$6,825,000
6-1-26	\$10,800,000	\$5,400,000	6-1-28/29	\$10,800,000
<b>TOTAL</b>				<b>\$35,900,000</b>

**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	
2025-2026	\$3,775,000.00	\$505,212.50			\$4,280,212.50
2026-2027	\$10,650,000.00	\$843,768.75		\$513,000.00	\$12,006,768.75
2027-2028	\$5,375,000.00	\$399,800.00	\$5,400,000.00	\$513,000.00	\$11,687,800.00
2028-2029	\$3,575,000.00	\$201,000.00	\$5,400,000.00	\$256,500.00	\$9,432,500.00
2029-2030	\$1,725,000.00	\$77,625.00			\$1,802,625.00
<b>TOTAL</b>	<b>\$25,100,000.00</b>	<b>\$2,027,406.25</b>	<b>\$10,800,000.00</b>	<b>\$1,282,500.00</b>	<b>\$39,209,906.25</b>

\* The average annual interest rate on the Bonds is assumed to be 4.75%.

**Net Direct, Overlapping and Underlying General Obligation Bonded Indebtedness (as of June 30, 2025)**

Municipality	Net Indebtedness	Amount Applying to the School Dist.	Ratio to Assessed Value of the School Dist.	Per Capita Debt
Muskogee School District	\$27,841,202	\$27,841,202	8.19%	\$1,212.60
City of Muskogee	\$894,601	\$764,341	0.22%	\$33.29
Muskogee County	\$4,697,328	\$2,433,944	0.72%	\$106.01
<b>TOTAL</b>	<b>\$33,433,131</b>	<b>\$31,039,487</b>	<b>9.13%</b>	<b>\$1,351.90</b>

### Sinking Fund Tax Collections

Fiscal Year	Net Levy	Gross Levy	Current Collections	Total Collections
2025-2026	\$10,523,880	\$11,050,074	In process of collection	
2024-2025	\$9,958,633	\$10,456,565	\$9,988,532	\$10,241,272
2023-2024	\$8,429,079	\$8,850,532	\$8,038,966	\$8,268,000
2022-2023	\$7,037,000	\$7,388,850	\$7,138,364	\$7,401,965
2021-2022	\$6,853,929	\$7,196,625	\$6,915,243	\$7,827,121
2020-2021	\$6,125,970	\$6,738,567	\$6,574,733	\$6,843,732

### 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
2024-2025	100.30%	102.84%
2023-2024	95.37%	98.09%
2022-2023	101.44%	105.19%
2021-2022	100.89%	114.20%
2020-2021	107.33%	111.72%

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
2024-2025	95.52%	97.94%
2023-2024	90.83%	93.42%
2022-2023	96.61%	100.18%
2021-2022	96.09%	108.76%
2020-2021	97.57%	101.56%

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

Fiscal Year	Muskogee School District	City of Muskogee	Muskogee County	EMS District	Technology Center	Total Levy
2016-2017	60.02	1.29	20.76	3.04	10.13	95.24
2017-2018	58.58	1.73	20.76	3.04	10.13	94.24
2018-2019	60.53	2.99	20.76	3.04	10.13	97.45
2019-2020	62.67	2.88	20.76	3.04	10.13	99.48
2020-2021	64.68	1.65	20.76	3.04	10.13	100.26
2021-2022	65.50	0.68	20.76	3.04	10.13	100.11
2022-2023	64.92	0.77	20.76	3.04	10.13	99.62
2023-2024	67.26	1.20	20.76	3.04	10.13	102.39
2024-2025	72.95	2.08	20.76	3.04	10.13	108.96
2025-2026	72.96	1.80	24.07	3.04	10.13	112.00

\* 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	Total Other Financing Sources (Uses)	Ending General Fund Balance
2021	\$812,315	\$54,347,152	\$52,043,432	\$552	\$3,116,587
2022	\$3,116,587	\$52,658,277	\$51,281,455	\$277,102	\$4,770,511
2023	\$4,770,511	\$46,316,791	\$49,376,726	\$582	\$1,711,158
2024	\$1,711,158	\$49,608,228	\$50,852,296	\$4,729	\$471,820
2025	\$471,820	\$51,628,713	\$50,945,557	\$882	\$1,155,858

**Detail of School District General Fund Revenues**

Fiscal Year Ending 6-30	Local Sources	County Sources	State Sources	Federal Sources	Total Revenues
2021	\$11,082,992	\$1,110,848	\$25,054,946	\$17,098,366	\$54,347,152
2022	\$12,071,600	\$1,087,003	\$25,565,871	\$13,933,803	\$52,658,277
2023	\$11,779,092	\$1,052,788	\$23,994,570	\$9,490,341	\$46,316,791
2024	\$11,956,280	\$1,106,166	\$28,259,110	\$8,286,673	\$49,608,228
2025	\$13,320,803	\$1,145,935	\$29,111,770	\$8,050,205	\$51,628,713

### Student Enrollment Trend

School Year	Total Enrollment	Percentage Change
2016-2017	5,981	
2017-2018	5,856	-2.09%
2018-2019	5,613	-4.15%
2019-2020	5,377	-4.20%
2020-2021	4,702	-12.55%
2021-2022	4,806	2.21%
2022-2023	4,728	-1.62%
2023-2024	4,845	2.47%
2024-2025	4,718	-2.62%
2025-2026	4,592	-2.67%

### Student Enrollment Projection

School Year	Total Enrollment	Percentage Change
2026-2027	4,600	0.17%
2027-2028	4,600	0.00%
2028-2029	4,600	0.00%
2029-2030	4,600	0.00%
2030-2031	4,600	0.00%

## ECONOMIC INDICES

### Unemployment Rate (Twelve Month Moving Average)

	December 2025	November 2025	December 2024
United States	4.1%	4.3%	3.8%
State of Oklahoma	3.8%	3.9%	3.0%
Muskogee County	5.1%	5.4%	4.3%

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

**Sales Tax Collections - City of Muskogee**

<u>Fiscal Year Ending June 30</u>	<u>Sales Tax Collections</u>
2016	\$24,610,884
2017	\$24,863,891
2018	\$24,009,821
2019	\$24,484,167
2020	\$25,057,695
2021	\$27,494,162
2022	\$28,909,922
2023	\$30,871,915
2024	\$30,425,102
2025	\$31,316,828

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Source: Oklahoma Tax Commission.

**Retail Sales - City of Muskogee**

<u>Fiscal Year Ending June 30</u>	<u>Retail Sales</u>
2016	\$615,272,105
2017	\$621,597,267
2018	\$600,245,531
2019	\$612,104,183
2020	\$626,442,378
2021	\$687,354,046
2022	\$722,748,055
2023	\$771,797,868
2024	\$760,627,547
2025	\$782,920,707

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Source: Oklahoma Tax Commission.

## Largest Taxpayers

Name of Taxpayer	Type of Business	Net Assessed Valuation
Georgia-Pacific Muskogee, LLC	Paper Products	\$43,233,369.00
Oklahoma Gas & Electric Co.	Electric Utility	\$12,011,715
Georgia-Pacific Consumer Ops, LLC	Paper Products	\$10,803,296
Owens Brockway Glass Cont. Inc.	Glass Products	\$6,645,726
Captive-Aire	Ventilation Manufacturing	\$6,205,615
Vallourec Star LP	Tubular Products Mfg	\$4,590,346
Fort Howard Paper Co.	Paper Products	\$3,968,496
Graham Packaging Co.	Plastic Packaging Solutions	\$3,929,943
Union Pacific Railroad	Railroad	\$3,365,679
Greenvolt Innovations, LLC	Windfarm	\$3,248,562
Total Net Assessed Valuation of Top Ten Taxpayers:		\$98,002,747
Percentage of School District's Net Assessed Valuation:		28.82%

Source: Muskogee County Assessor's Office.

**Exhibit A**

**AUDITED FINANCIAL STATEMENTS  
AND REPORTS OF INDEPENDENT AUDITOR**

**MUSKOGEE SCHOOL DISTRICT NO. I-20,  
MUSKOGEE COUNTY, OKLAHOMA**

**JUNE 30, 2025**



**JENKINS & KEMPER**  
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

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**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY  
SCHOOL DISTRICT OFFICIALS  
FOR THE YEAR ENDED JUNE 30, 2025**

BOARD OF EDUCATION

President	Danny Shiew
Vice-President	Bobby Jefferson
Clerk	Tommy Anderson
Dep. Clerk	Larry Stewart
Member	Debra HorseChief

SUPERINTENDENT OF SCHOOLS

Dr. Jarod Mendenhall

TREASURER

Mika Barton

EXECUTIVE DIRECTOR OF FINANCE

David Chester, CPA



**JENKINS & KEMPER**  
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

JACK JENKINS, CPA  
MICHAEL KEMPER, CPA

**INDEPENDENT AUDITOR'S REPORT**

The Honorable Board of Education  
Muskogee School District No. I-20  
Muskogee, Oklahoma 74401

**Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Muskogee School District No. I-20, Muskogee, Oklahoma (the "School District") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Muskogee School District No. I-20, Muskogee County, Oklahoma as of June 30, 2025, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

**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 Muskogee School District No. I-20, Muskogee, 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.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting

from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7-13, Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual on pages 60 and 61, Schedule of Proportionate Share of the Net Pension Liability on page 56, Schedule of Contributions on page 57, Schedule of Proportionate Share of the Net OPEB Asset on page 58, Schedule of Contributions-OPEB on page 59, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, 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 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 method of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. 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.

#### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The combining fund statements, regulatory basis, listed in the accompanying table of contents are presented for purpose of additional analysis, and are not a required part of the 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 also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting

and other records used to prepare the basic financial statements. Such 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated March 3, 2026, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 School 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 School District's internal control over financial reporting and compliance.

Jenkins & Kemper, CPAs P.C.

Jenkins & Kemper  
Certified Public Accountants, P.C.

March 3, 2026

## Management's Discussion & Analysis

**Muskogee School District I-020  
Management Discussion and Analysis  
June 30, 2025 (unaudited)**

The discussion and analysis of Muskogee Public Schools (the District) financial performance provides an overall review of the District financial activities for the fiscal year ended June 30, 2024. The intent of this discussion is to convey relevant facts and commentary regarding the financial performance of the organization for the reporting period. A thorough examination of the financial statements and thoughtful reading of the related notes to those statements will aid in evaluating the financial position of the District.

The financial highlights of Fiscal Years 2024 and 2025 and a comparative analysis of financial information from those years is presented to aid the reader and in a more meaningful understanding of the District's financial performance for Fiscal Year 2025.

**Financial Highlights**

Fiscal Year 2025 operations generated significant budget activity for the General Fund. Current information is presented alongside that of Fiscal Year 2024 to illustrate changes in General Fund balance. Both years are presented on the accrual basis of accounting for district-wide statements and modified accrual basis of accounting for the fund financial statements. The amounts listed below reflect the modified accrual basis of accounting.

	Beg Fund Balance	Revenue	Expenditures	End Fund Balance
FY 2025	\$ 471,820	\$51,629,595	\$50,945,557	\$1,155.858
FY 2024	\$ 1,711,158	\$49,608,228	\$50,847,566	\$ 471,820

On a district-wide basis the District's assets and deferred outflows exceeded its liabilities and deferred inflows by \$27,481,512 as of June 30, 2025. This was an increase of \$11,090,094 over the June 30, 2024, ending net position.

The District's total assets decreased \$647,791, deferred outflows decreased \$2,792,536 due to changes in pension outflows. The District's total liabilities decreased \$17,335,442 mainly due to a decrease in the net pension liability and a decrease in long term liabilities, deferred inflows increased \$2,805,021 due to pension related inflows. These amounts account for the increase of \$8,456,785 in Net Position from the prior year.

**Overview of the Financial Statements**

This annual report consists of four parts: Management's Discussion, and Analysis (this section), the basic financial statements, the required supplementary information, and a statistical section. The basic financial statements include two kinds of statements that present views of the district:

- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the district, reporting the District's operations in more detail than the district-wide statements.

See Auditor's Disclaimer of Opinion

### **Overview of the Financial Statements (continued)**

- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short term as well what remains for future spending.
- *Fiduciary funds statements* provide information about the financial relationships in which the district acts sole as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the district's budget for the year. The statistical section is a compilation of data for a ten-year period in summary form for informational purposes only.

### **District-wide Statements**

The district-wide statements report information about the district as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred outflows, deferred inflows and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the district's *net position* and how it has changed. Net position – the difference between the district's assets and deferred outflows and liabilities including deferred inflows – are one way to measure the district's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the district's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base, which increased 5.67% from the previous year and the conditions of schools buildings and other facilities.

In the district-wide financial statements, most of the district's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state aid finance most of these activities, but MPS does receive more federal funding than most school districts due to the large number of impoverished students it has.

See Auditor's Disclaimer of Opinion

**Muskogee School District I-020  
Management Discussion and Analysis  
June 30, 2025 (unaudited)**

Muskogee Public School's Net Position

Assets	FY 2025	FY 2024
Current and other assets	\$ 12,991,301	\$ 15,627,051
Capital assets	151,216,944	149,228,985
Total assets	164,208,245	164,856,036
Deferred outflows of resources - pensions/OPEB	6,438,217	9,230,753
Liabilities		
Current and other liabilities	\$ 116,383	\$ 1,425,036
Long term debt, including current maturities	102,053,299	110,731,475
Net pension liability	37,249,185	44,597,528
Total liabilities	139,418,867	156,754,309
Deferred inflows of resources - pensions/OPEB	3,746,083	941,062
Net Position		
Net investment in capital assets	49,918,037	44,710,790
Restricted	9,857,629	11,242,067
Unrestricted	(32,294,154)	(47,496,072)
	\$ 27,481,512	\$ 8,456,785

See Auditor's Disclaimer of Opinion

**Muskogee School District I-020  
Management Discussion and Analysis  
June 30, 2025 (unaudited)**

Changes in Net Position		
	FY2025	FY2024
<b>Revenues</b>		
Program Revenues		
Charges for services	\$ 207,960	\$ 79,796
Federal and state grants	12,503,591	15,669,240
General revenues		
Property taxes	23,071,235	20,782,923
Other taxes	1,147,568	1,106,165
State aid	33,259,260	32,175,845
Other	3,459,913	3,671,117
Total revenues	73,648,827	73,485,086
<b>Expenses</b>		
Program expenses		
Instruction	29,333,768	28,736,263
Support services	26,493,845	28,135,885
Non-instruction	4,414,581	4,406,683
Interest on long-term debt	1,612,810	4,170,762
Capital outlay	44,786	14,984
Other uses	658,943	85,876
Total expenses	62,558,733	65,550,453
Increase (Decrease) in net position	\$ 11,090,094	\$ 7,934,633

See Auditor's Disclaimer of Opinion

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the district's funds, focusing on its significant or "major" funds – not the district as a whole. Funds are accounting devices the district uses to keep track of specific sources of funding and spending on particular programs.

- Some funds are required by state law and by bond covenants.
- The district establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as federal grants).

### **Fund Financial Statements (continued)**

The district has two kinds of funds:

- *Governmental funds:* Most of the district's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the district's programs. Because this information does not encompass the additional long-term focus of the governmental funds statements, it explains the relationship (or differences) between them.
- *Fiduciary funds:* The district is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and the students' activities fund and the sanctioned parent and/or booster club funds. The district is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The district excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

### **Financial Analysis of the District as a Whole**

Net Position: Net position serves over time as a useful indicator of a government's financial position. The change in net position is important because it identifies whether the financial position of the District has improved or diminished. The District's combined net position was higher on June 30, 2025, than it was the year before, increasing to \$27,481,512. This was an increase of \$11,090,094 over the close of the FY 2024 net position of 16,391,418.

Changes in net position: Net changes may be the result of many factors, including, but not limited to, state and federal funding, changes in the property tax base, investment rates of return, bond activity and current legislation affecting school funding or education mandates.

In the Statement of Net Position and the Statement of Activities, all district activities are considered to be of the governmental type. This includes instruction, supports services, operation and maintenance of plant, pupil transportation, and extracurricular activities.

Significant fluctuations occurred in specific government activity categories. Operating grants and contributions decreased due to the ending of CARES funds that had been received in the previous year. All other sources of revenue were up slightly. Instruction services increased due to teacher and administrator raises given. While support services were down as well as interest costs, but other outlays were up.

See Auditor's Disclaimer of Opinion

***Governmental Activities***

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with budgetary and finance-related legal requirements.

Governmental funds. The general fund is the main operating fund of the District. At June 30, 2025, the general fund balance was \$1,155,858 with \$32,695 nonspendable (reserved for inventory), leaving an unassigned fund balance of \$1,123,163.

As shown in the "Statement of Net Position" on page 14 of the financial statements the increase in net position is a result of \$3,440,327 decrease in assets and deferred inflows from the prior year, and a decrease in liabilities from the prior year of \$17,354,442, and a increase in deferred inflows of \$2,805,021. Deferred outflows of resources are consumptions of net position that are applicable to a future period. It includes pensions and OPEB resulting from school district contributions, subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Deferred inflows of resources related to pensions and OPEB are amounts which will be recognized as pension expense in subsequent fiscal years.

**Capital Asset and Debt Administration**

***Capital Assets***

As of June 30, 2024, the district has invested \$151,216,944 in capital assets, net of accumulated depreciation. This represents a net increase of \$1,987,959 from last year. (More detailed information about capital assets can be found in Note 5 to the financial statements.) The majority of the increase in capital assets in construction in process for projects in bond election. Total depreciation expense for the year was \$3,341,521.

***Long-term Debt***

At year-end, the District had \$110,261,184 in long-term debt. The district's long-term debt is made up of bonds payable, leases payable, VSP payable, compensated absences, and premium on bonds.

- The District retired \$15,205,000 of outstanding bonds.
- The District made \$248,203.60 in lease purchase payments.

### **Factors Bearing on the District's Future**

There are a several factors that could significantly affect the district's health in the future:

- The District is starting to see some growth in new housing being built, as well as new businesses opening in Muskogee.
- The District's student enrollment has decreased over the past year. This will negatively impact our funding from the State.
- Over the past year inflation has not been increasing as it did in the previous year, however prices for goods and services continue to remain high.
- There remains uncertainty with federal funding as well as state funding. There is a push in the state to abolish personal property taxes. This would be detrimental to all school districts, however, we do not take this as likely in the near future.

### **Contacting the District's Financial Management**

This financial report is designed to provide the district's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the district's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Office, Muskogee Public Schools, 202 West Broadway, Muskogee, OK 74401 (918-684-3700 ex 1628).

See Auditor's Disclaimer of Opinion

## Government-wide Financial Statements

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2025**

	Governmental Activities
<b>Assets</b>	
Cash and cash equivalents	\$ 8,031,046
Property taxes receivable	2,441,158
Due from other governments	1,539,364
Other local receivables	27,864
Inventory	289,288
Net OPEB asset	662,581
Capital assets:	
Land	5,543,717
Construction-in-progress	46,355,825
Other capital assets, net of accumulated depreciation	99,317,402
Total assets	164,208,245
<b>Deferred outflows of resources</b>	
Pension related deferred outflows	6,410,246
OPEB related deferred outflows	27,971
Total deferred outflows of resources	6,438,217
<b>Liabilities</b>	
Accounts payable	116,383
Long-term liabilities:	
Due within one year	9,732,135
Due in more than one year	92,321,164
Net pension liability	37,249,185
Total liabilities	139,418,867
<b>Deferred inflows of resources</b>	
Pension related deferred inflows	3,446,937
OPEB related deferred inflows	299,146
Total deferred inflows of resources	3,746,083
<b>Net Position</b>	
Net investment in capital assets	49,918,037
Restricted for:	
Debt service	1,048,482
Capital projects	7,242,544
Building	176,917
Child nutrition	178,086
Student Activity	549,019
Restricted for Net OPEB asset	662,581
Unrestricted (deficit)	(32,294,154)
Total net position	\$ 27,481,512

See Notes to Basic Financial Statements

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2025**

<u>Programs/Functions</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
<b>Governmental Activities:</b>				
Instruction	\$ 29,333,768		8,051,634	(21,282,134)
Support services	26,493,845	152,715	546,080	(25,795,050)
Non-instruction services	4,414,581	55,245	3,905,877	(453,459)
Capital outlay	44,786			(44,786)
Other outlays	658,943			(658,943)
Interest on long-term debt	1,612,810			(1,612,810)
<b>Total primary government</b>	<b>\$ 62,558,733</b>	<b>207,960</b>	<b>12,503,591</b>	<b>(49,847,182)</b>
<b>General Revenues</b>				
Taxes:				
Property taxes, levied for general purposes				\$ 11,225,425
Property taxes, levied for building				1,604,538
Property taxes, levied for debt service				10,241,272
Other taxes				1,147,568
State aid not restricted for specific purposes				33,259,260
Interest, dividends, and investment earnings				406,505
Other general revenues				3,052,708
<b>Total general revenues</b>				<b>60,937,276</b>
<b>Changes in net position</b>				<b>11,090,094</b>
Net position, beginning of year as restated				16,391,418
Net position, end of year				<b>\$ 27,481,512</b>

See Notes to Basic Financial Statements

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## Fund Financial Statements

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2025**

	General Fund	Building Fund	Child Nutrition Fund
<b>Assets</b>			
Cash and cash equivalents	\$ (707,864)	210,263	(66,874)
Property taxes receivable	1,237,424	176,875	
Due from other governments	1,382,901		30,001
Other local receivables	154,326		
Inventory	32,695	36,450	220,143
<b>Total assets</b>	<b>2,099,482</b>	<b>423,588</b>	<b>183,270</b>
 <b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	7,174	109,209	
<b>Total liabilities</b>	<b>7,174</b>	<b>109,209</b>	<b>-</b>
 <b>Deferred Inflows of Resources</b>			
Unavailable revenue - child nutrition revenue			5,184
Unavailable revenue - property taxes	936,450	137,462	
<b>Total deferred inflows of resources</b>	<b>936,450</b>	<b>137,462</b>	<b>5,184</b>
 <b>Fund Balances</b>			
Nonspendable inventory	32,695	36,450	220,143
Restricted fund balances:			
School construction			
Retirement of long-term debt			
Buildings		140,467	
Custodial funds			
Child nutrition			(42,057)
Unassigned	1,123,163	176,917	178,086
<b>Total fund balances</b>	<b>1,155,858</b>	<b>176,917</b>	<b>178,086</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 2,099,482</b>	<b>423,588</b>	<b>183,270</b>

See Notes to Basic Financial Statements

Capital Project Funds	Activity Fund	Sinking Fund	Total Governmental Funds
\$ 7,242,544	549,019	803,958	8,031,046
		1,026,859	2,441,158
			1,412,902
			154,326
			289,288
<u>7,242,544</u>	<u>549,019</u>	<u>1,830,817</u>	<u>12,328,720</u>
			116,383
<u>-</u>	<u>-</u>	<u>-</u>	<u>116,383</u>
			5,184
		782,335	1,856,247
<u>-</u>	<u>-</u>	<u>782,335</u>	<u>1,861,431</u>
			289,288
7,242,544			7,242,544
		1,048,482	1,048,482
	549,019		140,467
			549,019
			(42,057)
			1,123,163
<u>7,242,544</u>	<u>549,019</u>	<u>1,048,482</u>	<u>10,350,906</u>
<u>\$ 7,242,544</u>	<u>549,019</u>	<u>1,830,817</u>	<u>12,328,720</u>

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**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2025**

Total governmental fund balances		\$ 10,350,906
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 as assets in governmental funds.		151,216,944
Revenues receivable are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.		
Property taxes		1,856,247
Child nutrition revenues		5,184
Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
Deferred outflows of resources	6,438,217	
Deferred inflows of resources	<u>(3,746,083)</u>	2,692,134
Long-term liabilities, including bonds payable, are not due and payable in the current period and; therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:		
Bonds	(25,100,000)	
Leases payable	(70,334,778)	
Premium on capital leases	(5,864,128)	
VSP Payable	(648,000)	
Compensated absences	(106,393)	
Net pension liability	<u>(37,249,185)</u>	(139,302,484)
Net OPEB asset is not a financial resource and is not reported in funds		662,581
<b>Net position of governmental activities</b>		<b><u>\$ 27,481,512</u></b>

See Notes to Basic Financial Statements

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**JUNE 30, 2025**

	General Fund	Building Fund	Child Nutrition Fund
<b>Revenues:</b>			
Local sources	\$ 12,792,473	1,745,721	57,390
Intermediate sources	1,145,935		
State sources	29,111,770	985,870	266,190
Federal sources	8,050,205	547,509	3,905,877
Non-revenue sources	528,330	24,446	870
<b>Total revenues</b>	<u>51,628,713</u>	<u>3,303,546</u>	<u>4,230,327</u>
<b>Expenditures:</b>			
Instruction	28,176,985		
Support services:			
Students	4,409,323		
Instructional staff	2,318,862		
General administration	2,548,813		
School administration	3,925,921		
Business office	2,771,145	215,878	
Plant operations	4,179,875	2,915,032	
Transportation	2,014,409	194,910	
Non-instruction services	36,571	3,425	4,053,844
Capital outlays		257,955	
Other outlays	563,653	24,446	870
Debt service			
<b>Total expenditures</b>	<u>50,945,557</u>	<u>3,611,646</u>	<u>4,054,714</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>683,156</u>	<u>(308,100)</u>	<u>175,613</u>
<b>Other financing sources (uses)</b>			
Proceeds of bonds			
Cancelled checks	882		41
<b>Total other financing sources (uses)</b>	<u>882</u>	<u>-</u>	<u>41</u>
<b>Net change in fund balances</b>	684,038	(308,100)	175,654
Fund balance, beginning of year	471,820	485,017	2,432
Fund balance, end of year	<u>\$ 1,155,858</u>	<u>176,917</u>	<u>178,086</u>

See Notes to Basic Financial Statements

Capital Project Funds	Activity Fund	Sinking Fund	Total Governmental Funds
\$ 186,920	609,760	10,663,830	26,056,094
			1,145,935
		17,746	30,381,576
			12,503,591
5,103	175,493		734,242
<u>192,023</u>	<u>785,253</u>	<u>10,681,576</u>	<u>70,821,438</u>
32,569	76,234		28,285,788
62,842	207,145		4,679,310
	10,418		2,329,280
59,547	4,594		2,612,954
21,764	31,651		3,979,336
898,415	38,288		3,923,726
	26,859		7,121,766
	61,687		2,271,006
14,737	146,080		4,254,657
7,572,326			7,830,281
5,103	161,331		755,403
		10,481,350	10,481,350
<u>8,667,303</u>	<u>764,287</u>	<u>10,481,350</u>	<u>78,524,857</u>
(8,475,280)	20,966	200,226	(7,703,419)
6,825,000			6,825,000
			923
<u>6,825,000</u>	<u>-</u>	<u>-</u>	<u>6,825,923</u>
(1,650,280)	20,966	200,226	(877,496)
8,892,824	528,053	848,256	11,228,402
<u>\$ 7,242,544</u>	<u>549,019</u>	<u>1,048,482</u>	<u>10,350,906</u>

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**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**JUNE 30, 2025**

Net change in fund balance - total governmental funds		\$ (877,496)
Amounts reported for governmental activities and the statement of activities are different because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which the capital outlays exceeded depreciation and retirements in the period.		
Capital outlays	\$ 5,329,480	
Depreciation expense	<u>(3,341,521)</u>	1,987,959
Drawdowns of capital lease funds of \$769,211 used for the purchase of capital assets, net of dividends earned of \$23,492.		
		(745,719)
Because some revenues will not be collected for several months after the District's year end, they are not considered "available" revenues in the governmental funds and are, instead counted as deferred inflows of resources. They are, however, recorded as revenues in the statement of activities.		
Property taxes		(74,925)
Child nutrition revenues		215
Some of the capital assets acquired this year were financed with general obligation bonds. The amount financed by the bonds and related premium is reported in the governmental funds as a source of financing, but increases long-term liabilities in the statement of net position and does not affect the statement of activities.		
		(6,825,000)
Repayment of bond principal and repayment on capital lease purchases are an expense in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.		
		13,640,746
Amortization of capital lease premium is recorded in the statement of activities, but not in the governmental funds.		
		1,380,198
In the statement of activities, certain expenses do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences		(52,968)
Voluntary separation payable		535,200
Pension and OPEB expense adjustments net of state contributions		<u>2,121,884</u>
Change in net position - statement of activities		<u>\$ 11,090,094</u>

See Notes to Basic Financial Statements

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY  
STATEMENT OF NET POSITION - FIDUCIARY FUND  
JUNE 30, 2025**

	Private-Purpose Trust Fund
	V.Tarpley Scholarship
<b>Assets</b>	
Cash and cash equivalents	\$ 90,506
<b>Total assets</b>	<b>90,506</b>
 <b>Liabilities and net position</b>	
 <b>Net position</b>	
Unreserved	90,506
<b>Total fund balances</b>	<b>90,506</b>
 <b>Total liabilities and net position</b>	<b>\$ 90,506</b>

See Notes to Basic Financial Statements

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY  
STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUND  
JUNE 30, 2025**

	Private-Purpose Trust Fund
	V. Tarpley Scholarship
Revenues:	
Local sources	\$ 5,011
<b>Total revenues</b>	<b>5,011</b>
Expenditures:	
Scholarships	3,000
<b>Total expenditures</b>	<b>3,000</b>
<b>Change in net position</b>	2,011
Net position, beginning of year	88,495
Net position, end of year	<b>\$ 90,506</b>

See Notes to Basic Financial Statements

## Notes to the Financial Statements

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**1. Summary of Significant Accounting Policies**

The financial statements of the Muskogee Public Schools Independent District No. 20 (the “District”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to government units as promulgated by the Governmental Accounting Standards Board (“GASB”), the standard-setting body for governmental accounting and financial reporting principles. The more significant of the District’s accounting policies are described below.

*A. Reporting Entity*

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

As required by accounting principles generally accepted in the United States of America, the basic financial statements present the reporting entity which consists of the primary government; organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the District’s basic financial statements to be misleading.

The District has presented the entities which comprise the reporting entity in the basic financial statements for 2025.

*B. Fund Accounting*

The government-wide financial statements (the statement of net position and the statement of activity) report information on all of the non-fiduciary activities of the school district. For the most part, the effect of inter-fund activity has been removed from these statements.

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

1. **Summary of Significant Accounting Policies-** contd.

*B. Fund Accounting*

Governmental activities are normally supported by taxes and intergovernmental revenues and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All of the District's activities are reported as governmental activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the statement of activities. Program revenues include 1) tuition or fees paid by students or citizens of the District and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items, including state aid, that are not properly included among program revenues are reported as general revenues.

The school district segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance.

Separate financial statements are provided for governmental funds, proprietary, and fiduciary funds, even though the latter are excluded from the government-side financial statements.

**Governmental Fund Types**

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

General Fund - The general fund is used to account for all financial transactions except those required to be accounted for in another fund. Major revenue sources include state and local property taxes and state funding under the Foundation and Incentive Aid Program.

Expenditures include all costs associated with the daily operations of the schools except for programs funded for building repairs and maintenance, school construction and debt service on bonds and other long-term debt.

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**1. Summary of Significant Accounting Policies- contd.**

*B. Fund Accounting - contd.*

Special Revenue Fund - The special revenue funds are the District's building, co-op and child nutrition funds.

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

Co-op Fund - The co-op fund is established when the boards of education of two or more school districts enter into cooperative agreements and maintain joint programs. The revenues necessary to operate a cooperative program can come from federal, state, or local sources, including the individual contributions of participating school districts. The expenditures for this fund would consist of those necessary to operate and maintain the joint programs. The District did not maintain this fund during the 2024-2025 fiscal year.

Child Nutrition Fund – The child nutrition fund is a special revenue fund used to account for the operations of the child nutrition programs. Revenue sources include meal ticket sales and Federal and State grants for free and reduced meals.

Custodial Funds – The student activity fund and child nutrition clearing funds are used to account for monies collected principally through fundraising efforts of the students and district sponsored groups.

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

Capital Projects Bond Funds – The bond funds are capital project funds used to account for the proceeds of bond sales to be used exclusively for acquiring school sites, constructing and equipping new school facilities, renovating existing facilities, and acquiring transportation equipment.

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

1. **Summary of Significant Accounting Policies-** contd.

*B. Fund Accounting - contd.*

**Fiduciary Fund Types**

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

The District reports the following non-major fiduciary funds:

Private Purpose Trust Funds – V. Tarpley Scholarship Fund – This fund is a private-purpose trust fund to account for donations received for the benefit of specified individuals associated with the District.

The District’s fiduciary funds have been excluded from the government-wide financial statements.

**Account Group**

GASB Statement No. 34 eliminates the presentation of account groups but provides for these records to be maintained and incorporates the information into the governmental column in the government-wide statement of net position.

*C. Basis of Accounting and Measurement Focus*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. The economic resources measurement focus is not applicable to the agency fund and therefore they have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

1. **Summary of Significant Accounting Policies - contd.**

*C. Basis of Accounting and Measurement Focus – contd.*

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and pension liabilities are recorded only when the payment is due.

Property taxes and interest and certain state and federal grants associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

*D. Budget and Budgetary Accounting*

A budget is legally adopted by the Board of Education for the general fund, building fund, debt service (sinking) fund, and child nutrition fund that included revenues and expenditures. These budgets are prepared on a modified accrual basis of accounting. Budgetary control is maintained by fund, function, and activity and budgeted expenditures may not exceed appropriations at the fund level. Amendments may be made to the budget without approval by the governing body at the function and activity levels. Fund level budgetary amendments require approval of the governing body.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable fund balance is utilized in all governmental funds of the District. Appropriations which are not spent lapse at the end of the fiscal year and encumbrances are reversed. On the first day of the following fiscal year, the encumbrances are reinstated and the expenditures are applied against the year's budget.

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2025**

1. **Summary of Significant Accounting Policies-** contd.

*E. Assets, Liabilities, Deferred Inflows/Outflows and Fund Balance/Net Position*

Cash and Cash Equivalents and Investments – The District considers all cash on hand, demand deposits interest bearing checking accounts, and highly liquid investments with an original maturity of three months or less when purchased to be cash and cash equivalents. As of June 30, 2025, all of the District’s investments were in money market accounts which meet the definition of cash equivalents. Investments, not meeting the definition of cash equivalents, are recorded at fair value.

Inventories – Inventories in the governmental funds are recorded as expenditures when purchased rather than when consumed. Inventories include fuel, maintenance supplies, instructional supplies, and food service supplies. Cost of donated federal surplus commodities is based on values established by the federal government at the time of donation.

Capital Assets – Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements.

The capitalization threshold is \$2,500 and minimum useful life of three years. All purchased capital assets are valued at cost when historical records exist and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their fair market value on the date donated.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Capital assets are depreciated using the straight-line method over the following useful lives:

<b>Type of Asset</b>	<b>Years</b>
Buildings and structures	50-100
Improvements	50-100
Equipment	10-45
Furniture and fixtures	10-15

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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1. **Summary of Significant Accounting Policies-** contd.

*E. Assets, Liabilities, Deferred Inflows/Outflows and Fund Balance/Net Position – contd.*

Deferred Outflows of Resources – In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s). It will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources for the year ended June 30, 2025 consist of unrecognized items not yet charged to pension expense and contributions from the District after the measurement date but before the end of the District’s reporting period.

Deferred Inflows of Resources – In addition to liabilities, financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s). It will not be recognized as an inflow of resources (revenue) until then. The governmental fund balance sheet includes deferred inflows of resources related to unavailable revenue from property taxes, federal revenue, and local revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Deferred inflows of resources in the statement of net position for the year ended June 30, 2025 consist of succeeding year property tax receivables that will not be recognized until the year for which it is levied and budgeted for and the unamortized portion of the net difference between projected and actual earnings on pension plan investments and pension plan experience.

Compensated Absences – The District’s policy allows employees to accumulate unused sick leave from year to year as long as employees remain continuously in the Muskogee School system. Maximum number of days that can be accumulated for purposes of sick leave cannot exceed two hundred fifty (250) days at the beginning of the school year. For the purposes of sick leave reimbursement upon retirement or resignation, the district pays \$50.00/day for all sick leave accrued during employment not previously paid for by the Muskogee School District. All certified employees hired after July 1, 2012, are not eligible to sell back unused sick leave but will be able to accrue days for use at retirement.

A twelve-month salaried employee is eligible for twenty (20) days paid vacation each year accrued at the rate of 1.67 days per month. A twelve-month, eight-hour employee accrues ten (10) vacation days per year at the rate of .83 days per month up to completion of five years continuous employment, 5-10 years accrues at 15 days per year, over 10 years accrues at 20 days. Twelve-month Administrators may carry over vacation days up to a maximum of

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**1. Summary of Significant Accounting Policies- contd.**

*Assets, Liabilities, Deferred Inflows/Outflows and Fund Balance/Net Position – contd.*

thirty (30) days. Upon retirement or resignation, the District will reimburse an employee for no more than thirty (30) days of accrued vacation at the employee's regular daily rate of pay.

Long-term Liabilities – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest rate method. Bond issuance costs are expensed when incurred.

In the governmental fund financial statements, the face amount of debt is reported as other financing sources. Repayments of long-term debt are reported as expenditures. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions – For purposed of measuring the net pension asset (liability), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Oklahoma Teachers' Retirement System (OTRS) and additions to/deductions from these fiduciary net positions has been determined on the same basis as they are reported by OTRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position – The government-wide and fiduciary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets – This component of net position reports capital assets less both accumulated depreciation and the outstanding balance of debt (excluding unexpended proceeds) that is directly attributable to the acquisition, construction, or improvement of those assets. Any deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in the component of net position.

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY  
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1. **Summary of Significant Accounting Policies-** contd.

*E. Assets, Liabilities, Deferred Inflows/Outflows and Fund Balance/Net Position – contd.*

Restricted Net Position – This component of net position reports the difference between assets, deferred inflows/outflows of resources and liabilities of certain programs or funds that consist of assets with constraints placed on their use by either external parties and/or enabling legislation.

Unrestricted Net Position – Net position that does not meet the definition of net investment in capital assets or restricted are classified as unrestricted.

Fund Balance – Governmental fund equity is classified as fund balance. Fund balance consists of five categories, defines as follows:

Nonspendable Fund Balance – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. This would include items not expected to be converted to cash including inventories, long-term receivables, and prepaid amounts. It may also include long-term loans and receivables, as well as property acquired for resale and the corpus (principal) of a permanent fund.

Restricted Fund Balance – The restricted fund balance classification should be reported when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – The committed fund balance classification reflects specific purposes pursuant to constraints imposed by formal action of the District’s highest level of decision-making authority (the District’s Board of Education). Such constraints can only be removed or changed by the same form of formal action. Funds set aside by the Board of Education as committed fund balance requires the approval of a resolution by a majority vote of the members of the Board of Education. Such approval must take place prior to the District’s fiscal year-end in order for it to be applicable to that fiscal year. It is permitted for the specific amount of the commitment to be determined after the fiscal year-end if any additional information is required in order to determine the exact amount. The Board of Education has the authority to remove or change the commitment of funds with a resolution.

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY  
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**1. Summary of Significant Accounting Policies- contd.**

*E. Assets, Liabilities, Deferred Inflows/Outflows and Fund Balance/Net Position – contd.*

Assigned Fund Balance – The assigned fund balance classification reflects amounts that are constrained by the government’s intent to be used for specific purposes but meet neither the restricted nor committed forms of constraint. Assigned funds cannot cause a deficit in unassigned fund balance. For the purposes of assigned fund balance, the District has given authority to the Superintendent and Director of Finance to assign funds for specific purposes.

Unassigned Fund Balance – The unassigned fund balance classification is the residual classification for the General Fund only. It is also where negative residual amounts for all other governmental funds must be reported. Unassigned fund balance essentially consists of excess funds that have not been classified in the other four fund balance categories mentioned above.

It is the District’s policy to use restricted fund balance prior to the use of unrestricted fund balance when an expense is incurred for purposes for which both restricted and unrestricted fund balances are available. The District’s policy for the use of unrestricted fund balance amounts requires that committed amounts would be used first, followed by assigned and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

*F. Revenue and Expenditures*

Local Revenues – Revenue from Local sources is the monies generated from within the boundaries of the District and available to the District for its use. The District is authorized by State law to levy property taxes, which consist of ad valorem taxes on real and personal property within the District. These property taxes are distributed to the District’s General, Building and Debt Service Funds based on the levies approved for each fund. The County Assessor, upon receipt of the certification of tax levies from the County Excise Board, extends the tax levies on the tax roll for submission to the county treasurer prior to October 1. The County Treasurer must commence tax collection within fifteen days of receipt of the tax rolls. The first half of taxes are due prior to January 1. The second half is due prior to April 1.

**INDEPENDENT SCHOOL DISTRICT NO. 1-20, MUSKOGEE COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**1. Summary of Significant Accounting Policies- contd.**

*F. Revenue and Expenditures – contd.*

Local Revenues – contd.

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

Uncollected taxes assessed on valuations made each year are recorded in the District's financial statements. The delinquent taxes which are not collected within 60 days of year-end are recorded in the financial statements as deferred inflows of resources. Uncollectible personal and real property taxes are deemed to be immaterial because the property can be sold for the amount of taxes due.

Other Local sources of revenues include tuition, fees, rentals, disposals, commissions and reimbursements.

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

After review and verification of reports and supporting documentation, the State Department of Education may adjust subsequent fiscal period allocations of money for prior year errors disclosed by review. Normally such adjustments are treated as reductions or additions of revenue of the year when the adjustment is made. The District receives revenue from the state to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for these programs be expended only for the program 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 education program revenues be accounted for in the general fund. The aforementioned state revenues are apportioned to the District's General Fund.

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

1. **Summary of Significant Accounting Policies-** contd.

F. *Revenue and Expenditures-* contd.

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. An 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 are apportioned to the General and Building Funds. The District maintains a separate Child Nutrition Fund and the federal revenues received for the child nutrition programs are apportioned there.

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

Other Sources and Non-Revenue Receipts – Other sources represent primarily prior year lapsed encumbrances and prior year reimbursements and adjustments. Non-revenue receipts represent receipts deposited into a fund that is not new revenues to the District, but the return of assets.

Instruction Expenditures – Instruction expenditures include the activities dealing directly with the interaction between teachers and students. Teaching may be provided for students in a school classroom, in another location, such as a home or hospital, and in other learning situations, such as those involving co-curricular activities. It may also be provided through some other approved medium, such as television, radio, telephone and correspondence. Included here are the activities of teacher assistants of any type (clerks, graders, teaching machines, etc.) which assist in the instructional process.

The activities of tutors, translators and interpreters would be recorded here. Department chairpersons who teach for any portion of time are included here. Tuition/transfer fees paid to other local education agencies would be included here.

Support Services – Support services expenditures provide administrative, technical (such as guidance and health) and logistical support to facilitate and enhance instruction. These services exist as adjuncts for fulfilling the objectives of instruction, community services and enterprise programs, rather than as entities within themselves. These services are designed to assess and improve student well-being and to supplement the teaching process.

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

1. **Summary of Significant Accounting Policies-** contd.

F. *Revenue and Expenditures-* contd.

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

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

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

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

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

Interfund Transactions – Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except interfund services provided and used or reimbursements, are reported as transfers.

Use of Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**2. Deposits**

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of failure of a counterparty, the District will not be able to recover its deposits. Deposits are exposed to credit risk if they are uninsured or uncollateralized. The District's policy requires that all deposits in excess of amounts covered by federal deposit insurance be fully collateralized by the entity holding the deposits. As of June 30, 2025, all the District's deposits were federally insured by FDIC or collateralized.

The District had cash deposits at financial institutions with a book balance of approximately \$8,031,046 at June 30, 2025. The bank balance of these deposits was approximately \$9,542,803. The difference between the bank balance and book balance are the outstanding checks and deposits.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if they are uninsured, are not registered in the name of the District, and are held by counterparty or the counterparty's trust department but not in the name of this District. The District's policy requires that all investments in excess of amounts covered by federal deposit insurance be fully collateralized by the entity holding the investments. As of June 30, 2025, all of the District's investments were collateralized.

Concentration of Credit Risk:

The District's investment policies are governed by state statute. Permissible investments include:

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

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

2. **Deposits – contd.**

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

The District did not have any investments at June 30, 2025.

Interest Rate Risk:

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments are made based upon prevailing market conditions at the time of the transaction with the intent to hold the instrument until maturity. However, the District has no formal written policy addressing interest rate risk.

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**3. Receivables**

Receivables at June 30, 2025, for the individual governmental and proprietary funds are as follows:

	General	Debt Service	Building	Child Nutrition	Total Governmental
Receivables					
Ad valorem	\$ 1,237,424	1,026,859	176,875		2,441,158
Federal grants	1,509,363			30,001	1,539,364
Local & intermediate	27,864				27,864
<b>Total receivables</b>	<b>\$ 2,774,651</b>	<b>1,026,859</b>	<b>176,875</b>	<b>30,001</b>	<b>4,008,386</b>

**4. Capital Assets**

A summary of changes in capital assets for the year ended June 30, 2025 follows:

	Balance June 30, 2024	Additions	Transfers	Disposals	Balance June 30, 2025
<b>Governmental activities:</b>					
Capital assets not being depreciated:					
Land	\$ 5,543,717				5,543,717
Construction in progress	49,936,614	769,211	(4,350,000)		46,355,825
<b>Total capital assets not being depreciated</b>	<b>55,480,331</b>	<b>769,211</b>	<b>(4,350,000)</b>	<b>-</b>	<b>51,899,542</b>
Capital assets being depreciated:					
Buildings and improvements	112,453,578	7,465,740			119,919,318
Furniture, equipment and software	8,546,452	1,249,619			9,796,071
Vehicles/buses	5,525,364	194,910			5,720,274
<b>Total capital assets being depreciated</b>	<b>126,525,394</b>	<b>8,910,269</b>	<b>-</b>	<b>-</b>	<b>135,435,663</b>
Less: accumulated depreciation	32,776,740	3,341,521			36,118,261
<b>Total capital assets being depreciated, net</b>	<b>93,748,654</b>	<b>5,568,748</b>	<b>-</b>	<b>-</b>	<b>99,317,402</b>
<b>Total capital assets, net</b>	<b>\$ 149,228,985</b>	<b>6,337,959</b>	<b>(4,350,000)</b>	<b>-</b>	<b>151,216,944</b>

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**4. Capital Assets – cont'd**

Depreciation expense on the government-wide statement of activities is allocated on a pro rata basis to Instruction, Support Services and Non-instruction services.

**5. General Long-Term Debt**

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

The following is a summary of the long-term debt transactions of the District for the year ended June 30, 2025:

	Balance June 30, 2024	Additions	Retirements	Balance June 30, 2025	Due within one year
Bonds payable	\$ 27,240,000	6,825,000	8,965,000	25,100,000	3,775,000
Premium on bonds	7,244,326		1,380,198	5,864,128	1,248,099
Leases payable	75,010,524		4,675,746	70,334,778	4,061,036
Compensated absences	53,425	52,968		106,393	-
VSP	1,183,200		535,200	648,000	648,000
Total	<u>\$ 110,731,475</u>	<u>6,877,968</u>	<u>15,556,144</u>	<u>102,053,299</u>	<u>9,732,135</u>

A brief description of the outstanding general obligation bond issues at June 30, 2025, is set forth below:

	<u>Amount outstanding</u>
Building Bonds, Series 2021, original issue \$5,975,000, interest rate of .55-1.3%, due in annual installments of \$1,500,000 beginning on 7-1-23;	\$ 1,500,000
Building Bonds, Series 2022, original issue \$7,130,000, interest rate of 3.55-3.75%, due in annual installments of \$1,800,000 beginning on 7-1-24;	3,600,000

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

5. **General Long-Term Debt – cont'd**

	<u>Amount outstanding</u>
Building Bonds, Series 2023, original issue \$7,500,000, interest rate of 5.0-5.50%, due in annual installments of \$1,875,000 beginning on 7-1-25;	\$ 5,625,000
Building Bonds, Series 2024, original issue \$7,550,000, interest rate of 5.4-5.5%, due in annual installments of \$3,775,000 beginning on 6-1-26;	7,550,000
Building Bonds, Series 2025, original issue \$6,825,000, interest rate of 4.25-4.50%, due in annual installments of \$1,700,000 beginning on 5-1-27;	<u>6,825,000</u>
Total bonds outstanding	<u>\$ 27,240,000</u>

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

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 3,775,000	710,950	4,485,950
2027	10,650,000	932,813	11,582,813
2028	5,375,000	478,625	5,853,625
2029	3,575,000	247,875	3,822,875
2030	1,725,000	77,625	1,802,625
Total	<u>\$ 25,100,000</u>	<u>2,447,888</u>	<u>27,547,888</u>

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**5. General Long-Term Debt – cont’d**

Compensated Absences:

Compensating absences represent the estimated liability for employees accrued vacation and sick leave for which employees are entitled to be paid upon termination or resignation. The liability at June 30, 2025 totaled \$106,393 and is recorded as long-term debt of the District in the government-wide financial statements. The retirement of this liability is liquidated by the general fund or special revenue funds based on the assignment of the employee at termination or resignation. Below is the total by employee category:

Certified		\$	61,591
Support personnel			44,802
Total			106,393

Capital Leases:

In December 2019, the school district entered into a Ground Lease Agreement with the Muskogee Industrial Trust Authority (the “Authority”) under which the district is leasing certain land upon which the Authority will construct improvements from the proceeds of \$78,145,000 in revenue bonds sold for that purpose. Improvements are to be constructed for so long as there are obligations outstanding, which are secured by the Ground Lease Agreement. These facilities will be leased by the Authority to the school district pursuant to a sublease agreement entered into as of December 1, 2019. The sublease agreement between the Authority and the Muskogee School District enables the district to lease back the property leased in the ground lease and utilized the proceeds of the revenue bonds (issued by the Authority) for the construction and improvements on the property. The sublease agreement also provides a mechanism for the district to obtain title to the improvements free and clear of security interest. The District intends to finance the sublease agreements lease payments through a periodic issuance of Building Bonds which were authorized and approved by school district voters at an election held on October 8, 2019. These bonds are scheduled to be issued on dates, and in amounts, which coincide with sublease rental payments.

The trustee bank holds the cash and makes payments after authorization from the District. Amounts held by the trustee and available for draw down at June 30, 2025 are recorded as a receivable in the government wide statements.

Under the agreements, the District transferred ownership for land and facilities covered by the ground lease to the Authority. Ownership will revert to the District upon payment of the lease purchase acquisition payments. Accordingly, the original cost of the assets is expensed if the item does not meet the District’s capitalization criteria.

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**5. General Long-Term Debt – cont'd**

The present value of minimum sublease payments is recorded in the District's long-term debt. Lease payments are primarily payable from the capital projects fund.

The future minimum lease obligations and the net present value of these lease payments as of June 30, 2025, were as follows:

Year ending June 30	Payment	Premium	Total
2026	\$ 3,835,000	1,248,099	5,083,099
2027	8,110,000	1,063,445	9,173,445
2028	2,385,000	904,470	3,289,470
2029	8,500,000	790,121	9,290,121
2030	6,810,000	650,122	7,460,122
2031-2035	39,995,000	1,131,995	41,126,995
Total	<u>\$ 69,635,000</u>	<u>5,788,252</u>	<u>75,423,252</u>

In addition, the District has commitments under other capital leases for turf, computers, copiers, an energy management system, projectors, computers, vehicles, network equipment, choral uniforms, construction of maintenance facility, and remodel expenses for ESC. The following schedule shows the composition of total minimum lease payments for all of the District's capital leases outstanding as of June 30, 2025:

Year ending June 30	Principal	Interest	Total
2026	\$ 226,036	22,168	248,204
2027	233,178	15,025	248,203
2028	240,564	7,639	248,203
Total	<u>\$ 699,778</u>	<u>44,832</u>	<u>744,610</u>

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**7. Employee Retirement System**

**Oklahoma Teachers Retirement System**

Plan Description:

The District participates in the OTRS, a cost-sharing multiple-employer public employee retirement system that is self-administered. OTRS provides retirement, disability, and death benefits to plan members and beneficiaries. Benefit provisions are established and may be amended by the legislature of the State of Oklahoma. Title 70 of the Oklahoma State Statutes assigns the authority for management and operation of OTRS to the Board of Trustees of the System. OTRS issues a publicly available annual financial report that can be obtained at [www.ok.gov/TRS](http://www.ok.gov/TRS).

Benefits Provided:

OTRS provides defined retirement benefits based on members' final compensation, age, and term of service. In addition, the retirement program provides for benefits upon disability and to survivors upon the death of eligible members. Title 70 O. S. Sec. 17-105 defines all retirement benefits. The authority to establish and amend benefit provisions rests with the State Legislature.

*Benefit Provisions Include:*

- Members who joined the system prior to November 1, 2017 are fully vested after 5 years of contributory Oklahoma membership service. Those who join on or after November 1, 2017 are fully vested after seven years of contributory Oklahoma membership service and may choose to take an early, reduced retirement benefit, or stay to qualify for a regular, unreduced retirement benefit. Member who joined OTRS on June 30, 1992 or prior are eligible to retire at maximum benefits when age and years of creditable service total 80. Members joining OTRS after June 30, 1992 are eligible for maximum benefits when their age and year of creditable service total 90. Members whose age and service do not equal the eligible limit may receive reduced benefits as early as age 55, and at the age 62 receive unreduced benefits based on their years of service. The maximum retirement benefit is equal to 2 percent of final compensation for year of credited service.
- Final compensation for members who joined OTRS prior to July 1, 1992 is defined as the average salary for the three highest years of compensation. Final compensation for members joining OTRS after June 30, 1992 is defined as the average of the five consecutive years of annual compensation in which contributions have been made. The final average compensation is limited for service credit accumulated prior to July 1, 1995 to \$40,000 or \$25,000, depending

**INDEPENDENT SCHOOL DISTRICT NO. 1-20, MUSKOGEE COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**7. Employee Retirement System – cont'd**

on the member's election. Monthly benefits are 1/12 of the amount. Service credits accumulated after June 30, 1995 are calculated based on each member's final average compensation, except for certain employees of the two comprehensive universities. Upon the death of a member who has not yet retired, the designated beneficiary shall receive the member's total contributions plus 100 percent of interest earned through the end of the fiscal year, with interest rates varying based on time of service. A surviving spouse of a qualified member was entitled to at the time of death as provided under the Joint Survivor Benefit Option.

- Upon the death of a retired member, OTRS will pay \$5,000 to the designated beneficiary, in addition to the benefits provided for the retirement option selected by the member.
- A member is eligible for disability benefits after ten years of credited Oklahoma service. The disability benefit is equal to 2% of final average compensation for the applicable year of credited service.
- Upon separation from OTRS, members' contributions to a tax-sheltered annuity program up to the exclusion allowance provided under the IRC under Code Section 403(b).

Contributions:

The contribution requirements of OTRS are at an established rate determined by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 7 percent of their annual compensation. The District paid the employees' required contribution. The amount paid by the District for employees totaled approximately \$1.9 million for the year ended June 30, 2025. The District's contribution rate is 9.5 percent for the year ended June 30, 2025. In addition, the District is required to match the State's contribution rate on salaries that are paid with federal funds. The District's contributions to OTRS in 2025 were \$3.0 million, equal to the annual required contributions each year. The District's matching contributions to OTRS in 2025 were \$323,147.

The State makes a contribution on behalf of each teacher meeting minimum salary requirements (known as the OTRS years of services credit). The credit amount is determined based on years of services and ranges from \$60.15 per year for 0 years of service to \$1,410.53 per year for 25 years or more of service. For the fiscal year ended June 30, 2025, the State paid approximately \$235,710 on behalf of teachers employed at the District. In accordance with generally accepted accounting practices, the District recognized the on-behalf-of payments as revenue and expense/expenditure in the government wide and fund financial statements. These on behalf payments do not meet the definition of a special funding situation.

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**7. Employee Retirement System – cont'd**

The State of Oklahoma is also required to contribute to the System on behalf of the participating employers. For 2025, the State of Oklahoma contributed 5 percent of state revenues from sales and use taxes and individual income taxes, to the System on behalf of participating employers. The District has estimated the amounts contributed to the System by the State of Oklahoma on its behalf based on a contribution rate provided to the District. For the year ended June 30, 2025, the total amount contributed to the System by the State of Oklahoma on behalf of the District was approximately \$2,877,684. In accordance with generally accepted accounting practices, District recognized the on-behalf-of payments as revenue and expense/expenditure in the government fund financial statements. These on-behalf payments do not meet the definition of a special funding situation.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At June 30, 2025, the District reported a liability of \$37,249,186 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024. The District's proportion of the net pension liability was based on the District's contributions to OTRS relative to total contributions of OTRS for all participating employees for the year ended June 30, 2024. Based upon this information, the District's proportion was 0.56547875 percent.

For the year ended June 30, 2025, the District recognized pension expense of \$794,335. On June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,633,766	(575,568)
Changes in Assumptions	408,546	(1,597,906)
Net difference between projected and actual earnings on pension plan investments	-	(1,273,463)
Changes in proportionate and differences between District contributions and proportionate share of contributions	-	-
District contributions subsequent to the measurement date	3,367,934	-
Total	\$ 6,410,246	(3,446,937)

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**7. Employee Retirement System – cont’d**

Deferred pension outflows totaling \$3.4 million resulting from the District’s contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. The net deferred pension inflows totaling approximately \$3,446,937 will be recognized in pension expense using the average expected remaining life of the Plan. The average expected remaining life of the Plan is determined by taking the calculated total future service years of the Plan divided by the number of people in the Plan including retirees. The total future service years of the Plan are estimated at 5.27 years at June 30, 2024 and are determined using the mortality, termination, retirement and disability assumptions associated with the Plan.

Deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended June 30	Amount
2025	\$ (1,518,689)
2026	2,954,474
2027	(1,037,177)
2028	(866,205)
2029	62,972
Total	<u>\$ (404,625)</u>

Actuarial Assumptions:

The total pension liability was determined based on an actuarial valuation prepared as of June 30, 2024 using the following actuarial assumptions:

- Actuarial Cost Method – Entry Age Normal
- Amortization Method – Level Percentage of Payroll
- Amortization Period – Amortization over a 12-year period
- Asset Valuation Method – 5-year smooth market
- Inflation – 2.50%
- Salary Increases – Composed of 2.50% inflation, plus .50% productivity increase rate, plus step-rate promotional increases for members with less than 25 years of service.
- Investment Rate of Return – 7.00%
- Retirement Age – Experience-based table of rates based on age, service and gender.
- Mortality –2020 GRS Southwest Region Teacher Mortality Table for males and females.

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**7. Employee Retirement System – cont’d**

The actuarial assumptions used in the June 30, 2024, valuation were based on the results of an actuarial experience study, dated May 24, 2024, for the period ending June 30, 2023.

Based on the stated assumptions and the projection of cash flows, the pension plan’s fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimates of arithmetic expected real rates of return for each major asset class as of June 30, 2024, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	38.3%	4.5%
International Equity	16.7%	4.5%
Fixed Income	22.0%	2.4%
Real Estate *	10.0%	4.4%
Private Equity	8.0%	6.9%
Private Debt	5.0%	5.6%
Total	<u>100.0%</u>	

\*The Real Estate total expected return is a combination of US Direct Real Estate (unlevered) and US Value Added Real Estate (unlevered)

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**7. Employee Retirement System – cont'd**

Discount Rate:

The discount rate used to measure the total pension liability was 7.0 percent. The single discount rate was based solely on the expected investment rate of return on pension plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate:

The following table presents the net pension liability of the District calculated using the discount rate of 7.0 percent, as well as what the District's net pension liability would be if OTRS calculated the total pension liability using a discount rate that is 1-percentage point lower (6.0 percent) or 1-percentage point higher (8.0 percent) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District's net pension liability	\$ 56,891,433	\$ 37,249,186	\$ 20,886,723

**8. Other Post Employment Benefits**

Plan Description:

The District as the employer, participates in the Supplemental Health Insurance Program – a cost sharing multiple-employer defined benefit OPEB plan administered by the Oklahoma Teachers Retirement System (OTRS). Title 74 O.S. Sec. 1316.3 defines the health insurance benefits. The authority to establish and amend benefit provisions rests with the State Legislature. OTRS issues a publicly available annual financial report that can be obtained at [www.ok.gov/TRS](http://www.ok.gov/TRS).

Benefits Provided:

OTRS pays a medical insurance supplement to eligible members who elect to continue their employer provided health insurance. The supplement payment is between \$100 and \$105 per month remitted to the Oklahoma Management Enterprise Services Employees Group Insurance Division, provided the member has ten (10) years of Oklahoma service prior to retirement.

**INDEPENDENT SCHOOL DISTRICT NO. 1-20, MUSKOGEE COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**8. Other Post Employment Benefits – cont’d**

Contributions:

Employer and employee contributions are made based upon the TRS Plan provisions contained in Title 70, as amended. However, the statutes do not specify or identify any particular contribution source to pay the health insurance subsidy. Based on the contribution requirements of Title 70, employers and employees contribute a single amount based on a single contribution rate as described in Note 7; from this amount OTRS allocates a portion of the contributions to the supplemental health insurance program. The cost of the supplemental health insurance program averages 1.5% of normal cost, as determined by an actuarial valuation. Contributions allocated to the OPEB plan from the District were \$15,808 for 2025.

OPEB Liabilities (Assets), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

At June 30, 2025, the District reported an asset of \$662,581 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2024 and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of June 30, 2024. The District’s proportion of the net OPEB asset was based on the District’s contributions to OTRS relative to total contributions of OTRS for all participating employees for the year ended June 30, 2024. Based upon this information, the District’s proportion was 0.57870205 percent.

For the year ended June 30, 2025, the District recognized OPEB expense of (\$38,535). June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(95,465)
Changes in Assumptions	27,971	(177,688)
Net difference between projected and actual earnings on pension plan investments	-	(25,993)
Changes in proportionate and differences between District contributions and proportionate share of contributions	-	-
District contributions subsequent to the measurement date	-	-
Total	\$ 27,971	(299,146)

**INDEPENDENT SCHOOL DISTRICT NO. 1-20, MUSKOGEE COUNTY  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2025**

**8. Other Post Employment Benefits – cont’d**

Deferred OPEB outflows totaling \$0 resulting from the District’s contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability (asset) in the year ended June 30, 2025.

Deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year ended June 30	Amount
2025	\$ (90,770)
2026	23,822
2027	(75,976)
2028	(70,656)
2029	(44,605)
2030	(12,990)
Total	<u>\$ (271,175)</u>

Actuarial Assumptions:

The total OPEB liability (asset) was determined based on an actuarial valuation prepared as of June 30, 2024 using the following actuarial assumptions:

- Actuarial Cost Method – Entry Age Normal
- Amortization Method – Level Percentage of Payroll
- Amortization Period – Amortization over a 12-year period
- Asset Valuation Method – 5-year smooth market
- Inflation – 2.50%
- Salary Increases – Composed of 2.50% inflation, plus .50% productivity increase rate, plus step-rate promotional increases for members with less than 25 years of service.
- Investment Rate of Return – 7.00%
- Retirement Age – Experience-based table of rates based on age, service and gender.
- Mortality –2020 GRS Southwest Region Teacher Mortality Table for males and females.

The actuarial assumptions used in the June 30, 2024, valuation were based on the results of an actuarial experience study, dated May 24, 2024, for the period ending June 30, 2023.

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**8. Other Post Employment Benefits – cont’d**

Based on the stated assumptions and the projection of cash flows, the OPEB plan’s fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability (asset).

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimates of arithmetic expected real rates of return for each major asset class as of June 30, 2024, are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38.3%	4.5%
International Equity	16.7%	4.5%
Fixed Income	22.0%	2.4%
Real Estate *	10.0%	4.4%
Private Equity	8.0%	6.9%
Private Debt	5.0%	5.6%
Total	<u>100.0%</u>	

\*The Real Estate total expected return is a combination of US Direct Real Estate (unlevered) and US Value Added Real Estate (unlevered)

Discount Rate:

The discount rate used to measure the total OPEB liability (asset) was 7.0 percent. The single discount rate was based solely on the expected investment rate of return on OPEB plan’s fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability (asset).

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2025**

**8. Other Post Employment Benefits – cont'd**

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate:

The following table presents the net OPEB liability (asset) of the District calculated using the discount rate of 7.0 percent, as well as what the District's net OPEB liability (asset) would be if OTRS calculated the total OPEB liability (asset) using a discount rate that is 1-percentage point lower (6.0 percent) or 1-percentage point higher (8.0 percent) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District's net OPEB liability (asset)	\$ (445,962)	\$ (662,581)	\$ (846,613)

**9. Sanctioned Organizations**

The following entities are separately constituted and, accordingly, their financial position and results of operations have not been presented in the accompanying financial statements. The board of education does not appoint officers. The board of education is not responsible for approving budgets, contracts, key personnel, fiscal matters or day-to-day operations of the entity.

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>MHS Rougher Football Booster</li> <li>MHS Volleyball</li> <li>MHS Running Club</li> <li>MHS Cheer Booster Club</li> <li>MHS Boys Tennis Booster Club</li> <li>MHS Kicker Club</li> <li>MHS PTSA</li> <li>MHS Dance Booster</li> <li>MHS Rougher Golf Booster Club</li> <li>Muskogee 4-H &amp; Livestock Booster</li> </ul> | <ul style="list-style-type: none"> <li>MHS Girls Tennis Booster Club</li> <li>7th &amp; 8th Grade Academy PTO</li> <li>Creek PTO</li> <li>MHS Quarter Note Club</li> <li>MHS Choir Booster Club</li> <li>Incredible Irving PTO</li> <li>Pershing PTO</li> <li>Sadler PTO</li> <li>Tony Goetz PTO</li> </ul> |
|---|---|

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**10. Risk Management**

The District purchases commercial insurance for all other types of risk including, but not limited to, property, casualty, vehicles, and employee life. Settlements have not exceeded insurance coverage for each of the past three fiscal years.

**11. Surety Bonds**

The District has a Position Schedule Bond with Travelers Casualty and Surety Company of America Bond #106118502, for the period of July 1, 2024 to June 30, 2025, covering the following positions/amounts:

Bonding Co.	Position Covered	Bond Number	Coverage	Effective Date
Old Republic Surety	Director of Finance	W150413256	\$250,000	7/1/24-7/1/25
	Superintendent	POB1106903	\$100,000	12/23/24-12/23/25
	Encumbrance Clerk	POB1106903	\$100,000	12/23/24-12/23/25
	Activity Fund Custodian	POB1106903	\$100,000	12/23/24-12/23/25
	Minutes Clerk	POB1106903	\$5,000	12/23/24-12/23/25
	Payroll Clerk	POB1106903	\$5,000	12/23/24-12/23/25
RLI Insurance	Treasurer	LSM0322263	\$250,000	12/23/24-12/23/25

**12. New/Adopted Pronouncements**

The GASB has issued several new accounting pronouncements, which will be effective to the District in both the reported and subsequent years. A description of the new accounting pronouncements applicable to the District, the fiscal year in which they are effective, and the District's consideration of the impact of these pronouncements are described below:

New Accounting Pronouncements Adopted as of June 30, 2025

- GASB issued Statement No. 102, *Certain Risk Disclosures*, issued December 2025. This Statement establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for periods beginning after June 15, 2024. The District has adopted this Statement for the 2024-25 fiscal year.

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**12. New/Adopted Pronouncements – cont'd**

New Accounting Pronouncements Issued Not Yet Adopted:

- GASB issued Statement No. 103, *Financial Reporting Model Improvements*, issued April 2024. This Statement updates key components of the financial reporting model to enhance the effectiveness in providing information that is essential for decision making and assessing a government's accountability and addresses certain application issues. The requirements of this Statement are effective for periods beginning after June 15, 2025. GASB 103 will be implemented in the District's fiscal year 2026 financial statements.
- GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, issued September 2024. This Statement requires new, separate disclosures for certain capital assets in the notes to financial statements, including lease assets, intangible right to use assets, and subscription-based information technology arrangements (SBITAs), by major class of underlying asset. It also establishes new criteria for identifying and disclosing capital assets held for sale. The requirements of this Statement are effective for periods beginning after June 15, 2025. GASB 104 will be implemented in the District's fiscal year 2026 financial statements.

**13. Tax Abatement**

The State of Oklahoma has authorized by Oklahoma Statute 62-850, the creation of tax increment financing (TIF) districts. These districts are intended to provide incentives and exemptions from taxation within certain areas to encourage investment, development, and economic growth. The City of Muskogee has created a TIF district. The TIF district reduces the ad valorem taxes remitted to the District over the term of the agreement.

Oklahoma Statute Title 31 offers a homestead exemption of up to 1 acre of property in an urban area or 160 acres in a rural area. These homestead exemptions reduce the ad valorem taxes remitted to the District.

**14. 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 no additional information needs to be added to the financial statements.

## Required Supplementary Information

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
FOR THE YEAR ENDED JUNE 30, 2025  
LAST 10 YEARS \***

	2025	2024	2023	2022	As of June 30,		2019	2018	2017	2016
					2021	2020				
Proportion of the net pension liability	0.57%	0.58%	0.63%	0.64%	0.63%	0.58%	0.58%	0.67%	0.64%	0.66%
Proportionate share of the net pension liability	\$ 37,249,186	\$ 44,597,528	\$ 52,004,678	\$ 32,785,000	\$ 59,727,276	\$ 41,705,525	\$ 35,104,909	\$ 44,108,443	\$ 53,233,642	\$ 40,235,478
Covered payroll	\$ 35,451,937	\$ 32,329,657	\$ 30,207,286	\$ 31,253,127	\$ 30,865,896	\$ 31,975,353	\$ 28,784,632	\$ 25,762,721	\$ 25,921,090	\$ 25,768,540
Proportionate share of the net pension liability as percentage of covered-employee payroll	105.07%	137.95%	172.16%	104.90%	193.51%	130.43%	121.96%	171.21%	205.37%	156.14%
Plan's fiduciary net position	\$ (34,285,876)	\$ (36,369,226)	\$ (39,315,375)	\$ (40,659,069)	\$ (43,685,265)	\$ (29,844,474)	\$ (25,535,311)	\$ (30,575,973)	\$ (33,132,619)	\$ (28,289,565)
Plan fiduciary net position as a percentage of the total pension liability	92.04%	81.55%	75.60%	124.02%	73.14%	71.56%	72.74%	69.32%	62.24%	70.31%

**Notes to schedule:**

\* GASB Statement No. 68 requires ten years of information to be presented in this table. The information for all periods for the 10-year schedules that are required to be presented as required supplementary information is not available. During this transition period, the information will be presented for as many years as are available.

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE DISTRICT CONTRIBUTIONS  
 FOR THE YEAR ENDED JUNE 30, 2025**

	<b>Statutorily Required Contribution</b>	<b>Contributions in Relation to the Statutorily Required Contribution</b>	<b>Contributions Deficiency (Excess)</b>	<b>District's Covered- Employee Payroll</b>	<b>Contributions as a Percentage of Covered Employee Payroll</b>
2025	\$ 3,367,934	3,367,934	-	35,451,937	9.50%
2024	3,071,317	3,071,317	-	32,329,657	9.50%
2023	2,869,692	2,869,692	-	30,207,286	9.50%
2022	2,969,047	2,969,047	-	31,253,127	9.50%
2021	3,199,401	3,199,401	-	30,865,896	10.37%
2020	2,936,371	2,936,371	-	31,975,353	9.18%
2019	2,734,540	2,734,540	-	28,784,632	9.50%
2018	2,525,734	2,525,734	-	25,762,721	9.80%
2017	2,346,044	2,346,044	-	25,921,090	9.05%
2016	2,709,356	2,709,356	-	25,768,540	10.51%

Notes to Required Supplementary Information:

The Districts' statutorily required contribution rate has changed over the prior 10 years as follows:

January 1, 2010 to present	9.50%
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**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)**  
**SUPPLEMENTAL HEALTH INSURANCE PROGRAMS**  
**FOR THE YEAR ENDED JUNE 30, 2024**  
**LAST 10 YEARS \***

	2025	2024	2023	2022	As of June 30, 2021	2020	2019	2018
Proportion of the net pension liability	57.00%	0.58%	0.63%	0.64%	0.63%	0.58%	0.58%	0.67%
Proportionate share of the net OPEB liability (asset)	\$ (662,581)	\$ (291,481)	\$ (280,704)	\$ (817,380)	\$ (62,348)	\$ (389,693)	\$ (375,363)	\$ (297,068)
Covered payroll	\$ 35,451,937	\$ 32,329,657	\$ 30,207,286	\$ 31,253,127	\$ 30,865,896	\$ 31,975,353	\$ 28,784,632	\$ 25,762,721
Proportionate share of the net pension liability as percentage of covered-employee payroll	-1.87%	-0.90%	-0.93%	-2.62%	-0.20%	-1.22%	-1.30%	-1.15%
Plan's fiduciary net position	\$ 391,405	\$ 352,870	\$ 405,085	\$ 397,224	\$ 80,996	\$ 449,745	\$ 433,206	\$ 327,963
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	-59.07%	-121.06%	-144.31%	-48.60%	-129.91%	-115.41%	-115.41%	-110.40%

**Notes to schedule:**

\* GASB Statement No. 75 requires ten years of information to be presented in this table. The information for all periods for the 10-year schedules that are required to be presented as required supplementary information is not available. During this transition period, the information will be presented for as many years as are available.

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT CONTRIBUTIONS  
SUPPLEMENTAL HEALTH INSURANCE PROGRAMS  
FOR THE YEAR ENDED JUNE 30, 2025**

	<b>Statutorily Required Contribution</b>	<b>Contributions in Relation to the Statutorily Required Contribution</b>	<b>Contributions Deficiency (Excess)</b>	<b>District's Covered- Employee Payroll</b>	<b>Contributions as a Percentage of Covered Employee Payroll</b>
2025	\$ -	-	-	35,451,937	0.00%
2024	10,127	10,127	-	32,329,657	0.03%
2023	15,808	15,808	-	30,207,286	0.05%
2022	35,096	35,096	-	31,253,127	0.11%
2021	6,015	6,015	-	30,865,896	0.02%
2020	5,532	5,532	-	31,975,353	0.02%
2019	18,314	18,314	-	28,784,632	0.06%
2018	36,132	36,132	-	25,762,721	0.14%
2017	33,740	33,740	-	25,921,090	0.13%

Notes to Required Supplementary Information:

Information to present a 10-year history is not yet available.

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (GAAP BASIS)  
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues:</b>				
Local sources	\$ 10,692,155	12,574,476	12,491,500	(82,976)
Intermediate sources	1,070,000	1,070,000	1,145,935	75,935
State sources	27,964,547	28,887,573	29,111,770	224,197
Federal sources	8,204,751	8,204,751	8,050,205	(154,546)
Non-revenue sources			528,329	528,329
<b>Total revenues</b>	<u>47,931,453</u>	<u>50,736,800</u>	<u>51,327,739</u>	<u>590,939</u>
<b>Expenditures:</b>				
Instruction	26,252,067	28,460,348	28,176,985	283,363
Support services:				
Students	4,409,323	4,409,323	4,409,323	-
Instructional staff	2,318,862	2,318,862	2,318,862	-
General administration	2,548,813	2,548,813	2,548,813	-
School administration	3,925,921	3,925,921	3,929,078	(3,157)
Business office	2,771,145	2,771,145	2,771,145	-
Plant operations	4,162,732	4,162,732	4,179,875	(17,143)
Transportation	2,014,410	2,014,410	2,014,410	-
Non-instruction services		36,570	36,570	-
Other outlays		560,496	560,496	-
<b>Total expenditures</b>	<u>48,403,273</u>	<u>51,208,620</u>	<u>50,945,557</u>	<u>263,063</u>
<b>Excess (deficiencies) of revenues over/(under) expenditures</b>	<u>(471,820)</u>	<u>(471,820)</u>	<u>382,182</u>	<u>854,002</u>
<b>Other financing sources (uses):</b>				
Cancelled checks			882	882
<b>Total other financing sources (uses)</b>			<u>882</u>	<u>882</u>
<b>Net change in fund balance</b>	(471,820)	(471,820)	383,064	854,884
Fund balance, beginning of year	<u>471,820</u>	<u>471,820</u>	<u>471,820</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>-</u>	<u>854,884</u>	<u>854,884</u>
<b>Reconciliation of budgetary comparison statutory basis to GAAP basis:</b>				
Property taxes receivable not recognized as revenue			300,974	
Fund balance end of year GAAP basis			<u>\$ 1,155,858</u>	

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY  
BUDGETARY COMPARISON SCHEDULE - BUILDING FUND (GAAP BASIS)  
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues:</b>				
Local sources	\$ 1,537,786	1,594,547	1,706,308	111,761
State sources	800,000	982,679	985,870	3,191
Federal sources	700,000	700,000	547,509	(152,491)
Non-revenue sources			24,446	(24,446)
<b>Total revenues</b>	<u>3,037,786</u>	<u>3,277,226</u>	<u>3,264,133</u>	<u>(61,985)</u>
<b>Expenditures:</b>				
Instruction				-
Support services:				
School administration				-
Business office	215,878	215,878	215,878	-
Plant operations	2,826,189	3,065,629	2,915,031	150,598
Transportation	194,910	194,910	194,910	-
Non-instruction services	3,425	3,425	3,425	-
Capital outlays	257,955	257,955	257,955	-
Other outlays	24,446	24,446	24,446	-
<b>Total expenditures</b>	<u>3,522,803</u>	<u>3,762,243</u>	<u>3,611,645</u>	<u>150,598</u>
<b>Excess (deficiencies) of revenues over/(under) expenditures</b>	<u>(485,017)</u>	<u>(485,017)</u>	<u>(347,512)</u>	<u>88,613</u>
Fund balance, beginning of year	485,017	485,017	485,017	-
Fund balance, end of year	<u>\$ -</u>	<u>-</u>	<u>137,505</u>	<u>88,613</u>
<b>Reconciliation of budgetary comparison statutory basis to GAAP basis:</b>				
Property taxes receivable not recognized as revenue			39,412	
Fund balance end of year GAAP basis			<u>\$ 176,917</u>	

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## Other Supplementary Information

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY  
BUDGETARY COMPARISON SCHEDULE - CHILD NUTRITION FUND (GAAP BASIS)  
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues:				
Local sources	\$ 70,637	70,637	57,390	(13,247)
State sources	26,798	261,748	266,190	4,442
Federal sources	2,563,340	3,739,324	3,905,877	166,553
Non-revenue sources			871	871
<b>Total revenues</b>	<u>2,660,775</u>	<u>4,071,709</u>	<u>4,230,328</u>	<u>158,619</u>
Expenditures:				
Non-instruction services	2,663,207	4,074,141	4,054,716	19,425
<b>Total expenditures</b>	<u>2,663,207</u>	<u>4,074,141</u>	<u>4,054,716</u>	<u>19,425</u>
<b>Excess (deficiencies) of revenues over/(under) expenditures</b>	<u>(2,432)</u>	<u>(2,432)</u>	<u>175,612</u>	<u>178,044</u>
Other financing sources (uses):				
Cancelled checks			41	41
<b>Total other financing sources (uses)</b>			<u>41</u>	<u>41</u>
<b>Net change in fund balance</b>	(2,432)	(2,432)	175,653	178,085
Fund balance, beginning of year	<u>2,432</u>	<u>2,432</u>	<u>2,432</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>-</u>	<u>178,085</u>	<u>178,085</u>

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY  
BUDGETARY COMPARISON SCHEDULE - SINKING FUND (GAAP BASIS)  
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues:				
Local sources	\$ 9,958,633	9,958,633	10,419,305	460,672
State sources			17,746	17,746
<b>Total revenues</b>	<u>9,958,633</u>	<u>9,958,633</u>	<u>10,437,051</u>	<u>478,418</u>
Expenditures:				
Debt service	10,806,889	10,806,889	10,806,889	-
<b>Total expenditures</b>	<u>10,806,889</u>	<u>10,806,889</u>	<u>10,806,889</u>	<u>-</u>
<b>Excess (deficiencies) of revenues         over/(under) expenditures</b>	<u>(848,256)</u>	<u>(848,256)</u>	<u>(369,838)</u>	<u>478,418</u>
Fund balance, beginning of year	<u>848,256</u>	<u>848,256</u>	<u>848,256</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>-</u>	<u>478,418</u>	<u>478,418</u>
Reconciliation of budgetary comparison statutory basis to GAAP basis:				
Property taxes receivable not recognized as revenue			244,524	
Unmatured debt service obligations			325,540	
Fund balance end of year GAAP basis			<u>\$ 1,048,482</u>	

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY  
STATEMENT OF CHANGES IN ACTIVITY ACCOUNT BALANCES  
FOR THE YEAR ENDED JUNE 30, 2025**

	Balance <u>July 1, 2024</u>	<u>Additions</u>	Net <u>Transfers</u>	<u>Deletions</u>	Balance <u>June 30, 2025</u>
<b>Assets</b>					
Cash	<u>\$ 528,053</u>	<u>785,252</u>	<u>-</u>	<u>764,286</u>	<u>549,019</u>
<b>Liabilities</b>					
Funds held for student organizations					
Cherokee Elementary	17,969	20,594	(4,716)	21,042	12,805
Creek Elementary	14,243	30,667	(1,466)	15,076	28,368
Irving Elementary	22,538	44,261	-	35,506	31,293
Pershing Elementary	6,425	22,603	779	16,547	13,260
Sadler Elementary	31,058	22,232	-	22,799	30,491
Tony Goetz Elementary	8,635	22,850	(435)	12,758	18,292
MECC Elementary	19,645	23,604	-	15,966	27,283
7th & 8th Grade Center	20,104	22,248	(557)	26,187	15,608
6th Grade Center	14,136	20,935	257	25,305	10,023
High School	136,689	211,755	(862)	191,793	155,789
Rougher Academy	1,393	-	-	402	991
CN Group	1,051	616	-	791	876
Transportation	1,916	-	-	-	1,916
District	87,930	140,760	7,000	186,933	48,757
Maintenance	1,862	84	-	132	1,814
Athletics	141,256	200,001	-	191,102	150,155
Roughers Innovation Academy	<u>1,203</u>	<u>2,042</u>	<u>-</u>	<u>1,947</u>	<u>1,298</u>
<b>Total Liabilities</b>	<u>\$ 528,053</u>	<u>785,252</u>	<u>-</u>	<u>764,286</u>	<u>549,019</u>

## Compliance Section

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass Through Grantor/Program Title	Federal Award Listing Number	Pass-through Grantor's Project Number	Program or Award Amount	Beginning Balance 7/1/2024	Revenue Collected	Total Expenditures	Ending Balance 6/30/2025
<u>U.S. Department of Education</u>							
<u>Direct Programs:</u>							
Title VI-Part A, Indian Education	84.060	561	\$ 334,842	-	334,842	334,842	-
<b>Subtotal - Direct Programs</b>			<u>334,842</u>	<u>-</u>	<u>334,842</u>	<u>334,842</u>	<u>-</u>
<u>Passed Through State Department of Education:</u>							
* <u>Title I Cluster:</u>							
Title I-Part A, Improving Basic Programs	84.010	511	3,083,935		2,922,092	2,922,092	
Title I-School Improvement	84.010	515	386,277		232,052	232,052	
Title I-Part A Neglected	84.010	518/785	17,881		10,968	10,968	
Title I-Part D, Comp Literacy State Development Program	84.371	539	348,000		313,964	313,964	
Subtotal - Title I Cluster			<u>3,836,093</u>	<u>-</u>	<u>3,479,076</u>	<u>3,479,076</u>	<u>-</u>
Title II-Part A, Teacher & Principal Training	84.367	541/785	697,428		426,269	426,269	
Title III, English Lang. Acq.	84.365	572/785	2,434		1,493	1,493	
Title IV-SSAE Grant	84.424A	552/785	84,211		1,726	1,726	
Title V, RLIS	84.358B	587/785	234,723		143,971	143,971	
* <u>Education Stabilization Funds (Covid19)</u>							
ARP Supplemental Instruction	84.425U	720	688,613		688,613	688,613	
ARP/ESSER School Counselor Grant (Covid19)	84.425U	722	20,125		18,310	18,310	
ARP/ESSER Science of Reading (Covid19)	84.425U	726	26,486		26,486	25,789	697
ARP/ESSER III (Covid19) General Fund	84.425U	795	938,116		938,116	938,116	
ARP/ESSER III (Covid19) Building Fund	84.425U	795	546,080		546,080	546,080	
ARP/ESSER III Homeless II (Covid19)	84.425U	797	8,819		8,817	8,817	
Subtotal - Education Stabilization Funds (Covid19)			<u>2,228,239</u>	<u>-</u>	<u>2,226,422</u>	<u>2,225,725</u>	<u>697</u>
<u>Special Education Cluster:</u>							
IDEA-B Professional Development OSDE Sponsored	84.027	613	7,095		6,535	6,535	
IDEA-B Professional Development	84.027	615	6,490		6,026	6,026	
IDEA-B OKMTSS	84.027	619	2,500		2,005	2,005	
IDEA-B Flowthrough	84.027	621	1,769,914		1,195,301	1,195,301	
IDEA-B Preschool	84.173	641	60,737		20,341	20,341	
Subtotal - Special Education Program (Cluster)			<u>1,846,736</u>	<u>-</u>	<u>1,230,208</u>	<u>1,230,208</u>	<u>-</u>
<b>Subtotal - Passed Through State Dept of Education</b>			<u>8,929,864</u>	<u>-</u>	<u>7,509,165</u>	<u>7,508,468</u>	<u>697</u>
<u>Passed Through State Department of Career and Technology Education:</u>							
Carl Perkins Grant	84.048	421	\$ 127,818		126,183	126,183	

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass Through Grantor/Program Title	Federal Award Listing Number	Pass-through Grantor's Project Number	Program or Award Amount	Beginning Balance 7/1/2024	Revenue Collected	Total Expenditures	Ending Balance 6/30/2025
<u>U.S. Department of Agriculture:</u>							
<u>Passed Through State Department of Education:</u>							
<i>Child Nutrition Cluster:</i>							
Cash Assistance:							
National School Lunch Program	10.555	763		55,053	2,846,258	2,505,602	395,709
School Breakfast Program	10.553	764		1,260	904,332	709,077	196,515
Summer Food Program	10.559	766		25,929	30,001	17,947	37,983
Fresh Fruit & Vegetable Program	10.582	768		383	125,286	125,286	383
Cash Assistance Subtotal				<u>82,625</u>	<u>3,905,877</u>	<u>3,357,912</u>	<u>630,590</u>
<u>Passed Through State Department of Human Services:</u>							
Non-cash Assistance (Commodities)	10.555	N/A			182,821	182,821	
<b>Subtotal - Child Nutrition Program (Cluster)</b>				<u>82,625</u>	<u>4,088,698</u>	<u>3,540,733</u>	<u>630,590</u>
<u>Other Federal Assistance:</u>							
Johnson O'Malley	15.130	563	\$ 97,920	261	66,225	66,225	261
Johnson O'Malley 3 month	15.130	564	2,742		2,742	2,742	
OJT-Rehabilitation Services	84.126	456	4,837		4,837	4,837	
Medicaid	93.778	698		3,785			3,785
Flood Control	12.112	774	3,548		3,548	3,548	
Housing Authority	14.850	775	25,172		25,172	25,172	
Muskogee Nation Before & After School Program	93.575	776	525,000	32,401	525,000	34,840	522,561
FEMA Grant - BF	97.042	594	90,000	15,000			15,000
<b>Subtotal - Other Federal Assistance</b>			<u>749,219</u>	<u>51,447</u>	<u>627,524</u>	<u>137,364</u>	<u>541,607</u>
<b>Total Federal Assistance</b>			<u>\$ 10,141,743</u>	<u>134,072</u>	<u>12,686,412</u>	<u>11,647,590</u>	<u>1,172,894</u>

\* Major federal programs

Note 1 - Commodities received by the District in the amount of \$182,821 were of a non-monetary nature and therefore the total revenue does not agree with the financial statements by this amount. These commodities are reported at fair market value.

Note 2 - There were no amounts passed to subrecipients.

Note 3 - Grantor provides adequate insurance coverage against loss on assets purchased with Federal Awards.

Note 4 - 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). Expenditures are reported on the regulatory basis of accounting consistent with the preparation of the combined financial statements. These expenditures are recognized following the cost principles contained in the Uniform Guidance. The District has also elected to not use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.



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

The Honorable Board of Education  
Muskogee School District  
Muskogee, OK 74401

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Muskogee School District No. I-20, Muskogee, Oklahoma, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated March 3, 2026. This report was unqualified with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in the United States.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School 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 the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School 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 School 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.

*Jenkins & Kemper, CPAs P.C.*

Jenkins & Kemper  
Certified Public Accountants, P.C.

March 3, 2026



**JENKINS & KEMPER**  
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

JACK JENKINS, CPA  
MICHAEL KEMPER, CPA

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

The Honorable Board of Education  
Muskogee School District No. I-20  
Muskogee, Oklahoma 74401

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited the Muskogee School District No. I-20, Muskogee, Oklahoma'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 its major federal programs for the year ended June 30, 2025. 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, Muskogee School District No. I-20, Muskogee, 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, 2025.

**Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (The 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 Muskogee School District No. I-20, Muskogee, Oklahoma and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

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

**Auditor's Responsibilities for the Audit of Compliance**

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

made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

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

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

### **Report on Internal Control over Compliance**

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

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

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

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

*Jenkins & Kemper, CPAs P.C.*

Jenkins & Kemper  
Certified Public Accountants, P.C.

March 3, 2026

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JULY 1, 2024 TO JUNE 30, 2025**

**Summary of Auditor’s Results**

1. The auditor’s report expresses an unqualified opinion on the basic financial statements in conformity with generally accepted accounting principles.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Schedule of Findings and Questioned Costs.
3. No instances of noncompliance material to the financial statements of the District were reported during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the “Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Uniform Guidance”
5. An unqualified opinion report was issued on the compliance of major federal award programs.
6. The audit disclosed no audit findings and questioned costs, which are required to be reported under OMB Uniform Guidance.
7. Identification of Major Programs: Education Stabilization Fund (84.425U) and Title I (84.010,84.371) programs, which were each clustered in the determination.
8. The dollar threshold used to determine between Type A and Type B programs was \$750,000.
9. The District did qualify to be a low-risk auditee.

**Findings – Financial Statement Audit**

None

**Findings and Questioned Costs – Major Federal Award Programs Audit**

None

**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY  
DISPOSITION OF PRIOR YEAR FINDINGS  
JULY 1, 2024 TO JUNE 30, 2025**

**Findings Related to the Financial Statement Audit:**

There were no prior year findings.

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**INDEPENDENT SCHOOL DISTRICT NO. I-20, MUSKOGEE COUNTY  
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL  
LIABILITY INSURANCE AFFIDAVIT  
JULY 1, 2024 TO JUNE 30, 2025**

State of Oklahoma    )  
County of Tulsa       )

The undersigned auditing firm representative 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 Muskogee School District for the audit year 2024-2025.

Jenkins & Kemper, CPAs, P.C.  
AUDITING FIRM

BY *Mustafa Kemp*  
AUTHORIZED AGENT

Subscribed and sworn to before me on this  
3<sup>rd</sup> day of, March, 2026



*Lauren McCain*  
NOTARY PUBLIC