

**Independent School District No. 89  
of Oklahoma County, Oklahoma,  
also known as the Oklahoma City  
Public Schools**

Financial Statements  
June 30, 2024

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**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**District Profile**

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<b>Board of Education</b>				
<i>Name</i>	<i>Office</i>	<i>District</i>	<i>Term of Office</i>	<i>End of Term</i>
Paula Lewis	Board Chairperson		4 yrs	2029
Carole Thompson	Member	1	4 yrs	2025
Lori Bowman	Vice Chairperson	2	4 yrs	2025
Jessica Cifuentes	Member	3	4 yrs	2028
Dana Meister	Member	4	4 yrs	2028
Mike Shelton	Member	5	4 yrs	2026
Juan Lecona	Member	6	4 yrs	2027
Meg McElhaney	Member	7	4 yrs	2026

**Superintendent**

Dr. Jamie C. Polk

**Chief Financial Officer**

Sydney Ward

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# **FINANCIAL SECTION**

**Independent Auditor's Report**

RSM US LLP

Board of Education  
Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools

**Report on the Audit of the Financial Statements*****Opinions***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Independent School District No. 89 of Oklahoma County, Oklahoma, also known as Oklahoma City Public Schools (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 District, as of June 30, 2024, and the respective changes in financial position 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

Management is responsible for the preparation and fair presentation of the 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 District's ability to continue as a going concern for 12 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 GAAS 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 GAAS and *Government Auditing Standards*, we:

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

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the District's proportionate share of the net pension liability, the schedule of the District's contributions to Oklahoma Teachers Retirement System for pensions, the schedule of the District's proportionate share of the Net OPEB Liability (Asset), the schedule of the District's contributions to the Oklahoma Teachers Retirement System for OPEB, and the budgetary comparison schedule for the General Fund as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 methods 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 opinions on the financial statements that collectively comprise the District's basic financial statements. The combining financial statements, and budgetary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements, and budgetary schedules is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

*RSM US LLP*

Oklahoma City, Oklahoma  
April 23, 2025

## **Independent School District No. 89 of Oklahoma County, Oklahoma, also known as the Oklahoma City Public Schools**

### **Management's Discussion and Analysis For Fiscal Year Ended June 30, 2024**

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Within the management's discussion and analysis of the Independent School District No. 89 of Oklahoma County, Oklahoma, also known as the Oklahoma City Public Schools (the District) annual financial report, the District's management provides narrative discussion and analysis of the financial activities of the District for the fiscal year ended June 30, 2024. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements following this section. The reports are prepared using the integrated approach as prescribed by Government Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, which also requires that certain comparative information between the current year and the prior year be presented.

Unless specifically stated otherwise, all dollar amounts in this management's discussion and analysis are expressed in thousands.

#### **Financial Highlights**

Key financial highlights for the fiscal year ended June 30, 2024 were:

- The District's Statement of Net Position (accrual basis) reported that assets and deferred outflows exceeded liabilities and deferred inflows by \$529.6 million (net position) an increase of \$11.8 million, or 2.3% over the previous year end net position of \$517.8 million.
- General fund expenditures (budgetary basis) of \$392.8 million were more than total revenues (revenues plus lapsed appropriations) of \$392.1 million by \$0.7 million, or 0.2% of total revenues. The fund balance decreased to \$28.6 million, or 7.3% of total expenditures.
- Standard & Poor's (S&P's) affirmed its 'AA' annual bond rating on the District's general obligation debt outstanding. S&P views the outlook for this rating as stable.
- Per State Department of Education accreditation as of October 1 of the fiscal year, student membership totaled 33,103, a decrease of 315 students, or 1.0% under last year's membership of 33,418.

#### **Overview of the Financial Statements**

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

#### **District-Wide Financial Statements**

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

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

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



**Independent School District No. 89 of Oklahoma County, Oklahoma, also known as the Oklahoma City Public Schools**

**Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2024**

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The district-wide financial statements display functions of the District that are principally supported by property taxes and intergovernmental revenues (governmental activities).

The governmental activities of the District include regular education, special education, school nutrition services, school activity, transportation and administration.

The district-wide financial statements can be found on pages 17 and 18.

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's most significant funds rather than the District as a whole. Major funds are reported separately while all other funds are combined into a single, aggregated presentation.

All District funds are Governmental funds and are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on short-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's short-term financing requirements. All of the District's basic services are included here, such as regular education, special education, school nutrition, school activity, transportation and administration. Property taxes, federal grants, state grants and state funding provide the financing for most of these activities.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the government's short-term financing decisions. The Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances each provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Governmental Funds Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are presented on pages 19 and 21. Major funds are presented separately, and nonmajor governmental funds are combined into a single column. Individual fund data for each of these nonmajor governmental funds are provided in a combining statement on pages 61 and 62.

**Independent School District No. 89 of Oklahoma County, Oklahoma, also known as the Oklahoma City Public Schools**

**Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2024**

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**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. Notes to the financial statements can be found on pages 23 through 50.

**Required Supplementary Information**

The *Required Supplementary Information* (RSI) section presents information concerning the District's budgeting process. The District adopts an annual appropriated budget for the following funds: general fund, building fund, school nutrition fund, bond funds, debt service fund and insurance fund.

The District is required to present a budget to actual comparison schedule for both the general fund and each major special revenue fund with a legally adopted annual budget. A budgetary comparison schedule has been provided for the general fund, to demonstrate compliance with the budgets. There are no major special revenue funds with a legally adopted annual budget.

Pension and OPEB information are also included in the required supplementary information.

**Supplementary Information**

The *Supplementary Information* section presents the detailed by fund nonmajor Other Governmental Funds Balance Sheet and Revenues and Expenditures, and Changes in Fund Balances, and budgetary comparison schedules for the nonmajor special revenue funds and other funds: building fund, bond funds, debt service fund and insurance fund.

**District-Wide Financial Analysis**

The following financial analysis discussion reports the District's comparative results for Governmental Activities. As year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the District as a whole.

**Net Position**

The District's total net position at June 30, 2024 and 2023 was \$529.6 million and \$517.8 million, respectively. During the fiscal year ended June 30, 2024, net position increased \$11.8 million or 2.3%. As a result of the District recording its proportionate share of the net pension liability of the state-administered Oklahoma Teachers Retirement System (OTRS) in accordance with GASB Statement No. 68, the District is unable to report positive unrestricted net position.

The largest portion of the District's net position, \$642.9 million (121.4% of total net position), reflects its net investment in capital assets. The District uses these capital assets to provide instruction, facilities and transportation services; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Detailed financial information is available on page 17.

**Independent School District No. 89 of Oklahoma County, Oklahoma, also known as the Oklahoma City Public Schools**

**Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2024**

The following table provides a comparative summary of the District's statements of net position as of June 30, 2024 and 2023:

	Statements of Net Position Governmental Activities	
	2024	2023
Current assets	\$ 649,342	\$ 548,952
Capital assets and other noncurrent assets	1,194,984	714,649
<b>Total assets</b>	<b>1,844,326</b>	<b>1,263,601</b>
<b>Deferred outflows of resources</b>	<b>95,978</b>	<b>136,156</b>
Current liabilities	97,077	92,032
Long-term liabilities	1,099,971	591,003
<b>Total liabilities</b>	<b>1,197,048</b>	<b>683,035</b>
<b>Deferred inflows of resources</b>	<b>213,687</b>	<b>198,909</b>
Net position:		
Net investment in capital assets	642,943	641,581
Restricted	120,626	100,676
Unrestricted (deficit)	(234,000)	(224,444)
<b>Total net position</b>	<b>\$ 529,569</b>	<b>\$ 517,813</b>

The District's total assets at June 30, 2024 were \$1,844.3 million, an increase of \$580.7 million, or 46.0%, over last year's assets of \$1,263.6 million.

	Total Assets Governmental Activities	
	2024	2023
Cash and cash equivalents	\$ 347,708	\$ 285,890
Investments	20,494	147
Deposits held by a third party	49,155	52,814
Accounts receivables, net of allowances	231,292	209,482
Inventories	693	619
<b>Total current assets</b>	<b>649,342</b>	<b>548,952</b>
Deposits held by a third party	470,182	-
Land and construction	36,101	22,418
Other capital and right-to-use assets, net of accumulated depreciation and amortization	685,393	688,908
Other noncurrent assets	3,308	3,323
<b>Total noncurrent assets</b>	<b>1,194,984</b>	<b>714,649</b>
<b>Total assets</b>	<b>\$ 1,844,326</b>	<b>\$ 1,263,601</b>

**Independent School District No. 89 of Oklahoma County, Oklahoma, also known as the Oklahoma City Public Schools**

**Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2024**

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**Current Assets**

The District's current assets consist primarily of cash and cash equivalents, investments, deposits held by a third party, receivables, and inventories. Current assets at June 30, 2024 were \$649.3 million, an increase of \$100.3 million, or 18.3%, over last year's current assets of \$549.0 million. Major transactions/factors were:

- Increase of cash and cash equivalents of \$61.8 million over prior year.
- Increase of investments of \$20.3 million from prior year.
- Increase of receivables of \$21.8 million, primarily due to increases in property tax receivables over prior year.

**Noncurrent Assets**

The District's investment in capital assets includes: land; assets under construction; buildings and improvements; technology, appliances, and musical instruments; machinery, equipment, furniture and fixtures; and vehicles. Capital and right-to-use assets, net of accumulated depreciation and amortization, at June 30, 2024 were \$721.5 million, an increase of \$10.2 million, or 1.4%, over last year's total net capital assets of \$711.3 million. Major transactions/factors were:

- Increase for land purchased of \$10.3 million.
- Increase for assets under construction activity of \$3.4 million.
- Decrease in depreciable assets of \$3.5 million.
- Decrease due to depreciation expense of \$27.0 million.

The following table provides a comparative summary of the District's capital assets as of June 30, 2024 and 2023:

	Capital and Right-to-use Assets, Net of Accumulated Depreciation and Amortization Governmental Activities	
	2024	2023
Land	\$ 14,261	\$ 3,993
Assets under construction	21,840	18,425
Buildings and improvements	658,044	660,010
Technology, appliances, and musical instruments	6,304	7,777
Machinery, equipment, furniture and fixtures	9,576	9,549
Vehicles	10,336	10,352
Subscription-based right-to-use assets	1,133	1,220
<b>Total capital assets</b>	<b>\$ 721,494</b>	<b>\$ 711,326</b>

Additional information concerning the District's capital and right-to-use assets is contained in Note 4 to the financial statements.

**Independent School District No. 89 of Oklahoma County, Oklahoma, also known as the Oklahoma City Public Schools**

**Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2024**

**Total Liabilities**

The District's total liabilities at June 30, 2024 were \$1,197.1 million, an increase of \$514.1 million, or 75.3%, above last year's total liabilities of \$683.0 million. The following table provides a comparative summary of the District's liabilities as of June 30, 2024 and 2023:

	Total Liabilities Governmental Activities	
	2024	2023
Current liabilities	\$ 47,817	\$ 37,797
Current portion of long-term liabilities	49,260	54,235
<b>Total current liabilities</b>	<b>97,077</b>	<b>92,032</b>
Long-term portion of GO bonds	248,000	176,275
Lease revenue bonds	433,920	-
Premium on bonds	39,684	2,046
Accrued compensated absences	4,502	4,660
Net pension liability	373,261	407,346
Subscription liability	604	676
<b>Total noncurrent liabilities</b>	<b>1,099,971</b>	<b>591,003</b>
<b>Total liabilities</b>	<b>\$ 1,197,048</b>	<b>\$ 683,035</b>

**Current Liabilities**

The District's total current liabilities at June 30, 2024 were \$97.1 million, an increase of \$5.1 million, or 5.5%, over last year's total current liabilities of \$92.0 million. Major transactions/factors were:

- Increase in accounts payable and accrued liabilities of \$5.5 million.
- Increase in accrued interest of \$4.2 million.
- Decrease in the current portion of long-term obligations of \$4.9 million.

**Noncurrent Liabilities**

The District's total noncurrent liabilities at June 30, 2024 were \$1,100.0 million, an increase of \$509.0 million or 86.1%, over last year's total noncurrent liabilities of \$591.0 million. Major transactions/factors were:

- Increase of the total long-term portion of general obligation debt of \$71.7 million, resulting from the 2024 general obligation bond sale of \$115.5 million and the scheduled short-term repayment of \$51.7 million for other existing general obligation bonds.
- Increase in the lease revenue bond through Oklahoma Industries Authority of \$437.0 million (of which approximately \$3.1 million is classified as current) and related premiums of \$38.1 million.
- Decrease of net pension liability of \$34.1 million.

Additional information concerning the District's noncurrent liabilities is contained in Note 6 – Long-Term Liabilities and Note 8 – Employee Retirement Plans.

**Independent School District No. 89 of Oklahoma County, Oklahoma, also known as the Oklahoma City Public Schools**

**Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2024**

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**Outstanding Debt**

General obligation bond debt, including premiums, at June 30, 2024 was \$293.3 million, an increase of \$63.4 million or 27.5%, above last year's total bond debt of \$230.0 million. The district issued lease revenue bonds in the amount of \$437 million with an associated premium of \$38.1 million. Changes in the outstanding debt balance reflect the net impact of any increases of debt for new bond sales and any reductions of debt for bond principal payments. Major transactions/factors were:

- Increase for debt associated with the 2024 Bond Sale of \$115.5 million.
- Decrease for general obligation bond principal payments totaling \$51.7 million.

Lease revenue bond debt, including premiums, at June 30, 2024 was \$475.1 million. This was new arrangement entered into through Oklahoma Industries Authority.

The following table provides a comparative summary of the District's outstanding debt as of June 30, 2024 and 2023:

	Outstanding Debt Governmental Activities	
	2024	2023
General obligation bonds	\$ 291,775	\$ 227,985
Lease revenue bonds	437,005	-
Premium on bonds	39,683	2,046
<b>Total</b>	<b>\$ 768,463</b>	<b>\$ 230,031</b>

**Deferred Outflows** of \$96.0 million consists of items not yet charged to pension expense and OPEB expense and contributions from the employer after the measurement date but before the end of the employer's reporting period. Deferred outflows of \$0.1 million relates to debt refunding and equals the difference between the re-acquisition price and the net carrying amount of old debt. The deferred outflows will be recognized as a component of interest expense over the life of the old debt or the life of the new debt, whichever is shorter.

**Deferred Inflows** of \$186.1 million were recorded related to future property tax collections as projected based on the Oklahoma County lien date of January 1, 2024 as these will not be recognized as revenue until the year for which it is budgeted. Deferred inflows of \$26.6 million were recorded related to items not yet recognized as a reduction of pension expense and OPEB expense. Deferred inflows of \$0.9 million were related to lease revenue not yet recognized.

**Independent School District No. 89 of Oklahoma County, Oklahoma, also known as the Oklahoma City Public Schools**

**Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2024**

**Financial Analysis of the District's Activities**

The District's statement of activities is reported on the accrual basis. Detailed financial information is available on page 18. The following table provides a comparative summary of the District's statements of activities for the years ended June 30, 2024 and 2023:

	Statements of Activities Governmental Activities	
	2024	2023
Program revenues:		
Charges for services	\$ 3,605	\$ 3,579
Operating grants and contributions	161,660	155,519
Capital grants and contributions	315	959
General revenues:		
Property and other taxes	205,642	176,351
State aid not restricted to specific purposes	158,030	134,634
Support from other local governments, not restricted to specific purposes	5,237	4,656
Interest, dividends and investment earnings	14,929	7,864
Other	4,320	3,829
<b>Total revenues</b>	<b>553,738</b>	<b>487,391</b>
Expenses:		
Instruction	236,062	213,549
Support services	224,896	212,099
Noninstructional services	29,463	26,200
Facilities, acquisitions, and construction	45,605	26,569
Other outlays	738	723
Interest on long-term debt	5,218	2,597
<b>Total expenses</b>	<b>541,982</b>	<b>481,737</b>
<b>Increase in net position</b>	<b>11,756</b>	<b>5,654</b>
Net position, beginning	517,813	512,159
Net position, ending	<b>\$ 529,569</b>	<b>\$ 517,813</b>

**Independent School District No. 89 of Oklahoma County, Oklahoma, also known as the Oklahoma City Public Schools**

**Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2024**

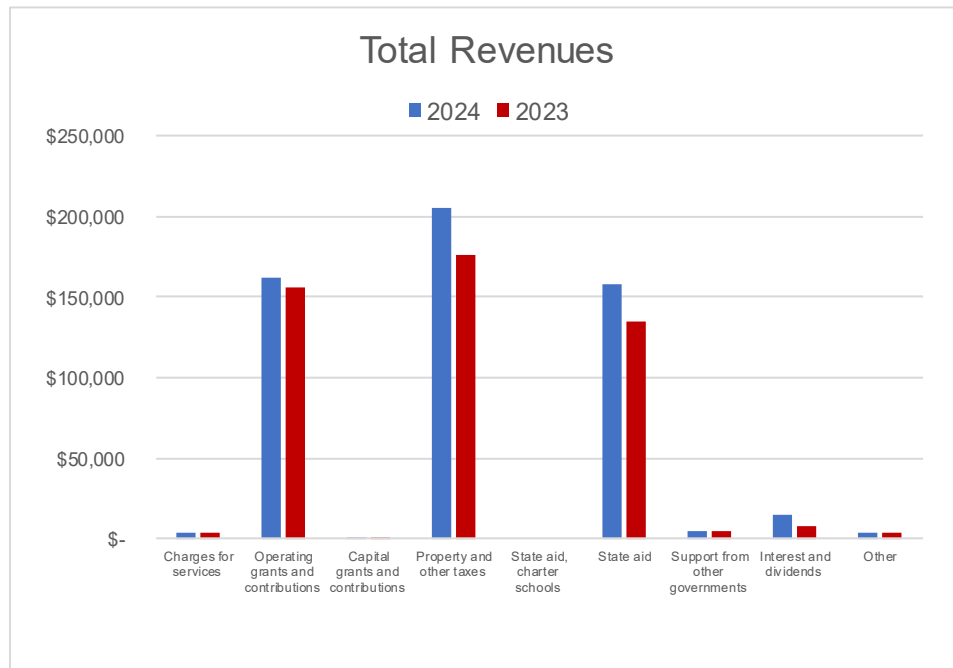
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**Revenues**

The District's total accrual basis revenues at June 30, 2024 were \$553.7 million, an increase of \$66.3 million, or 13.6%, above last year's total revenues of \$487.4 million. Major transactions/ factors were:

- Revenue from operating and capital grants and contributions was \$162.0 million, an increase of \$5.5 million or 3.5%, above prior year revenues of \$156.5 million.
- Revenue from property and other taxes was \$205.6 million, an increase of \$29.2 million or 16.6%, over prior year revenues of \$176.4 million.
- Revenue from state aid was \$158.0 million, an increase of \$23.4 million or 17.4%, over prior year revenues of \$134.6 million.
- Revenue from interest was \$14.9 million, an increase of \$7.0 million or 88.6%, above prior year revenues of \$7.9 million.

As graphically portrayed below, the District is heavily reliant on state aid to support operations. Property and other taxes support both general fund and building fund operations and provide proceeds for bond indebtedness.





**Independent School District No. 89 of Oklahoma County, Oklahoma, also known as the Oklahoma City Public Schools**

**Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2024**

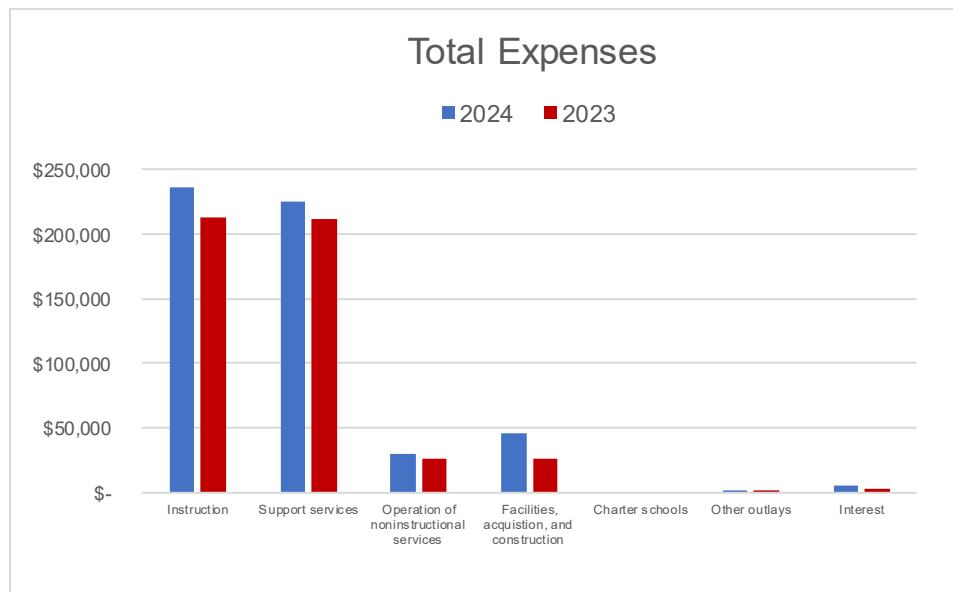
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**Expenses**

The District's total accrual basis expenses at June 30, 2024 were \$542.0 million, an increase of \$60.3 million, or 12.5%, above last year's total expenses of \$481.7 million.

Financial transactions benefiting the District that reflect both revenue and expense impact include the Federal Grant Programs (such as Title I) and on behalf teacher retirement contributions by the State of Oklahoma. These financial transactions are generally reflected within instructional costs classification. Major transactions/factors were:

- Instructional costs were \$236.1 million, an increase of \$22.6 million or 10.6% above last year's expenses of \$213.5 million.
- Support costs were \$224.9 million, an increase of \$12.8 million or 6.0% above last year's expenses of \$212.1 million.
- Facilities costs were \$45.6 million, an increase of \$19.0 million or 71.4% above last year's expenses of \$26.6 million.



**Independent School District No. 89 of Oklahoma County, Oklahoma, also known as the Oklahoma City Public Schools**

**Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2024**

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**Financial Analysis of the District's Funds**

Governmental funds: The focus of the District's governmental funds is to provide information on short-term inflows, outflows and balances of spendable resources. Long-term financial reporting, such as fixed assets and long-term debt, are adjusted back to revenue and expenditures to reflect only short-term activity. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. See pages 19 and 21 for detailed reporting.

The District's main sources of revenues by category are:

- *Local* (including ad valorem, tuition and fees, investment earnings, rentals and reimbursements)
- *Intermediate* (including County Four Mill Ad Valorem)
- *State* (including state taxes and fees, state aid, state grants and state programs)
- *Federal* (federal programs, projects, services and activities)
- *Other* (reimbursements and other miscellaneous revenues)

Other financing sources of governmental funds include bond sales, revenue transfers between funds and insurance recoveries.

Total Revenues by Source			
	2024	2023	
Local sources	\$ 202,343	\$ 166,026	
Intermediate sources	12,502	12,012	
State sources	208,825	180,238	
Federal sources	123,920	128,811	
Other	177	219	
<b>Total sources of revenue</b>	<b>\$ 547,767</b>	<b>\$ 487,306</b>	

The District's main activities by function are instruction, support services, noninstructional services, facilities acquisition and construction, other outlays, and debt service. The following table shows each activity's total cost before any offsets for fees generated by the activities and intergovernmental aid provided for specific programs, as well as the financial burden that was placed on the State of Oklahoma, federal government, and the District's taxpayers by each of these functions.

**Independent School District No. 89 of Oklahoma County, Oklahoma, also known as the Oklahoma City Public Schools**

**Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2024**

Total Expenditures by Function			
	2024	2023	
Instruction	\$ 213,978	\$ 204,966	
Support services	205,984	191,802	
Noninstructional services	28,318	25,680	
Facilities acquisition and construction	153	45	
Other outlays	1,409	1,848	
Debt service	53,984	50,500	
Capital outlay	87,129	56,458	
<b>Total cost of service</b>	<b>\$ 590,955</b>	<b>\$ 531,299</b>	

**General Fund Budget Discussion**

In accordance with statutory requirements, prior to the end of the current fiscal year, the budget for the subsequent year is prepared and submitted to the Board of Education for approval prior to June 30. Budgets are established based on historical trend information that is adjusted for one-time budget increases that may have occurred, new or ending programs, legislative activity, local economic activity and any changes in priorities or initiatives by the Oklahoma City Public School Board of Education.

**Revenues**

In addition to evaluating historical trends, budget preparation incorporates the District's student projections, prepared by the PRE (Planning, Research & Evaluation) department for the upcoming year. The three largest revenue streams for the District are state, local and federal funding. A significant portion of state funding is through the State formula funding and is dependent on the WADM (Weighted Average Daily Membership) of the student projections. Federal funding is budgeted to authorize the full potential allocation of all federal programs. All revenue projections are also evaluated based on any applicable factors that may be impactful including interest rates and state specific economic trends.

**Expenditures**

Similar to the revenue budgeting process, expenditure budgets are heavily reliant on trend information. Employee compensation and benefits are the largest expense of the District. Based on the projected increase or decrease of student enrollment, the related District instructional staffing is evaluated and may be adjusted. All expense projections are also evaluated based on any applicable factors that may be impactful including, teacher shortages, union negotiations and new legislative mandates.

**Economic Outlook**

During FY24, the District continued its commitment to maximizing student and classroom investments and incorporating equity into decision-making processes while protecting the District's overall financial position.

In FY25, OKCPS enrollment remained relatively flat, decreasing .5% or 173 students. OKCPS leadership will continue to carefully evaluate legislative activity and monitor revenues and expenditures to ensure that the financial resources are aligned to meet our student's academic and emotional needs.

Looking forward, the State of Oklahoma approved a FY25 budget of \$3.86 billion for common education, representing a slight decrease of just over \$100 million or 2.8%.

**Independent School District No. 89 of Oklahoma County, Oklahoma, also known as the Oklahoma City Public Schools**

**Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2024**

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The District's state funding is highly dependent on student enrollment and district weighted enrollment continues to decline while overall state weighted enrollment increases. Additionally, the current political landscape is ever changing at a federal level as well. Although the District does not believe recent events at the federal level will materially impact the District in the near future, the District will continue to carefully evaluate legislative activity at the federal and state level and monitor revenues and expenditures to ensure that our financial resources are aligned to provide equitable access to a world class education so that every OKCPS student will graduate ready to fulfill their unique purpose in a healthy, vibrant community.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's financials and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact:

Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools  
Financial Services Department  
P.O. Box 36609  
Oklahoma City, Oklahoma 73136

# **BASIC FINANCIAL STATEMENTS**

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Statement of Net Position  
June 30, 2024  
(in thousands)**

	Governmental Activities
<b>Assets</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ 347,708
Investments	20,494
Restricted cash and cash equivalents: deposits held by third party	49,155
Receivables:	
Delinquent/protested property taxes, net of allowance	12,666
Property taxes—succeeding year, net of allowance	186,142
Due from other governments	32,228
Lease receivable	159
Other, net of allowance	97
Inventories	693
<b>Total current assets</b>	<b>649,342</b>
<b>Noncurrent assets:</b>	
Restricted cash and cash equivalents: deposits held by third party	470,182
Capital assets:	
Land and assets under construction	36,101
Other capital and right-to-use assets, net of accumulated depreciation and amortization	685,393
Net other postemployment benefits	2,440
Lease receivable	868
<b>Total noncurrent assets</b>	<b>1,194,984</b>
<b>Total assets</b>	<b>1,844,326</b>
<b>Deferred outflows of resources</b>	
Debt refunding related amounts	15
Other postemployment benefits amounts	1,377
Pension related amounts	94,586
<b>Total deferred outflows of resources</b>	<b>95,978</b>
<b>Liabilities</b>	
<b>Current liabilities:</b>	
Warrants payable	3,262
Accounts payable and accrued liabilities	37,988
Accrued interest payable	6,567
Current portion of long-term obligations	49,260
<b>Total current liabilities</b>	<b>97,077</b>
<b>Noncurrent liabilities:</b>	
General obligation bonds	248,000
Lease revenue bonds	433,920
Premium on bonds	39,684
Accrued compensated absences	4,502
Net pension liability	373,261
Subscription liabilities	604
<b>Total noncurrent liabilities</b>	<b>1,099,971</b>
<b>Total liabilities</b>	<b>1,197,048</b>
<b>Deferred inflows of resources</b>	
Property taxes—succeeding year	186,142
Pension related amounts	25,900
Other postemployment benefits amounts	710
Lease revenue	935
<b>Total deferred inflows of resources</b>	<b>213,687</b>
<b>Net position</b>	
Net investment in capital assets	642,943
Restricted for:	
Debt service	83,488
Capital projects	8,989
Building	7,276
School nutrition	2,700
Other postemployment benefits	3,107
Other	15,066
Unrestricted (deficit)	(234,000)
<b>Total net position</b>	<b>\$ 529,569</b>

See notes to financial statements.

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Statement of Activities  
Year Ended June 30, 2024  
(in thousands)**

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Functions/Programs	Expenses				Governmental Activities
Governmental activities:					
Instruction	\$ 236,062	\$ 1,371	\$ 47,922	\$ -	\$ (186,769)
Support services	224,896	1,154	76,741	-	(147,001)
Noninstructional services	29,463	1,080	23,829	-	(4,554)
Facilities, acquisitions, and construction	45,605	-	5,205	315	(40,085)
Other outlays	738	-	7,963	-	7,225
Interest on long-term debt	5,218	-	-	-	(5,218)
<b>Total governmental activities</b>	<b>\$ 541,982</b>	<b>\$ 3,605</b>	<b>\$ 161,660</b>	<b>\$ 315</b>	<b>(376,402)</b>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					111,390
Property taxes, levied for debt service					65,389
Other					28,863
State aid not restricted to specific purposes					158,030
Support from other local governments, not restricted to specific purposes					5,237
Interest, dividends and investment earnings					14,929
Other					4,320
<b>Total general revenues</b>					<b>388,158</b>
<b>Change in net position</b>					<b>11,756</b>
Net position at beginning of year					517,813
Net position at end of year					<b>\$ 529,569</b>

See notes to financial statements.

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Balance Sheet—Governmental Funds  
June 30, 2024  
(in thousands)**

	General Fund	Debt Service Fund	2022 Bond Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 46,788	\$ 36,375	\$ 194,814	\$ 69,731	\$ 347,708
Investments	20,494	-	-	-	20,494
Restricted cash and cash equivalents: deposits held by third party	-	49,155	470,182	-	519,337
Receivables:					
Delinquent/protested property taxes, net of allowance	7,581	4,046	-	1,039	12,666
Property taxes—succeeding year, net of allowance	101,135	70,551	-	14,456	186,142
Due from other governments	24,872	478	-	6,878	32,228
Lease receivable	1,027	-	-	-	1,027
Other, net of allowance	80	-	-	17	97
Inventories	382	-	-	311	693
<b>Total assets</b>	<b>\$ 202,359</b>	<b>\$ 160,605</b>	<b>\$ 664,996</b>	<b>\$ 92,432</b>	<b>\$ 1,120,392</b>
<b>Liabilities</b>					
Warrants payable	\$ 2,526	\$ -	\$ 25	\$ 712	\$ 3,263
Accounts payable and accrued liabilities	25,973	-	6,023	5,992	37,988
<b>Total liabilities</b>	<b>28,499</b>	<b>-</b>	<b>6,048</b>	<b>6,704</b>	<b>41,251</b>
<b>Deferred inflows of resources</b>					
Unavailable revenue—delinquent/protested property taxes	7,581	4,046	-	1,039	12,666
Unavailable revenue—property taxes— succeeding year	101,135	70,551	-	14,456	186,142
Unavailable revenue—due from other governments	2,655	-	-	3,915	6,570
Lease revenue	935	-	-	-	935
<b>Total deferred inflows of resources</b>	<b>112,306</b>	<b>74,597</b>	<b>-</b>	<b>19,410</b>	<b>206,313</b>
<b>Fund balances</b>					
Nonspendable	382	-	-	311	693
Restricted	5,040	86,008	658,948	61,014	811,010
Committed	-	-	-	4,634	4,634
Assigned	5,628	-	-	359	5,987
Unassigned	50,504	-	-	-	50,504
<b>Total fund balances</b>	<b>61,554</b>	<b>86,008</b>	<b>658,948</b>	<b>66,318</b>	<b>872,828</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 202,359</b>	<b>\$ 160,605</b>	<b>\$ 664,996</b>	<b>\$ 92,432</b>	<b>\$ 1,120,392</b>

See notes to financial statements.



**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Reconciliation of Total Governmental Fund Balances to Net Position  
of Governmental Activities**

**June 30, 2024**

**(in thousands)**

Total governmental fund balances	\$	872,828
Amounts reported for governmental activities in the statement of net position are different because:		
Capital and right-to-use assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		
Cost of capital and right-to-use assets	\$	1,129,113
Accumulated depreciation and amortization		(407,619)
		721,494
Certain assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Delinquent/protested property taxes, net of allowance		12,666
Due from other governments		6,570
Net other postemployment benefits		2,440
		21,676
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, debt refunding related amounts		15
Deferred outflows of resources, pension related amounts		94,586
Deferred outflows of resources, net other postemployment benefits		1,377
Deferred inflows of resources, net other postemployment benefits		(710)
Deferred inflows of resources, pension related amounts		(25,900)
		69,368
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 consist of:		
General obligation bonds payable		(291,775)
Lease revenue bonds		(437,005)
Premium on bonds		(39,684)
Compensated absences		(6,432)
Subscription liabilities		(1,074)
Net pension liability		(373,262)
Accrued interest		(6,565)
		(1,155,797)
<b>Net position of governmental activities</b>	<b>\$</b>	<b>529,569</b>

See notes to financial statements.

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Statement of Revenues, Expenditures and Changes in Fund Balances—  
Governmental Funds  
Year Ended June 30, 2024  
(in thousands)**

	General Fund	Debt Service Fund	2022 Bond Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Local sources	\$ 105,543	\$ 67,569	\$ 6,576	\$ 22,655	\$ 202,343
Intermediate sources	12,502	-	-	-	12,502
State sources	200,925	-	-	7,900	208,825
Federal sources	94,098	-	-	29,822	123,920
Other	169	-	-	8	177
<b>Total revenues</b>	<b>413,237</b>	<b>67,569</b>	<b>6,576</b>	<b>60,385</b>	<b>547,767</b>
Expenditures:					
Current:					
Instruction	213,884	-	65	29	213,978
Support services	182,822	-	7,484	15,678	205,984
Noninstructional services	1,811	-	-	26,507	28,318
Facilities, acquisitions, and construction	46	-	-	107	153
Other outlays	1,238	-	-	171	1,409
Debt service:					
Principal payments	-	51,710	-	-	51,710
Subscription-based IT payments	811	-	-	-	811
Interest and fiscal charges	20	1,443	-	-	1,463
Capital outlay:					
Instruction	7,583	-	9,278	10	16,871
Support services	2,641	-	3,870	7,965	14,476
Noninstructional services	-	-	-	1,216	1,216
Facilities, acquisitions, and construction	442	-	33,487	20,627	54,556
Other outlays	10	-	-	-	10
<b>Total expenditures</b>	<b>411,308</b>	<b>53,153</b>	<b>54,184</b>	<b>72,310</b>	<b>590,955</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,929</b>	<b>14,416</b>	<b>(47,608)</b>	<b>(11,925)</b>	<b>(43,188)</b>
Other financing sources:					
Bond issuances	-	-	552,505	-	552,505
Initiation of subscription-based arrangements	682	-	-	-	682
Premium on bond issuances	-	13	38,124	-	38,137
Insurance recoveries	84	-	-	1	85
<b>Total other financing sources</b>	<b>766</b>	<b>13</b>	<b>590,629</b>	<b>1</b>	<b>591,409</b>
<b>Net change in fund balances</b>	<b>2,695</b>	<b>14,429</b>	<b>543,021</b>	<b>(11,924)</b>	<b>548,221</b>
Fund balances, beginning of year	58,859	71,579	115,927	78,242	324,607
Fund balances, end of year	\$ 61,554	\$ 86,008	\$ 658,948	\$ 66,318	\$ 872,828

See notes to financial statements.

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund  
Balances of Governmental Funds to the Statement of Activities  
Year Ended June 30, 2024  
(in thousands)**

Net changes in fund balances - total governmental funds	\$	548,221
Amounts reported for governmental activities and the statement of activities are different because:		
Capital outlays to purchase or build capital assets or right-to-use 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 activities. This is the amount by which the capital outlays exceeded depreciation, amortization, and retirements in the period.		
Capital outlay expenditures capitalized	\$	37,657
Depreciation and amortization expense		(27,671)
Contributed capital		315
		10,301
Repayments of principal on long-term liabilities are expenditures in governmental funds but reduce long-term liabilities in the statement of net position and do not affect the statement of activities. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Proceeds from the sale of new bonds are other financing sources in the governmental funds but have no impact on the statements of activities.		
Payments on subscription liabilities		811
Issuance of subscription liabilities		(682)
Principal payments and amortization of bond premium		52,210
Proceeds from the sale of bonds and premium on the issuance of bonds		(590,642)
		(538,303)
Because some revenues (property taxes and certain other income) will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds and are instead deferred inflows of resources. They are, however, recorded as revenues in the statement of activities.		6,206
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences		226
Interest expense recognized in the statement of activities		(4,255)
Net other postemployment benefit expense		(71)
Pension expense, net of state on-behalf payments of \$22.1 million		(10,568)
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b>11,757</b>

See notes to financial statements.

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Notes to Financial Statements (dollars in thousands unless specifically noted otherwise)**

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**Note 1. Nature of Operations and Significant Accounting Policies**

**Nature of operations:** Oklahoma County School District No. I-89, Oklahoma City Public Schools (the District), is a corporate body for public purposes created under Title 70 of 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 Oklahoma State Department of Education. The general operating authority for the public school system is the Oklahoma School Code contained in Title 70, Oklahoma Statutes. The District is a primary government that has a separately elected governing body, is legally separate and is fiscally independent of other state or local governments. The governing body of the District, the Board of Education, is composed of elected members. The Superintendent is appointed by the Board and is the chief executive officer of the District.

**Significant accounting policies:** The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America for state and local governments. Generally accepted accounting principles for school districts are defined as those principles promulgated by the Governmental Accounting Standards Board (GASB).

Significant accounting and reporting policies applied in the preparation of the accompanying financial statements are as follows:

**Reporting entity:** 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 would cause the District's basic financial statements to be misleading. The District has not identified any organizations that should be included in the District's reporting entity.

**District-wide and fund financial statements:** The district-wide financial statements (the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. Essentially all interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not report any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Major individual governmental funds are reported as separate columns in the fund financial statements.

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

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Notes to Financial Statements (dollars in thousands unless specifically noted otherwise)**

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**Note 1. Nature of Operations and Significant Accounting Policies (Continued)**

The District reports the following major governmental funds:

- **General Fund:** The General Fund is established as the District's primary operating fund and is used to account for all financial transactions except for those required to be accounted for in another fund. Major revenue sources include local property taxes, state funding under the foundation and incentive aid program, and federal and state restricted monies that must be expended for specific programs.
- **Debt Service Fund:** The Debt Service Fund (the Sinking Fund) is established to account for the local property tax proceeds levied specifically for debt service retirement and related investment interest earnings and the general obligation bond debt obligations and payments.
- **2022 Bond Funds:** The 2022 Bond Funds, capital projects funds, are established to account for the various general obligation bond sale proceeds and expenditures as authorized by the voters on November 8, 2022. These resources are used exclusively for acquiring school sites, constructing and equipping new school facilities, renovating and adding additional flexible space to existing facilities, enhancing safety and security, equipping district athletic and fine arts programs, acquiring furniture and fixtures, acquiring technology and transportation equipment. The total bond issue authorized by the voters was \$955 million, and consisted of the following separately approved propositions:
  - *Proposition 1:* \$936 million for capital improvements, new schools, added space, regional stadium, technology infrastructure upgrades, staff and student technology equipment, athletic and fine arts equipment and uniforms, as well as school building maintenance, including roofing, heating, air conditioning, safety improvements, and general equipment;
  - *Proposition 2:* \$19 million to replace school buses and update the support vehicle fleet.

The District reports the following nonmajor governmental funds:

- **Building Fund:** The Building Fund, a special revenue fund, is established to account for the proceeds of the local property taxes levied specifically for the Building Fund. These resources may be used for building operations and maintenance including supplies, services and personnel.
- **School Nutrition Services:** The School Nutrition Services program, a special revenue fund, is established to account for revenues collected, including federal and state, for meals served, and for associated costs of the program.
- **Gifts and Endowments Fund:** The Gifts and Endowments Fund, a special revenue fund, is established to account for any receipt of assets by way of philanthropic foundations, individuals, or private organizations for which no repayment or special service to the contributor is expected. Income derived from such funds may be expended, but the principal must remain intact.

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Notes to Financial Statements (dollars in thousands unless specifically noted otherwise)**

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**Note 1. Nature of Operations and Significant Accounting Policies (Continued)**

- **2007 Bond Funds:** The 2007 Bond Funds, a capital project fund, is established to account for the various general obligation bond sale proceeds and expenditures as authorized by the voters on October 9, 2007. These resources are used exclusively for acquiring school sites, constructing and equipping new school facilities, renovating existing facilities, enhancing safety and security, and acquiring technology and transportation equipment. The total bond issue authorized by the voters was \$248.3 million, and consisted of the following separately approved propositions:
  - *Proposition 1:* \$212 million for capital improvements for elementary school gymnasiums, 54 new classrooms, and routine maintenance;
  - *Proposition 2:* \$21 million to provide network system upgrades to better track and evaluate students and update and add library materials;
  - *Proposition 3:* \$7.3 million to replace school buses more than 10 years old and update the support vehicle fleet; and
  - *Proposition 4:* \$8 million to improve safety and security equipment throughout the District.
- **2016 Bond Funds:** The 2016 Bond Funds, capital project funds, are established to account for the various general obligation bond sale proceeds and expenditures as authorized by the voters on November 8, 2016. These resources are used exclusively for maintaining, renovating, and equipping school facilities, enhancing safety and security, and acquiring technology and transportation equipment. The total bond issue authorized by the voters was \$180 million, and consisted of the following separately approved propositions:
  - *Proposition 1:* \$106.34 million for school building maintenance, including roofing, heating, air conditioning, safety improvements, and general equipment;
  - *Proposition 2:* \$54.46 million for technology infrastructure upgrades, student and testing labs, and computers; and
  - *Proposition 3:* \$19.20 million to replace school buses and update the support vehicle fleet.
- **Casualty Flood Insurance Recovery Fund:** The Casualty Flood Insurance Recovery Fund, a capital projects fund, was established July 2, 2007 by Board of Education Resolution in order to establish a reserve for repairs or replacement of District property that has been destroyed or damaged or lost by a hazard or cause which is either excluded from coverage in the policy of the insurance procured by the District or which falls within the self-insured retention (deductible) of the policy.
- **School Activity Fund:** The School Activity Fund is a special revenue fund established to account for all financial transactions related to the fundraising efforts of students and District-sponsored groups.

**Basis of accounting, measurement focus, and financial statement presentation:** The government-wide statement of net position and statement of activities financial statements are reported on the accrual basis of accounting using the economic resources 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 budgeted. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
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**Notes to Financial Statements (dollars in thousands unless specifically noted otherwise)**

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**Note 1. Nature of Operations and Significant Accounting Policies (Continued)**

The Balance Sheet—Governmental Funds and Statement of Revenues, Expenditures, and Changes in Fund Balances: Governmental Funds financial statements are reported on the modified accrual basis of accounting using the current financial resources measurement focus. 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.

All revenues are considered available if they are collected within 60 days of the end of the current fiscal period. Property tax and other revenues collected within the time frame noted are therefore susceptible to accrual and have been recognized as revenues of the current fiscal period to the extent the availability criteria discussed above was met.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pensions, and other postemployment benefit obligations, are only recorded when the payment is due.

**Cash and cash equivalents and investments:** The District considers all cash on hand, demand deposits, interest-bearing checking accounts, high yield savings 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, 2024, the District's investments were in sweep accounts and Insured Cash Sweeps which meet the definition of cash equivalents and certificates of deposit and the District's position in the Oklahoma Public School Liquid Asset Pool (the Pool) which are classified as investments. Certificates of deposit have maturities of one year or less and are recorded at amortized cost. In accordance with state law, the Pool operates in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as a 2a7-like pool. The Pool is subject to regulatory oversight by the sponsors (Oklahoma State School Boards Association, Cooperative Council of Oklahoma School Administration, Organization of Rural Oklahoma Schools, and Oklahoma Association of School Business Officials), although it is not registered with the SEC.

**Receivables:** Uncollected taxes assessed on valuations made each year are recorded in the District's financial statements. An allowance for doubtful accounts for property taxes receivable is calculated based on an aged analysis of protested and delinquent tax receivables and historical collection data.

**Interfund transactions:** Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as due to/from other funds. There were no amounts due to/from other funds as of June 30, 2024. Transfers move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources. Transfers within governmental activities are eliminated upon consolidation. During the year ended June 30, 2024, there were no interfund transactions.

**Inventories:** Inventories are carried at cost (FIFO method, or first-in, first-out) and are recorded as expenditures when consumed rather than when purchased. Inventories include fuel, maintenance stock, and food service supplies.

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
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**Notes to Financial Statements (dollars in thousands unless specifically noted otherwise)**

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**Note 1. Nature of Operations and Significant Accounting Policies (Continued)**

**Capital assets:** Capital assets, which include land, buildings, and improvements; machinery and equipment; vehicles; and computers and technology, are reported in the district-wide financial statements. Capital assets are defined by the District as assets with an initial unit cost or an estimated acquisition value at the date of donation equal to or greater than \$5,000 (not in thousands) for federally funded assets or \$25,000 (not in thousands) for all other assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or do not materially extend an asset's life are not capitalized.

Major outlays for capital assets and improvements are capitalized as the projects are constructed.

Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation.

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

Type of Asset	Years
Buildings	50
Land improvements	15
Machinery, equipment, vehicles, furniture and fixtures	10
Technology, appliances, and musical instruments	5

**Right-to-use IT subscription:** The District follows GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, which requires the district to report a subscription right-to-use assets and subscription liability for its SBITA.

Right-to-use subscription IT assets are recognized at the subscription commencement date and represent the District's right to use the underlying IT asset for the subscription term. Right to use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right to use subscription IT assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method. The amortization period varies from 2-5 years.

**Leases:** The District follows GASB Statement No. 87, *Leases*, which defines the District's leasing arrangement as the right to use an underlying asset as a lessor or lessee.

As lessor, the District recognizes a lease receivable. The lease receivable is measured using the net present value of future lease payments to be received for the lease term and deferred inflow of receivables at the beginning of the lease term. Periodic payments are reflected as a reduction of the discounted lease receivable and as interest revenue for that period. Deferred inflows of resources are recognized as inflows on a straight-line basis over the term of the lease.

Re-measurement of lease receivables occur when there are modifications including, but not limited to, changes in the contract price, lease term and adding or removing an underlying asset to the lease agreements. In the case of a partial or full lease termination, the carrying value of the lease receivable and the related deferred inflow of resources will be reduced and will include a gain or loss for the difference.



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**Notes to Financial Statements (dollars in thousands unless specifically noted otherwise)**

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**Note 1. Nature of Operations and Significant Accounting Policies (Continued)**

As a lessor, the District does not consider variable lease payments in the lease receivable calculations but are recognized as outflows of resources in the period in which the obligation was incurred.

For lease contracts that are short-term, the District recognizes short-term lease payments as inflows of resources (revenues) based on the payment provisions of the lease contract.

**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 assets 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 include the debt refunding loss equal to the difference between the reacquisition price and the net carrying amount of the old debt. The deferred outflow will be recognized as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter. Deferred outflows of resources also consist of unrecognized items not yet charged to pension expense and contributions from the employer after the measurement date but before the end of the employer's reporting period. See Note 8 for additional discussion regarding pension deferred outflows of resources. In addition, the District has reported deferred outflows of resources for contributions made subsequent to the measurement date for its other postemployment benefit liability. See Note 9 for additional discussion regarding other post-employment benefit deferred outflows of resources.

**Deferred inflows of resources:** In addition to liabilities, the statement of net position and fund balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets 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 revenues from delinquent property taxes, succeeding year property taxes, intergovernmental revenue and lease receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the District's district-wide statement of net position, the property tax revenues for the succeeding year remain a deferred inflow and will be recognized as revenue in the year for which they are budgeted. The district-wide statement of net position also consists of deferred inflows related to unrecognized items not yet charged to pension expense. See Note 8 for additional discussion regarding pension deferred inflows of resources. In addition, the District has reported deferred inflows of resources related to unrecognized items not yet charged to expense related to its other postemployment benefits. See Note 9 for additional discussion regarding other post-employment benefit deferred inflows of resources.

**Long-term liabilities:** In the governmental fund financial statements, principal and interest on long-term debt and other long-term obligations are recognized as liabilities only when payment has matured or become due. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are also reported as other financing sources. Discounts are reported as other financing uses. Principal payments and bond issuance costs are reported as debt service expenditures.

Long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are amortized over the life of the debt using a method which approximates the effective interest method. Bond issue costs are recorded as an expense when incurred.

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
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**Notes to Financial Statements (dollars in thousands unless specifically noted otherwise)**

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**Note 1. Nature of Operations and Significant Accounting Policies (Continued)**

**Pensions:** For purposes of measuring the net pension liability, deferred outflows/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 held by OTRS are reported at fair value.

**Postemployment Benefits Other Than Pensions (OPEB):** For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB 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 held by OTRS are generally reported at fair value.

**Compensated absences:** The liability for compensated absences is recorded in the district-wide financial statements. Vested compensated absence balances are reported as a long-term liability with an estimated short-term portion recorded as due within one year.

**Equalized pay:** Oklahoma City Public Schools utilizes equalized pay to provide equal base pay amounts each pay period to employees throughout the year including intercession periods.

To provide equalized base pay throughout the year, including times when employees do not work, a liability account is maintained for each employee who has a specific annual work schedule. The liability account increases when the employee earns more than equalized base pay and decreases when the employee is not working as many days in a pay period or is not working at all during intercession periods. This account is zero at the end of the contract year, which can be different than the fiscal year.

**Net position and fund balance:** The district-wide 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. 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 this component of net position, if any.
- **Restricted net position:** This component of net position 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. The restricted net position for other purposes is made up of the following: state allocation carryover of \$12,275, and student services of \$2,791.

Net position totaling \$19,551 is restricted by enabling legislation. The remaining \$92,085 is restricted by creditors, grantors, contributors, or laws or regulations of other governments.

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

It is the District's policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
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**Notes to Financial Statements (dollars in thousands unless specifically noted otherwise)**

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**Note 1. Nature of Operations and Significant Accounting Policies (Continued)**

Governmental fund equity is classified as fund balance. Fund balance consists of five categories, defined 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.

- **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 its Chief Financial Officer as the Board approved Encumbrance Clerk 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 balance 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.

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
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**Notes to Financial Statements (dollars in thousands unless specifically noted otherwise)**

**Note 1. Nature of Operations and Significant Accounting Policies (Continued)**

The following table shows the fund balance classifications as shown on the governmental funds balance sheet:

	Major Funds			Nonmajor	Total
	General Fund	Debt Service Fund	2022 Bond Fund	Other Governmental Funds	Governmental Funds
Nonspendable:					
Inventories	\$ 382	\$ -	\$ -	\$ 311	\$ 693
	382	-	-	311	693
Restricted for:					
Capital projects	-	-	658,948	41,013	699,961
Debt service	-	86,008	-	-	86,008
Building	-	-	-	7,276	7,276
Student services	6	-	-	2,784	2,790
School nutrition services	-	-	-	2,700	2,700
State allocation carryover	5,034	-	-	7,241	12,275
	5,040	86,008	658,948	61,014	811,010
Committed for,					
Capital projects	-	-	-	4,634	4,634
Assigned for:					
Compensated absences	5,369	-	-	-	5,369
Student services	-	-	-	1	1
Purchase orders	259	-	-	-	259
Capital projects	-	-	-	358	358
	5,628	-	-	359	5,987
Unassigned	50,504	-	-	-	50,504
Total fund balance	\$ 61,554	\$ 86,008	\$ 658,948	\$ 66,318	\$ 872,828

**State revenues:** Revenues from state sources for current operations are primarily governed by the state aid formula under the provision of Article XVIII, Title 70, Oklahoma Statutes. The Oklahoma State Department 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 Oklahoma State Department of Education may adjust subsequent fiscal period allocations of money due to changes in state revenue actual collections versus appropriated funds.

The District receives revenues from the state to administer certain categorical educational programs. Oklahoma State Department of Education rules require that revenues earmarked for these programs are expended only for the program for which the money is provided and require that money not expended as of the close of the fiscal year be carried forward into the following fiscal year to be expended for the same categorical programs. Approximately \$5,034 of state categorical revenue was carried forward to fiscal year 2024. The Oklahoma State Department of Education requires that categorical educational program revenue be accounted for in the general fund.

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
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**Notes to Financial Statements (dollars in thousands unless specifically noted otherwise)**

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**Note 1. Nature of Operations and Significant Accounting Policies (Continued)**

**Property tax revenue:** The District is authorized by state law to levy property taxes. Property tax is levied each October 1 on the assessed valuation of real and personal property within the District as of the preceding January 1, the lien date. The county assessor, upon receipt of the certification of tax levies from the Oklahoma County Excise Board, extends the tax levies on the tax roll for submission to the County Treasurer. All taxes levied upon an ad valorem basis for each fiscal year shall become due and payable on the first day of November.

The first half of taxes is due prior to January 1, and the second half is due prior to April 1. If the first half of tax payment is not made timely, the entire tax becomes due and payable on January 2. Second half taxes are delinquent on April 1 of the year following the year of assessment. Mortgage servicers are prohibited from paying in halves; ad valorem from mortgage servicers is due prior to January 1. The Oklahoma County Treasurer conducts an annual Resale the second Monday in June. Property with taxes delinquent of four years is sold at Resale. A successful bidder at Resale will be issued a deed to the property by the next business day. Any property not sold at Resale will be deeded to Oklahoma County.

Property tax receivables are recorded on the lien date, although the related revenue is reported as a deferred inflow of resources and will not be recognized as revenue until the year for which it is budgeted.

**Use of estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the District to make estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets, deferred inflows and outflows, liabilities, and net position; the disclosure of contingent assets and liabilities; and the reported revenues and expenditures. Actual results could differ from those estimates.

**Subsequent events:** On December 9, 2024, the District issued Combined Purpose General Obligation Bonds, Series 2025A in the amount of \$20.55 million as well as Taxable Series 2025B in the amount of \$10.965 million. The closing date for both Series 2025A and Taxable Series 2025B was January 22, 2025.

Subsequent to year-end, President Trump signed several executive orders (EOs) ordering the pause or termination of federal assistance for programs that do not align with the new administration's policies. The Administration has tasked federal departments with evaluating all federal programs they administer to determine if the funding being provided falls under any of the EOs. During the year ended June 30, 2024, the District recognized federal financial assistance totaling approximately \$132.5 million, and at June 30, 2024 had outstanding federal receivables of approximately \$30 million. The District has not experienced any issues with the collectability of the receivables as a result of the EOs. As of the date of this report, the full impact of President Trump's EOs on the District's financial position and results of operations is uncertain. Management is actively monitoring the situation and assessing the potential effects on the organization's financial statements.

**New accounting pronouncement adopted:** The District adopted the following new accounting pronouncement in fiscal year 2024.

GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, issued June 2022, provides guidance on the accounting changes as changed in accounting principles, changes in accounting estimates and change to or within the financial reporting entity and describes the transactions or other events that constitute those changes. The adoption resulted in no impact to the District for the period ending June 30, 2024.

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
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**Notes to Financial Statements (dollars in thousands unless specifically noted otherwise)**

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**Note 1. Nature of Operations and Significant Accounting Policies (Continued)**

**New accounting pronouncements issued not yet adopted:** The GASB has issued several new accounting pronouncements that will be effective in future years. Only the following issued pronouncements are believed to impact the District.

GASB Statement No. 101, *Compensated Absences*, will be effective for the District beginning with its fiscal year ending June 30, 2025, with earlier adoption encouraged. Statement No. 101 requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences.

GASB Statement No. 102, *Certain Risk Disclosures*, will be effective for the District beginning with its fiscal year ending June 30, 2025. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. If a government determines that criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact.

GASB Statement No. 103, *Financial Reporting model Improvements*, continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information (RSI). MD&A provides an objective and easily readable analysis of the government's financial activities based on currently known facts, decisions, or conditions and presents comparisons between the current year and the prior year. This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. This statement will be effective for the District for fiscal years beginning after June 15, 2025.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This statement will be effective for the District for fiscal years beginning after June 15, 2025.

The District is currently evaluating the impact that these new standards may have on its financial statements.

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**Notes to Financial Statements (dollars in thousands unless specifically noted otherwise)**

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**Note 2. Deposits and Investments**

**Custodial credit risk—deposits:** Custodial credit risk is the risk that in the event of failure of the counterparty, the District may not be able to recover the value of its deposits. Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. The District's policy requires all deposits in excess of amounts covered by federal deposit insurance be fully collateralized by the entity holding the deposits. As of June 30, 2024, all of the District's deposits were either covered by federal deposit insurance or were collateralized with securities held by the pledging financial institution's trust department in the District's name.

**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 a counterparty or the counterparty's trust department but not in the name of the District. The District's investments in sweep accounts, totaling \$336.8 million are invested in money market mutual funds; deposits held by third party of \$470.1 million are in money market mutual funds and \$31.3 million are held in external investment pools and therefore custodial credit risk does not apply. The District mitigates this risk by investing in accounts that invest primarily in short-term U.S. Treasury and government securities, in accordance with State Statutes.

**Concentration of credit risk:** The District's investment policy requires that, except for direct obligations of the U.S. government, its agencies, or instrumentalities or certificates of deposit secured by diversified pledges of collateral, the District's investment portfolio will be diversified to avoid incurring undue concentration in securities of one type. As of June 30, 2024, the District's external investment pool and the money market mutual funds are excluded from this requirement.

**Interest rate risk:** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District's investment policy does limit investment maturities for purposes of liquidity management. District sources of funding limit investments to be very short-term in nature. Funds are strategically placed for meeting cash flow needs for all areas of cash management. As of June 30, 2024, the District's investments were in money market mutual funds (sweep accounts) that mature daily, or the Oklahoma Public School Liquid Asset Pool (the Pool) which has a weighted average maturity of 15 days as of June 30, 2024.

**Credit risk:** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Oklahoma Public School Liquid Asset Pool is rated AAAM by S&P. The District's investments in sweep accounts, totaling \$336.8 million are invested in money market mutual funds are rated AAA; deposits held by third party of \$470.1 million in money market mutual funds are rated AAAM by S&P.

The Pool measures its investments at amortized cost on the Statement on Net Position pursuant to criteria established in Governmental Accounting Standards Board (GASB) Statement No. 79, *Certain Investment Pools and Pool Participants*. The pool is carried at amortized cost, which does not require categorization under GASB Statement No. 72, *Fair Value Measurements and Application*. The money market mutual funds are carried at net asset value which approximates fair value. The District has no unfunded commitments relating to this investment. Investments in the Pool are fully redeemable on any business day; there are no lockup or gate restrictions on redemption.

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**Notes to Financial Statements (dollars in thousands unless specifically noted otherwise)**

**Note 3. Receivables**

Total receivables before provision for allowances for uncollectible accounts at June 30, 2024, for the District's governmental funds are as follows:

	Governmental Activities			Total
	General Fund	Debt Service Fund	Other Governmental Funds	Governmental Activities
Delinquent/protested property taxes	\$ 9,927	\$ 5,257	\$ 1,373	\$ 16,557
Property taxes receivable—succeeding year	105,224	74,123	15,040	194,387
Due from other governments	24,872	478	6,878	32,228
Lease receivable	1,027	-	-	1,027
Other	636	-	163	799
Total	<u>\$ 141,686</u>	<u>\$ 79,858</u>	<u>\$ 23,454</u>	<u>\$ 244,998</u>

Total allowances for uncollectible accounts are as follows:

	Governmental Activities			Total
	General Fund	Debt Service Fund	Other Governmental Funds	Governmental Activities
Allowances for uncollectible accounts attributable to:				
Delinquent/protested property taxes	\$ (2,346)	\$ (1,211)	\$ (334)	\$ (3,891)
Property taxes—succeeding year	(4,089)	(3,572)	(584)	(8,245)
Other	(556)	-	(146)	(702)
Total	<u>\$ (6,991)</u>	<u>\$ (4,783)</u>	<u>\$ (1,064)</u>	<u>\$ (12,838)</u>

Total receivables, net of allowances for uncollectible accounts, are as follows:

	Governmental Activities			Total
	General Fund	Debt Service Fund	Other Governmental Funds	Governmental Activities
Delinquent/protested property taxes	\$ 7,581	\$ 4,046	\$ 1,039	\$ 12,666
Property taxes receivable—succeeding year	101,135	70,551	14,456	186,142
Due from other governments	24,872	478	6,878	32,228
Lease receivable	1,027	-	-	1,027
Other	80	-	17	97
Total	<u>\$ 134,695</u>	<u>\$ 75,075</u>	<u>\$ 22,390</u>	<u>\$ 232,160</u>

**Lease receivable**

The District has entered into leases of its property, including buildings and land, to third parties for purposes such as office and tower space. The leases have various length terms through fiscal year 2059 with payments required monthly or annually. As of June 30, 2024, the District's lease receivable is \$1.0 million.

Revenue recognized under lease contracts during the year ended June 30, 2024 was \$27 which includes both lease revenue and interest.

The District did not report inflows of resources related to variable payments, termination penalties, residual values guarantees for the period ending June 30, 2024.



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**Notes to Financial Statements (dollars in thousands unless specifically noted otherwise)**

**Note 4. Capital Assets**

Capital asset activity for governmental activities for the year ended June 30, 2024, was as follows:

	Beginning Balance	Additions	Reclassifications	Disposals	Ending Balance
<b>Governmental Activities</b>					
Capital assets not being depreciated:					
Land	\$ 3,993	\$ 10,268	\$ -	\$ -	\$ 14,261
Assets under construction	18,425	21,764	(18,349)	-	21,840
Total capital assets not being depreciated	22,418	32,032	(18,349)	-	36,101
Capital assets being depreciated:					
Buildings and improvements	941,613	394	18,009	-	960,016
Technology, appliances, and musical instruments	83,417	980	340	-	84,737
Machinery, equipment, furniture and fixtures	19,382	1,976	-	-	21,358
Vehicles	23,166	1,908	-	-	25,074
Total capital assets being depreciated	1,067,578	5,258	18,349	-	1,091,185
Accumulated depreciation for:					
Buildings and improvements	(281,603)	(20,369)	-	-	(301,972)
Technology, appliances, and musical instruments	(75,640)	(2,793)	-	-	(78,433)
Machinery, equipment, furniture and fixtures	(9,833)	(1,949)	-	-	(11,782)
Vehicles	(12,814)	(1,924)	-	-	(14,738)
Total accumulated depreciation	(379,890)	(27,035)	-	-	(406,925)
Total capital assets being depreciated, net	687,688	(21,777)	18,349	-	684,260
Right to use assets being amortized:					
Subscription-based IT assets	1,563	682	-	(418)	1,827
Total right to use assets	1,563	682	-	(418)	1,827
Less accumulated amortization:					
Subscription-based IT assets	(343)	(636)	-	285	(694)
Total accumulated amortization	(343)	(636)	-	285	(694)
Total right-to-use assets being amortized, net	1,220	46	-	(133)	1,133
Governmental activities capital and right-to-use assets, net	\$ 711,326	\$ 10,301	\$ -	\$ (133)	\$ 721,494

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
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**Notes to Financial Statements (dollars in thousands unless specifically noted otherwise)**

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**Note 4. Capital Assets (Continued)**

Depreciation and amortization expense for the year ended June 30, 2024, was charged to functions/programs of the District as follows:

Governmental activities:	
Instruction	\$ 169
Support services	6,849
Noninstruction services	299
Facilities, acquisitions, and construction	20,354
Total governmental activities	<u>\$ 27,671</u>

**Note 5. Compensated Absences**

Upon retirement or resignation in good standing, the District pays eligible employees for unused sick leave at a set daily rate as determined by classification and/or length of service. The length of service required to receive the sick leave payout is determined by the employee's applicable collective bargaining agreement for the District's school administrators, support, and certified staff and District policy for all other pro-tech/administrative staff. All employees, except certified staff, may carryover 201 days of sick leave. There is no cap for certified staff.

Unused vacation leave is calculated at hourly rates. The maximum carryover of vacation leave is two times the allowable annual accrued amount, maximum of 44 days, plus any current year accrual balance. Example: any Pro-tech employee separating at June 30, 2024 can receive the carryover max of 44 days from FY23 plus the current FY24 accrual max of 22 days for a total of 66 days.

Personal days not used by employees by June 30 become sick days subject to the accrual calculation and limitations above. As of June 30, 2024, the District had an outstanding liability for unused sick, vacation, and personal leave totaling approximately \$5.9 million and a related liability for payroll taxes associated with the unused sick, vacation, and personal leave totaling approximately \$0.4 million. The activity for the year is as follows:

Beginning balance	\$ 6,658
Leave earned	-
Leave used	(226)
Ending balance	<u>\$ 6,432</u>

This liability is typically liquidated from the fund balance of the General, Building, and School Nutrition funds.

**Note 6. Long-Term Liabilities**

Oklahoma Statutes prohibit the District from becoming indebted in an amount exceeding revenues 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.

Effective March 1, 2024, the District issued \$115.5 million in general obligation bonds Series 2024A for the purpose of financing school facilities improvements and transportation equipment. The interest on the bond ranges from 1.25% to 4.0% and will accrue from the date of issuance of March 1, 2024. The principal annual installments will start July 1, 2026, and interest will be payable January 1, and July 1 of each year commencing on July 1, 2025.

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**Notes to Financial Statements (dollars in thousands unless specifically noted otherwise)**

**Note 6. Long-Term Liabilities (Continued)**

Effective April 1, 2024, Oklahoma Industries Authority (the Authority), a public trust and agency of the State of Oklahoma served as a conduit issuer for the District and issued Educational Facilities Lease Revenue Bonds (Oklahoma City Public Schools Project Series 2024) in the amount of \$437.0 million for the purpose of acquiring, construction, equipping, repairing and remodeling school buildings, acquiring school furniture, fixtures and equipment and acquiring and improving school sites for use by the District, funding capitalized interest and paying costs of issuance.

The property upon which the improvements are to be located along with existing improvement will be leased by the District to the Authority pursuant to a Ground Lease Agreement (Agreement). As improvements are made, the property will be subleased by the Authority to the District and the District will make the payments required under the Agreement to satisfy the debt service requirements of the Bonds. The bonds are special, limited obligations of the issuer and payable from payments to be made by the District under the Agreement between the District and the Authority and secured solely by the trust estate pledged under the indenture. The ground lease related property has been assigned to the Trustee and accordingly, pledged as and for additional security under the Indenture by the Authority.

Interest will accrue at a rate of 5% from the date of issuance of March 1, 2024, and the principal and interest will be payable April 1 of each year commencing on April 1, 2025.

As of June 30, 2024, the District had the following long-term liabilities:

Governmental Activities:

\$30.985 million general obligation bonds of 2017, dated June 9, 2017, due in varying annual installments beginning July 1, 2018 with an installment of \$7.38 million and a final installment of \$3.775 million due July 1, 2024, plus interest ranging from 4.00% to 5.00%	\$ 3,775
\$76.5 million general obligation bonds of 2020, dated January 28, 2020, due in annual installments of \$25.5 million beginning in July 1, 2022 through July 1, 2024, plus interest ranging from 0.05% to 2.50%	25,500
\$19.5 million general obligation bonds of 2021, dated January 28, 2021, due in annual installments of \$6.5 million beginning in July 1, 2023 through July 1, 2025, plus interest of 1.00%	13,000
\$8.0 million general obligation bonds of 2022, dated January 27, 2022, due in one installment of \$8.0 million due on July 1, 2024, plus interest of 1.00%	8,000
\$126.0 million general obligation bonds of 2023, dated March 7, 2023, due in annual installments of \$42.0 million beginning July 1, 2025 through July 1, 2027, plus interest of 3.00%	126,000
\$115.5 million general obligation bonds Series 2024A, dated March 1, 2024, due in annual installments of \$38.5 million beginning in July 1, 2026 through July 1, 2028, plus interest ranging from 1.25% to 4.00%	115,500
Total general obligation bonds outstanding—at face value	291,775
Premium on general obligation bonds outstanding	1,559
Total general obligation bonds outstanding	293,334
Compensated absences and related taxes	6,432
Lease revenue bonds	437,005
Premium on lease revenue bonds	38,124
Subscription liabilities	1,074
Net pension liability	373,262
Total long-term liabilities for governmental activities	\$ 1,149,231

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
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**Notes to Financial Statements (dollars in thousands unless specifically noted otherwise)**

**Note 6. Long-Term Liabilities (Continued)**

During the year ended June 30, 2024, long-term liability transactions were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	One Year
Governmental Activities:					
General obligation bonds:					
2017 general	\$ -	\$ -	\$ -	\$ -	\$ -
2017 general	7,485	-	3,710	3,775	3,775
2018 general	11,000	-	11,000	-	-
2019 general	5,000	-	5,000	-	-
2020 general	51,000	-	25,500	25,500	25,500
2021 general	19,500	-	6,500	13,000	6,500
2022 general	8,000	-	-	8,000	8,000
2023 general	126,000	-	-	126,000	-
2024 general	-	115,500	-	115,500	-
Subtotal general obligation bonds	227,985	115,500	51,710	291,775	43,775
Premium on bonds	2,046	13	500	1,559	-
Total general obligation bonds	230,031	115,513	52,210	293,334	43,775
Net pension liability	407,346	-	34,084	373,262	-
Subscription liabilities	1,203	682	811	1,074	470
Lease revenue bonds	-	437,005	-	437,005	3,085
Premium on Lease revenue bonds	-	38,124	-	38,124	-
Compensated absences	6,658	-	226	6,432	1,930
Total long-term liabilities	\$ 645,238	\$ 591,324	\$ 87,331	\$ 1,149,231	\$ 49,260

Debt service requirements to maturity over the next five years are as follows:

	General Obligation Bonds	
	Principal	Interest
Year ending June 30:		
2025	\$ 43,775	\$ 7,302
2026	48,500	9,711
2027	80,500	5,211
2028	80,500	2,940
2029	38,500	770
Total general obligation bonds	\$ 291,775	\$ 25,934

The annual requirements of the District to pay the lease revenue bonds as of June 30, 2024 including interest payments are as follows:

	Lease Revenue Bonds	
	Principal	Interest
Year ending June 30:		
2025	\$ 3,085	\$ 10,845
2026	4,160	21,645
2027	56,340	20,130
2028	75,855	16,825
Therafter	297,565	46,465
	\$ 437,005	\$ 115,910

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
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**Notes to Financial Statements (dollars in thousands unless specifically noted otherwise)**

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**Note 6. Long-Term Liabilities (Continued)**

General obligation bonds authorized and unissued amounts to \$721.5 million at June 30, 2024

Interest expense on general obligation bonds during the year ended June 30, 2024, totaling approximately \$5.2 million is recorded in the Statement of Activities.

Bonds sold at discounts decrease the carrying value of the bond, and bonds sold at a premium increase the carrying value. The discount or premium is then amortized, using the effective interest method, as an increase or decrease, respectively, to the coupon interest payment in reporting interest expense. Amortization expense on bond premiums for the year ended June 30, 2024, is approximately \$0.5 million. The net amount of unamortized premium at June 30, 2024, is approximately \$39.6 million.

During the fiscal year ending June 30, 2024, the District had activity related to multiple subscription-based IT arrangements that had various term lengths through fiscal year 2027 with payments due monthly or annually. As of June 30, 2024, the value of the subscription liabilities was \$1.1 million. The District used a discount rate of 2%. The value of the right-to-use subscription assets as of the year ended June 30, 2024 was \$1.8 million with accumulated amortization of \$.07 million.

The schedule of future payments included in the measurement of the related liability is as follows:

	Subscription Liabilities	
	Principal	Interest
Year ending June 30:		
2025	\$ 470	\$ 19
2026	315	10
2027	135	6
2028	154	3
Total subscription liabilities	<u>\$ 1,074</u>	<u>\$ 38</u>

**Note 7. Risk Management**

The District purchases commercial insurance for all types of risk including, but not limited to, property, casualty, worker's compensation, auto, crime, malicious acts, and surety bonds. The deductibles for property claims are \$2,000 per occurrence. The deductible for vehicle and general/professional liability claims is \$2,000 per occurrence. Settlements have not exceeded insurance coverage for each of the past three fiscal years.

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**Notes to Financial Statements (dollars in thousands unless specifically noted otherwise)**

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**Note 8. Employee Retirement Plans**

The District participates in the state-administered Oklahoma Teachers Retirement System (OTRS). Additionally, the District provides a defined contribution plan for eligible employees.

**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 OTRS. 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 join TRS after July 1, 1991 become fully vested in retirement benefits earned to date after five years of credited service. Members who join TRS on or after November 1, 2017 become fully vested after seven years of credited service. Any member who has attained age fifty-five (55) or who has completed thirty (30) years of creditable service, or for any person who initially became a member prior to July 1, 1992, whose age and number of years of creditable service total eighty (80) may be retired upon proper application for retirement on forms established by the System and executing a retirement contract.
- Any person who became a member after June 30, 1992, but prior to November 1, 2011, whose age and number of years of creditable service total ninety (90) may be retired upon proper application for retirement and executing a retirement contract.
- Any person who becomes a member on or after November 1, 2011, who attains the age of sixty-five (65) years or who reaches a normal retirement date having attained a minimum age of sixty (60) years may be retired upon proper application for retirement and executing a retirement contract.
- Final compensation for members who joined the System prior to July 1, 1992 is defined as the average salary for the three highest years of compensation. Final compensation for members joining the System after June 30, 1992 is defined as the average of the highest 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 (not in thousands) or \$25,000(not in thousands), depending on the member's election. Monthly benefits are 1/12 of this 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% 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 may elect to receive, in lieu of the aforementioned benefits, the retirement benefit the member was entitled to at the time of death as provided under the Joint Survivor Benefit Option.

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
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**Notes to Financial Statements (dollars in thousands unless specifically noted otherwise)**

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**Note 8. Employee Retirement Plans (Continued)**

- Upon the death of a retired member, OTRS will pay \$5,000 (not in thousands) 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 years of credited service.
- Upon separation from OTRS, members' contributions are refundable with interest based on certain restrictions provided in the plan, or by the Internal Revenue Code (IRC).
- Members may elect to make additional 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 who are non-retired members of OTRS are required to contribute 7% of their annual compensation. Annual compensation is defined as the salary plus fringe benefits (excluding flexible benefit allowance). For employees who are covered by the American Federation of Teachers (AFT) Certified Collective Bargaining Agreement (CBA), the District paid 7% of the employee's Annual Compensation minus the OTRS service credit. For building administrators who are covered by the Oklahoma City Business Administrator (OCBA) CBA and Central Office/professional and technical staff, the District paid 100% of the 7% up to \$60,000 (not in thousands) of Annual Compensation, then the District paid 90% and the employee paid 10% of the 7% of Annual Compensation for the remaining fiscal year. For support employees who are covered by the Oklahoma City Federation of Classified Employees (OCFCE) CBA, the District paid 90% of the 7% and the employee paid 10% of the 7% up to \$40,000 (not in thousands) of Annual Compensation, then the employee contributed the full 7% of annual compensation for the remaining fiscal year. For all retired OTRS members employed by the District, the District paid 16.5% (the employee and District/employer portions) of the employee's annual compensation. If a member's salary is paid from federal funds or certain grant money, an additional contribution (the grant matching contribution) is required. The matching contribution rate is set by the Board of Trustees annually and is expressed as a percentage of federal/grant salaries. This is currently set to 8.4%. The amount paid by the District for employees totaled approximately \$15.82 million for the year ended June 30, 2024.

The District's statutory contribution rate is 9.5% for regular school and 4.2% for summer school for the year ended June 30, 2024. In addition, the District is required to match the State of Oklahoma's contribution rate on salaries that are paid with grant funds. The District's contributions to OTRS in 2024 was \$24.58 million, equal to the annual required contributions. The District's matching contributions to OTRS in 2024 were \$3.68 million.

The State of Oklahoma makes a contribution on behalf of each teacher meeting minimum salary requirements (known as the OTRS years of service credit). The credit amount is determined based on years of service recognized by the District and ranges from \$60.15 actual dollars per year for zero years of service to \$1,410.53 actual dollars per year for 25 years or more of service. For the fiscal year ended June 30, 2024 the State paid approximately \$1.6 million on behalf of teachers employed at the District. In accordance with generally accepted accounting principles, the District recognized the on-behalf-of payments as revenue and expense/expenditure in the district-wide and fund financial statements.

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
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**Notes to Financial Statements (dollars in thousands unless specifically noted otherwise)**

**Note 8. Employee Retirement Plans (Continued)**

The State of Oklahoma is also required to contribute to the System on behalf of the participating employers. For 2024, the State of Oklahoma contributed 5% 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, 2024, the total amount contributed to the System by the State of Oklahoma on behalf of the District was approximately \$22.12 million. In accordance with generally accepted accounting principles, District recognized the on-behalf-of payments as revenue and expenditure in the governmental fund financial statements. In the government-wide statement of activities, revenue and expense is recognized for the State's on-behalf contributions on an accrual basis of approximately \$22.6 million.

These on-behalf payments do not meet the definition of a special funding situation.

**Pension liabilities, pension expense, and deferred inflows/outflows of resources related to pensions:** At June 30, 2024, the District reported a liability of \$373.2 million for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. 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 employers for the year ended June 30, 2023. Based upon this information, the District's proportion was 4.84347496%. The change in proportion from June 30, 2022, was a decrease of 0.11847%.

For the year ended June 30, 2024, the District recognized pension expense of \$57.58 million. At June 30, 2024, 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	\$ 6,090	\$ 7,267
Changes of assumptions	15,163	-
Net difference between projected and actual earnings on pension plan investments	26,120	-
Changes in proportion and differences between District contributions and proportionate share of contributions	18,949	18,633
Total deferred amounts to be recognized in pension expense in future periods	66,322	25,900
District contributions subsequent to the measurement date	28,264	-
Total deferred amounts related to pension	\$ 94,586	\$ 25,900

Deferred pension outflows totaling \$28.2 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. Net deferred outflows resulting from the difference between projected and actual earnings on pension plan investments will be recognized in pension expense over five years as of the beginning of each measurement period. Other deferred inflows and outflows are being amortized over a closed period equal to the average of the expected service lives of all employees as of the beginning of the measurement period.



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**Notes to Financial Statements (dollars in thousands unless specifically noted otherwise)**

**Note 8. Employee Retirement Plans (Continued)**

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

Year ended June 30:

2025	\$	19,838
2026		(3,368)
2027		29,081
2028		(4,171)
2029		(958)
	\$	<u>40,422</u>

**Actuarial assumptions:** The total pension liability was determined based on an actuarial valuation prepared using the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.25%
Future ad hoc cost-of-living increases	None
Salary increases	Composed of 2.25% inflation, plus .75% productivity increase rate, plus step-rate promotional increases for members with less than 25 years of service.
Investment return	7.00%
Retirement age	Experience-based table of rates based on age, service, and gender. Adopted by the Board in July 2020 in conjunction with the five-year experience study for the period ended June 30, 2019.
Mortality rates after retirement	<i>Males and females:</i> 2020 GRS Southwest Region Teacher Mortality Table. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020.
Mortality rates for active members	PUB-2010 Teachers Active Employee Mortality table. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2010.

The mortality rates were developed based upon the June 30, 2019 experience study.

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. These 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.

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**Notes to Financial Statements (dollars in thousands unless specifically noted otherwise)**

**Note 8. Employee Retirement Plans (Continued)**

The target asset allocation and best estimates of arithmetic expected real rates of return for each major asset class as of June 30, 2023, are summarized in the following table:

Asset Class	Target Allocation	Expected Real Rate of Return
Domestic equity	38.3%	4.6%
International equity	16.7	5.2
Fixed income	22.0	1.8
Real estate*	10.0	4.4
Private equity	8.0	7.3
Private debt	5.0	5.3
Total	100%	

\* The real estate total expected return is a combination of U.S. Direct Real Estate (unleveraged) and U.S. Value Added Real Estate (unleveraged).

**Discount rate:** For the valuation period ending June 30, 2023, a single discount rate of 7.00% was used to measure the total pension liability. 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 projection of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the current statutory levels and remain a level percentage of payroll. The projection of cash flows also assumed that the State's contribution plus the matching contributions will remain a constant percent of projected member payroll based on the past five years of actual contributions.

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. These 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.

**Sensitivity of the net pension liability to changes in the discount rate:** The following table provides the sensitivity of the net pension liability and net OPEB asset to changes in the discount rate as of June 30, 2023. In particular, the table presents the plan's net pension liability and net OPEB asset, if they were calculated using a single discount rate that is one-percentage-point lower or one-percentage-point higher than the single discount rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District's net pension liability	\$ 539,118	\$ 373,261	\$ 235,957

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
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**Notes to Financial Statements (dollars in thousands unless specifically noted otherwise)**

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**Note 9. Other Postemployment Insurance Benefits**

**Defined Contribution Plan**

**Plan description:** The District provides a defined contribution plan under section 401(a) of the Internal Revenue Code to eligible employees. Eligible employees include administrators, professional/technical staff, and building administrators (e.g., principals). Administrators and professional/technical staff must complete three continuous full fiscal years of service, and building administrators must complete two continuous full fiscal years of service in order for the employee to receive an employer contribution at the end of the fiscal year.

**Funding policy:** Eligible administrators, professional/technical staff members, and building administrators receive a contribution of \$700 actual dollars per year. The Superintendent receives a contribution of 13% of their salary, the Deputy Superintendent receives an additional contribution of \$12.5 thousand, and other Cabinet members receive additional contributions of \$7.5 thousand. Upon termination or retirement, each of these employees can receive the money paid for them in either a lump sum or in any other benefit option available. This plan is administered by Corebridge Financial. The District contributed \$436 thousand to the plan during the year ended June 30, 2024.

**Oklahoma Teachers Retirement System—OPEB Subsidy**

**Plan description:** The District as the employer, participates in the Supplemental Health Insurance Program—a cost-sharing, multiple-employer defined 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 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 (not in thousands) per month, provided the member has 10 years of Oklahoma service prior to retirement.

**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 8; 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 0.15% of normal cost, as determined by an actuarial valuation. Contributions allocated to the OPEB plan were \$132 thousand during the year ended June 30, 2024.

**OPEB liabilities (assets), OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEB:** At June 30, 2024, the District reported an asset of \$2.4 million for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of June 30, 2023. The District's proportion of the net OPEB asset was based on the District's contributions received by the OPEB plan relative to the total contributions received by the OPEB plan for all participating employers as of June 30, 2023. Based upon this information, the District proportion was 4.84347496%. The change in proportion from June 30, 2022 was a decrease of .40482007%.

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**Notes to Financial Statements (dollars in thousands unless specifically noted otherwise)**

**Note 9. Other Postemployment Insurance Benefits (Continued)**

For the year ended June 30, 2024, the District recognized OPEB expense offset \$202 thousand. At June 30, 2024, 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	\$ -	\$ 609
Net difference between projected and actual earnings on plan investments	599	-
Changes of assumptions	439	-
Change in proportion	207	101
Total deferred amounts to be recognized in OPEB expense in future periods	1,245	710
District contributions subsequent to the measurement date	132	-
Total deferred amounts related to OPEB	<u>\$ 1,377</u>	<u>\$ 710</u>

Net deferred outflows resulting from the difference between projected and actual earnings on OPEB plan investments will be recognized in pension expense over five years as of the beginning of each measurement period. Other deferred inflows are being amortized over a closed period equal to the average of the expected service lives of all employees as of the beginning of the measurement period.

Deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2025	\$ (257)
2026	64
2027	780
2028	(52)
2028	(1)
Thereafter	1
Total	<u>\$ 535</u>

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Notes to Financial Statements (dollars in thousands unless specifically noted otherwise)**

**Note 9. Other Postemployment Insurance Benefits (Continued)**

**Actuarial assumptions:** The total OPEB liability as of June 30, 2024, was determined based on an actuarial valuation prepared as of June 30, 2023, using the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.25%
Future ad hoc cost-of-living increases	None
Salary increases	Composed of 2.25% inflation, plus .75% productivity increase rate, plus step-rate promotional increases for members with less than 25 years of service.
Investment rate of return	7.0%
Retirement age	Experience-based table of rates based on age, service, and gender. Adopted by the Board in July 2020 in conjunction with the five-year experience study for the period ended June 30, 2019.
Mortality rates after retirement	<i>Males and females:</i> 2020 GRS Southwest Region Teacher Mortality Table. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020.
Mortality rates for active members	PUB-2010 Teachers Active Employee Mortality table. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2010.

The mortality rates were developed based upon the June 30, 2020 experience study.

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	38.3%	4.6%
International equity	16.7	5.2
Fixed income	22.0	1.8
Real estate*	10.0	4.4
Private equity	8.0	7.3
Private debt	5.0	5.3
Total	100%	

\*The real estate total expected return is a combination of U.S. Direct Real Estate (unleveraged) and U.S. Value Added Real Estate (unleveraged)

**Discount rate:** For the valuation period ending June 30, 2023, a single discount rate of 7.00% was used to measure the total pension liability. 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.

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Notes to Financial Statements (dollars in thousands unless specifically noted otherwise)**

**Note 9. Other Postemployment Insurance Benefits (Continued)**

The projection of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the current statutory levels and remain a level percentage of payroll. The projection of cash flows also assumed that the State's contribution plus the matching contributions will remain a constant percent of projected member payroll based on the past five years of actual contributions.

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. These 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.

**Sensitivity of the District's proportionate share of the net OPEB liability (asset) to changes in the discount rate:** The following presents the net OPEB liability (asset) of the employer calculated using the discount rate of 7.0%, as well as what the Plan's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District's net OPEB liability (asset)	\$ (246)	\$ (2,440)	\$ (4,294)

**Sensitivity of the District's proportionate share of the net OPEB liability (asset) to changes in the healthcare cost trend rate:** The benefits paid by the OTRS OPEB plan are not impacted by healthcare cost trend rates. As a result, changes in the healthcare cost trend rate assumption will have no impact on the net OPEB liability.

**OPEB plan fiduciary net position:** Detailed information about the OPEB plan's fiduciary net position is available in the separately issued financial report of the OTRS; which can be located at [www.ok.gov/TRS](http://www.ok.gov/TRS).

**Note 10. Commitments and Contingencies**

Encumbrance accounting is utilized to assure effective budgetary control and accountability and to facilitate effective cash planning and control. Encumbrances represent commitments related to unperformed contracts for goods and services. At year end, the amount of encumbrances (less encumbrances that lapsed after year end) expected to be honored upon performance by the vendor in the next year were as follows:

General Fund	\$ 259
BTF Bond Fund	38,508
Other governmental funds	5,941
	<u>\$ 44,708</u>

The District receives grant funds from various federal and state grantor agencies. Under the terms of the grants, periodic audits are required, and certain costs may be questioned as not being allowable expenditures under the terms of the grants. Such audits could lead to reimbursements to the grantor agencies. The District management believes disallowances, if any, would be immaterial to the accompanying financial statements.

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Notes to Financial Statements (dollars in thousands unless specifically noted otherwise)**

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**Note 10. Commitments and Contingencies (Continued)**

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

**Note 11. Charter Schools**

The District is not a pass-through agency of state funds for five Charter Schools, which are considered to be operationally independent of the District. However, certain payments are made and costs incurred by the District to benefit various charter schools through such programs as the School Nutrition Services program, alternative education, at risk sites for adequate yearly progress, and certain contractually obligated costs for custodial care and supplies. During this fiscal year, the District charged each charter school an administrative fee of 1.0% of state funding sources.

**Note 12. Enterprise Schools**

The District has four enterprise schools. An enterprise school is a District school that has established its own governing board. This governing board has contracted with the District to allow for more authority to make certain independent decisions impacting that school. All employees and operating costs are budgeted and processed within the District's regular financial operations. However, the enterprise school can direct their dollars with regard to curriculum and admission standards within the legal laws governing public schools as well as within the specifics of their contract.

**Note 13. Tax Abatements**

The Oklahoma City Economic Development Trust (Trust) was established by Oklahoma City Council resolution on October 9, 2007, to support the City's economic and community development goals. The City has designated the Trust to manage economic development, including incentives. The Trust provides economic development incentives in the form of development financing or performance-based incentives that reduce ad valorem increment allocated to the City, and therefore, the District. These economic development project plans have been adopted by the Trust pursuant to the Local Development Act, Title 60 of the Oklahoma Statutes, Sections 850, et. seq. It is noted that the incentives do not meet the criteria of tax abatement defined in the Oklahoma Local Development Act. The City of Oklahoma City's active TIF agreements resulted in a reduction of reported property tax revenues of approximately \$6,720. The District's share of that tax revenue abatement is 55.03%, for a reduction of \$3,698 of property tax revenues to the District. In all cases of the active agreements, the District receives ad valorem taxes at the assessed valuation of the property prior to the TIF agreement.

The state of Oklahoma grants a 5-year exemption of Ad Valorem taxes for certain new manufacturing or research and development equipment and facilities. Pursuant to Section 193 of Title 62 of the Oklahoma Statutes, the state will reimburse the District for foregone property taxes as a result of this exemption. During the year ended June 30, 2024, the amount of foregone tax revenues as a result of this exemption were \$2,669, all of which was reimbursed by the State during the year ended June 30, 2024, in connection with the abated tax revenues.

**REQUIRED SUPPLEMENTARY  
INFORMATION (Unaudited)**



**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Required Supplementary Information (Unaudited)  
Schedule of the District's Proportionate Share of the Net Pension Liability  
Oklahoma Teachers Retirement System  
Last Ten Fiscal Years\*  
(in thousands)**

	As of June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Measurement date	<b>June 30, 2023</b>	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability	<b>4.84347496%</b>	4.96195488%	5.24829500%	4.72750700%	4.57101307%	4.56584132%	4.58531210%	4.88242665%	4.98137440%	4.81459900%
District's proportionate share of the net pension liability	<b>\$ 373,261</b>	\$ 407,346	\$ 268,126	\$ 448,651	\$ 302,510	\$ 275,965	\$ 303,608	\$ 407,466	\$ 302,507	\$ 259,019
District's covered payroll	<b>\$ 254,657</b>	\$ 242,851	\$ 246,504	\$ 229,551	\$ 217,262	\$ 203,999	\$ 181,767	\$ 195,534	\$ 195,499	\$ 184,945
District's proportionate share of the net pension liability as a percentage of its covered payroll	<b>146.57%</b>	167.73%	108.77%	195.45%	139.24%	135.28%	167.03%	208.39%	154.74%	140.05%
Plan fiduciary net position as a percentage of the total pension liability	<b>72.57%</b>	70.05%	80.80%	63.47%	71.56%	72.74%	69.32%	62.24%	70.31%	72.43%

\* NOTE—GASB Statement No. 68 requires ten years of information to be presented in this table.

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Required Supplementary Information**

**Notes to Schedule of the District's Proportionate Share of the Net Pension Liability**

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**Note 1. Changes in benefit terms:** There were no significant changes of benefit terms.

**Note 2. Changes of assumptions:**

The following information is as of the measurement date:

**Assumptions for salary increases have changed for the measurement dates as follows:**

June 30, 2024 No changes from prior year.

June 30, 2023 No changes from prior year.

June 30, 2022 No changes from prior year.

June 30, 2021 No changes from prior year.

June 30, 2020 Increases are composed of 2.25% inflation, plus .75% productivity increase rate, plus step-rate promotional increases for members with less than 25 years of service.

June 30, 2019 No changes from prior year.

June 30, 2018 No changes from prior year.

June 30, 2017 No changes from prior year.

June 30, 2016 Increases are composed of 3.25% wage inflation, including 2.50% price inflation, plus a service-related component ranging from 0.00% to 8.00% based on years of service.

June 30, 2015 Increases are composed of 3.75% wage inflation, including 3.00% price inflation, plus a service-related component ranging from 0.00% to 8.00% based on years of service.

**Assumptions for retirement age determination have changed for the measurement dates as follows:**

June 30, 2024 No changes from prior year.

June 30, 2023 No changes from prior year.

June 30, 2022 No changes from prior year.

June 30, 2021 No changes from prior year.

June 30, 2020 The retirement age was determined using the experience-based table of rates based on age, service, and gender. Adopted by the Board in July 2020 in conjunction with the five-year experience study for the period ended June 30, 2019.

June 30, 2019 No changes from prior year.

June 30, 2018 No changes from prior year.

(Continued)

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Required Supplementary Information**

**Notes to Schedule of the District's Proportionate Share of the Net Pension Liability**

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June 30, 2016 No changes from prior year.

June 30, 2015 The retirement age was determined using the experience-based table developed from a five-year experience study for the period ended June 30, 2014. This table was adopted by the OTRS Board in May 2015.

**Assumptions for mortality rates have changed for the measurement dates as follows:**

June 30, 2024 No changes from prior year.

June 30, 2023 No changes from prior year.

June 30, 2022 No changes from prior year.

June 30, 2021 No changes from prior year.

June 30, 2020 The mortality rates for active employees was determined using the PUB-2010 Teachers Active Employee Mortality table. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2010. The mortality rates for employees after retirement were determined using the 2020 GRS Southwest Region Teacher Mortality Table for males and females. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020.

June 30, 2019 No changes from prior year.

June 30, 2018 No changes from prior year.

June 30, 2017 No changes from prior year.

June 30, 2016 No changes from prior year.

June 30, 2015 Rates for active employees were determined using the RP-200 Employee Mortality Tables, with male rates multiplied by 60% and female rates multiplied by 50%. The mortality rates for males after retirement were determined using the RP-2000 Combined Health Mortality Table for Males with White Collar Adjustments. Generational mortality improvements in accordance with Scale BB from the table's base year of 2000 were used. The mortality rates for females after retirement were determined using the GRS Southwest Region Teacher Mortality Table, scaled at 105%. Generational mortality improvements in accordance with Scale BB from the tables' base year of 2012 were used.

**Assumptions for investment return have changed for the measurement dates as follows:**

June 30, 2024 No changes from prior year.

June 30, 2023 No changes from prior year.

June 30, 2022 No changes from prior year.

June 30, 2021 No changes from prior year.

(Continued)

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Required Supplementary Information**

**Notes to Schedule of the District's Proportionate Share of the Net Pension Liability**

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June 30, 2020 Return was 7.00% per year, net investment- related expenses and compounded annually, composed of an assumed 2.25% inflation rate and a 4.75% net real rate of return.

June 30, 2019 No changes from prior year.

June 30, 2018 No changes from prior year.

June 30, 2017 No changes from prior year.

June 30, 2016 Return was 7.50% per year, net of investment-related expenses and compounded annually, composed of an assumed 2.50% inflation rate and a 5.00% net real rate of return.

June 30, 2015 No changes from prior year.

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Required Supplementary Information (Unaudited)  
Schedule of District Contributions  
Oklahoma Teachers Retirement System  
(in thousands)**

Fiscal year ending:	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contributions Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
<b>2024</b>	<b>\$ 24,583</b>	<b>\$ 24,583</b>	<b>\$ -</b>	<b>\$ 254,657</b>	<b>9.65%</b>
2023	23,416	23,416	-	242,851	9.64
2022	23,765	23,765	-	246,504	9.64
2021	22,135	22,135	-	229,551	9.64
2020	21,078	21,078	-	217,262	9.70
2019	19,750	19,750	-	203,999	9.68
2018	17,714	17,714	-	183,373	9.66
2017	19,156	19,156	-	181,767	10.54
2016	20,764	20,764	-	195,534	10.62
2015	20,780	20,780	-	195,499	10.63

The District's statutorily required contribution rate for the prior 10 years is as follows:

1. July 1, 2013 to present 9.50%

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Required Supplementary Information (Unaudited)  
Schedule of the District's Proportionate Share of the Net OPEB Liability (Asset)  
Oklahoma Teachers Retirement System  
Last Ten Fiscal Years\*  
(in thousands)**

	<b>As of June 30, 2024</b>	As of June 30, 2023	As of June 30, 2022	As of June 30, 2021	As of June 30, 2020	As of June 30, 2019	As of June 30, 2018
Measurement date	<b>June 30, 2023</b>	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
District's proportion of the net OPEB liability (asset)	<b>4.84347496%</b>	5.24829503%	5.24829503%	4.72750700%	4.57101307%	4.56584132%	4.58531210%
District's proportionate share of the net OPEB liability (asset)	<b>\$ (2,440)</b>	\$ (2,296)	\$ (6,685)	\$ (468)	\$ (2,826)	\$ (2,951)	\$ (2,048)
District's covered payroll	<b>\$ 254,657</b>	\$ 242,850	\$ 246,504	\$ 229,551	\$ 217,262	\$ 203,999	\$ 183,373
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	<b>-0.96%</b>	-0.95%	-2.71%	-0.20%	-1.30%	-1.45%	-1.12%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	<b>112.01%</b>	110.31%	129.91%	102.30%	115.07%	115.41%	110.40%

\* NOTE - The District is required to present information for 10 years. However, until a full 10-year trend is available, the District will present information for those years which information is available.

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Required Supplementary Information (Unaudited)  
Schedule of District Contributions to the OPEB Plan  
Oklahoma Teachers Retirement System  
(in thousands)**

Fiscal year ending:	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contributions Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
<b>2024</b>	<b>\$ 132</b>	<b>\$ 132</b>	<b>\$ -</b>	<b>\$ 254,657</b>	<b>0.05%</b>
2023	-	-	-	242,850	0.00%
2022	320	320	-	253,111	0.13%
2021	43	43	-	229,551	0.02%
2020	299	299	-	217,262	0.14%
2019	299	299	-	203,999	0.15%
2018	299	299	-	183,373	0.16%
2017	299	299	-	181,767	0.16%

NOTE - The District is required to present information for 10 years. However, until a full 10-year trend is available, the District will present information for those years which information is available.

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Required Supplementary Information (Unaudited)  
Budgetary Comparison Schedule (Budgetary Basis)—General Fund  
Year Ended June 30, 2024  
(in thousands)**

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
Revenues:				
Local sources	\$ 99,356	\$ 99,356	\$ 104,992	\$ 5,636
Intermediate sources	11,973	11,973	12,425	452
State sources	181,479	181,479	178,907	(2,572)
Federal sources	102,877	102,877	92,879	(9,998)
Nonrevenue receipts	132	132	170	38
<b>Total revenues</b>	<b>395,817</b>	<b>395,817</b>	<b>389,373</b>	<b>(6,444)</b>
Expenditures:				
Instruction	217,659	217,659	207,972	(9,687)
Support services	179,421	179,421	182,140	2,719
Operation of noninstruction services	1,240	1,240	1,816	576
Facilities acquisition and construction services	177	177	309	132
Other	-	-	598	598
<b>Total expenditures</b>	<b>398,497</b>	<b>398,497</b>	<b>392,835</b>	<b>(5,662)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(2,680)</b>	<b>(2,680)</b>	<b>(3,462)</b>	<b>(782)</b>
Other financing sources:				
Lapsed appropriations	2,721	2,721	2,738	17
<b>Total other financing sources</b>	<b>2,721</b>	<b>2,721</b>	<b>2,738</b>	<b>17</b>
Net change in fund balances	41	41	(724)	(765)
Fund balances, beginning of year	38,882	38,882	29,355	(9,527)
Fund balances, end of year	<u>\$ 38,923</u>	<u>\$ 38,923</u>	<u>\$ 28,631</u>	<u>\$ (10,292)</u>

See notes to required supplementary information.



**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Notes to Budgetary Comparison Schedule**

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**Budgetary comparison schedule—general fund:** The budgetary comparison schedule is prepared using the cash plus encumbrances basis of accounting. A reconciliation from this basis to the modified accrual basis of accounting, which is generally accepted accounting principles (GAAP), is included below.

**Budgetary reconciliation—general fund:** Item required to adjust actual revenues, expenditures and fund balance reported on the budgetary basis to those reported within the fund financial statements as of and for the year ended June 30, 2024, are as follows (in thousands):

Fund balance - budgetary basis	\$	28,631
Current year revenue accrual less portion deferred in fund statements		23,325
Inventory		382
Encumbrances outstanding		3,848
Compensated absences		5,369
		<hr/>
Fund balance - fund financial statements	\$	61,555
		<hr/>
Revenues - budgetary basis	\$	389,373
Current year revenue accrual		134,695
Prior year revenue accrual		(127,236)
Current year revenue deferred in fund statements		(112,306)
Prior year deferred revenue recognized in fund statements in current year		106,604
Insurance recoveries reported in other financing sources in the fund statements		(83)
Other		(1)
On-behalf payments		22,190
		<hr/>
Revenues - fund financial statements	\$	413,236
		<hr/>
Expenditures - budgetary basis	\$	392,835
Change in encumbrance payable		(4,753)
Change in compensated absences		186
Change in inventory		(67)
SBITA interest and principal payments		695
Other		220
On-behalf payments		22,190
		<hr/>
Expenditures - fund financial statements	\$	411,306
		<hr/>

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Notes to Budgetary Comparison Schedule**

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**Budget law and practice:** The following is the budget development process for all funds appropriated on an annual basis (General Fund, Building Fund, School Nutrition Services Fund, and Sinking Fund). For each fiscal year of the District, which begins on July 1, a tentative, or preliminary, budget is presented to the Board of Education at the first meeting in July, if not earlier. As required by the School District Budget Act (adopted June 4, 2001), a public hearing on the proposed budget summary shall be held within five days' notice published in a newspaper of general circulation in the school district. Within the 30-day period preceding the beginning of each fiscal year, a budget for the school district shall be approved by the Board of Education. The District may amend the budget after June 30 and present it for the Board of Education approval, as required by law, and filed (the legal appropriation establishing revenue, tax levies, and ad valorem valuations) with the county excise board and the State of Oklahoma Auditor and Inspector.

The Board of Education must approve revisions to the final budget and ensure it will not exceed the level of appropriation for each fund as established by temporary budget or supplemental appropriation, according to law. The budget is updated and reported to the superintendent and Board of Education as needed.

The following is the budget development process for all funds operated on an overall budget basis (Bond Funds and Casualty Flood Insurance Recovery Fund). Based on available bonding capacity, the superintendent and staff prepare a list of projects determined by the needs within the District and with available monies. This list, once approved by the Board of Education, becomes the resolution that is then presented to the voters in the District. Oklahoma laws allow schools to be indebted to a maximum of 110% of the net assessed valuation of the District.

The following is the budget administration and management process. Each fund has a budget that is assigned by cost center. This budget is administered by a designee authorized by the superintendent to monitor and control the budget in compliance with Board of Education policies and state law.

Budget expenditures are monitored through the financial management system, which will not allow expenditures to exceed the appropriated budget. The District's superintendent or designee may transfer an unexpended and unencumbered appropriation from one account to another within the same fund. Purchase orders are submitted to the Board of Education for approval of payment.

The budgets for the School Activity Fund or the Gifts and Endowments Fund are not approved.

**Encumbrances:** Encumbrances represent commitments related to unperformed contracts for goods and/or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are included in the "actual" amounts shown as expended during the year for the budgetary presentation but are excluded from the fund balances in the governmental fund financial statements, as they do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

**Revenues:** Revenues, except for federal revenues, are recorded on a cash basis and include deposits to District accounts from the first day through the last day of the fiscal year regardless of when they were actually earned. Federal revenues are recognized for any prior year April through June 30 collections deferred and for any collections received July 1 through March 31 of the current year. Any federal cash collections received April 1 through June 30 are deferred into the subsequent year.

# **SUPPLEMENTARY INFORMATION**

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Combining Balance Sheet—Nonmajor Governmental Funds  
Year Ended June 30, 2024  
(in thousands)**

	Special Revenue Funds				Capital Project Funds			
	Building Fund	School Nutrition Services	Student Activity Fund	Gifts and Endowments Fund	2007 Bond Funds	Casualty Flood Insurance Recovery Fund	2016 Bond Funds	Total
<b>Assets</b>								
Cash and cash equivalents	\$ 8,945	\$ 11,043	\$ 2,840	\$ 26	\$ 1,654	\$ 4,992	\$ 40,231	\$ 69,731
Receivables:								
Delinquent/protested property taxes, net of allowance	1,039	-	-	-	-	-	-	1,039
Property taxes receivable—succeeding year net of allowance	14,456	-	-	-	-	-	-	14,456
Due from other governments	6,878	-	-	-	-	-	-	6,878
Other, net of allowance	-	17	-	-	-	-	-	17
Inventories	-	311	-	-	-	-	-	311
<b>Total assets</b>	<b>\$ 31,318</b>	<b>\$ 11,371</b>	<b>\$ 2,840</b>	<b>\$ 26</b>	<b>\$ 1,654</b>	<b>\$ 4,992</b>	<b>\$ 40,231</b>	<b>\$ 92,432</b>
<b>Liabilities</b>								
Warrants payable	\$ 439	\$ 208	\$ 65	\$ -	\$ -	\$ -	\$ -	\$ 712
Accounts payable and accrued liabilities	4,193	911	16	-	190	-	682	5,992
<b>Total liabilities</b>	<b>4,632</b>	<b>1,119</b>	<b>81</b>	<b>-</b>	<b>190</b>	<b>-</b>	<b>682</b>	<b>6,704</b>
<b>Deferred inflows of resources</b>								
Unavailable revenue—delinquent/protested property taxes	1,039	-	-	-	-	-	-	1,039
Unavailable revenue—property taxes— succeeding year	14,456	-	-	-	-	-	-	14,456
Unavailable revenue—due from other governments	3,915	-	-	-	-	-	-	3,915
<b>Total deferred inflows of resources</b>	<b>19,410</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,410</b>
<b>Fund balances</b>								
Nonspendable	-	311	-	-	-	-	-	311
Restricted	7,276	9,941	2,759	25	1,464	-	39,549	61,014
Committed	-	-	-	-	-	4,634	-	4,634
Assigned	-	-	-	1	-	358	-	359
<b>Total fund balances</b>	<b>7,276</b>	<b>10,252</b>	<b>2,759</b>	<b>26</b>	<b>1,464</b>	<b>4,992</b>	<b>39,549</b>	<b>66,318</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 31,318</b>	<b>\$ 11,371</b>	<b>\$ 2,840</b>	<b>\$ 26</b>	<b>\$ 1,654</b>	<b>\$ 4,992</b>	<b>\$ 40,231</b>	<b>\$ 92,432</b>

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances—  
Nonmajor Governmental Funds  
Year Ended June 30, 2024  
(in thousands)**

	Special Revenue Funds				Casualty Flood			
	Building	School	Student	Gifts and	2007	Insurance	2016	
	Fund	Nutrition	Activity	Endowments	Bond Funds	Recovery Fund	Bond Funds	Total
Revenues:								
Local sources	\$ 16,104	\$ 941	\$ 2,515	\$ -	\$ 154	\$ -	\$ 2,941	\$ 22,655
State sources	4,517	3,383	-	-	-	-	-	7,900
Federal sources	7,526	22,296	-	-	-	-	-	29,822
Other sources	-	-	8	-	-	-	-	8
<b>Total revenues</b>	<b>28,147</b>	<b>26,620</b>	<b>2,523</b>	<b>-</b>	<b>154</b>	<b>-</b>	<b>2,941</b>	<b>60,385</b>
Expenditures:								
Current:								
Instruction	-	-	29	-	-	-	-	29
Support services	13,365	-	1,632	-	83	-	598	15,678
Noninstructional	-	25,957	550	-	-	-	-	26,507
Facilities acquisition and constructions	107	-	-	-	-	-	-	107
Other outlays	-	-	171	-	-	-	-	171
Capital outlay								
Instruction	-	-	10	-	-	-	-	10
Support services	1,507	-	97	-	48	-	6,313	7,965
Noninstructional	-	1,216	-	-	-	-	-	1,216
Facilities acquisition and constructions	11,413	477	-	-	2,934	-	5,803	20,627
<b>Total expenditures</b>	<b>26,392</b>	<b>27,650</b>	<b>2,489</b>	<b>-</b>	<b>3,065</b>	<b>-</b>	<b>12,714</b>	<b>72,310</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,755</b>	<b>(1,030)</b>	<b>34</b>	<b>-</b>	<b>(2,911)</b>	<b>-</b>	<b>(9,773)</b>	<b>(11,925)</b>
Other financing sources:								
Proceeds from bond issuance	-	-	-	-	-	-	-	-
Insurance recoveries	-	-	1	-	-	-	-	1
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>
<b>Net change in fund balances</b>	<b>1,755</b>	<b>(1,030)</b>	<b>35</b>	<b>-</b>	<b>(2,911)</b>	<b>-</b>	<b>(9,773)</b>	<b>(11,924)</b>
Fund balances, beginning of year	5,521	11,282	2,724	26	4,375	4,992	49,322	78,242
Fund balances, end of year	\$ 7,276	\$ 10,252	\$ 2,759	\$ 26	\$ 1,464	\$ 4,992	\$ 39,549	\$ 66,318

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Budgetary Comparison Schedule (Budgetary Basis)—2007 Bond Funds  
Year Ended June 30, 2024  
(in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
Revenues:				
Local sources	\$ 100	\$ 100	\$ 154	\$ 54
<b>Total revenues</b>	<b>100</b>	<b>100</b>	<b>154</b>	<b>54</b>
Expenditures:				
Support services	3	3	186	183
Facilities, acquisition, and construction services	511	511	786	275
	<b>514</b>	<b>514</b>	<b>972</b>	<b>458</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(414)</b>	<b>(414)</b>	<b>(818)</b>	<b>(404)</b>
Other financing sources, prior year lapsed appropriations	52	52	1,231	1,179
<b>Net change in fund balances</b>	<b>(362)</b>	<b>(362)</b>	<b>413</b>	<b>775</b>
Fund balances, beginning of year	362	362	406	44
Fund balances, end of year	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 819</b>	<b>\$ 819</b>

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Budgetary Comparison Schedule (Budgetary Basis)—Debt Service Fund  
Year Ended June 30, 2024  
(in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
Revenues:				
Local sources	\$ 48,157	\$ 48,157	\$ 67,208	\$ 19,051
Nonrevenue receipts	397	397	13	(384)
<b>Total revenues</b>	<b>48,554</b>	<b>48,554</b>	<b>67,221</b>	<b>18,667</b>
Expenditures:				
Other	49,995	49,995	53,154	3,159
	49,995	49,995	53,154	3,159
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,441)</b>	<b>(1,441)</b>	<b>14,067</b>	<b>15,508</b>
<b>Net change in fund balances</b>	<b>(1,441)</b>	<b>(1,441)</b>	<b>14,067</b>	<b>15,508</b>
Fund balances, beginning of year	67,185	67,185	71,461	4,276
Fund balances, end of year	<u>\$ 65,744</u>	<u>\$ 65,744</u>	<u>\$ 85,528</u>	<u>\$ 19,784</u>

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Budgetary Comparison Schedule (Budgetary Basis)—Building Fund  
Year Ended June 30, 2024  
(in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
Revenues:				
Local sources	\$ 14,069	\$ 14,069	\$ 15,642	\$ 1,573
State sources	3,864	3,864	3,853	(11)
Federal sources	13,136	13,136	4,675	(8,461)
<b>Total revenues</b>	<b>31,069</b>	<b>31,069</b>	<b>24,170</b>	<b>(6,899)</b>
Expenditures:				
Support services	15,397	15,397	14,431	(966)
Facilities, acquisition, and construction services	16,603	16,603	12,431	(4,172)
<b>Total expenditures</b>	<b>32,000</b>	<b>32,000</b>	<b>26,862</b>	<b>(5,138)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(931)</b>	<b>(931)</b>	<b>(2,692)</b>	<b>(1,761)</b>
Other financing sources, prior year lapsed appropriations	1,632	1,632	726	(906)
<b>Net change in fund balances</b>	<b>701</b>	<b>701</b>	<b>(1,966)</b>	<b>(2,667)</b>
Fund balances, beginning of year	4,156	4,156	3,557	(599)
Fund balances, end of year	<u>\$ 4,857</u>	<u>\$ 4,857</u>	<u>\$ 1,591</u>	<u>\$ (3,266)</u>



**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Budgetary Comparison Schedule (Budgetary Basis)—School Nutrition Services Fund  
Year Ended June 30, 2024  
(in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
Revenues:				
Local sources	\$ 1,436	\$ 1,436	\$ 942	\$ (494)
State sources	2,583	2,583	2,498	(85)
Federal sources	20,890	20,890	20,293	(597)
<b>Total revenues</b>	<b>24,909</b>	<b>24,909</b>	<b>23,733</b>	<b>(1,176)</b>
Expenditures:				
Support services	9	9	-	(9)
Noninstructional	29,370	29,370	26,366	(3,004)
Facilities, acquisition, and construction services	116	116	22	(94)
	<b>29,495</b>	<b>29,495</b>	<b>26,388</b>	<b>(3,107)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(4,586)</b>	<b>(4,586)</b>	<b>(2,655)</b>	<b>1,931</b>
Other financing sources, prior year lapsed appropriations	2,037	2,037	1,358	(679)
<b>Net change in fund balances</b>	<b>(2,549)</b>	<b>(2,549)</b>	<b>(1,297)</b>	<b>1,252</b>
Fund balances, beginning of year	6,534	6,534	8,472	1,938
Fund balances, end of year	<b>\$ 3,985</b>	<b>\$ 3,985</b>	<b>\$ 7,175</b>	<b>\$ 3,190</b>

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Budgetary Comparison Schedule (Budgetary Basis)—Casualty Flood Insurance Recovery Fund  
Year Ended June 30, 2024  
(in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
<b>Total revenues</b>	-	-	-	-
Expenditures:				
Support services	2,496	2,496	-	(2,496)
Facilities, acquisition, and construction services	2,496	2,496	-	(2,496)
	4,992	4,992	-	(4,992)
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(4,992)	(4,992)	-	4,992
<b>Net change in fund balances</b>	(4,992)	(4,992)	-	4,992
Fund balances, beginning of year	4,992	4,992	4,992	-
Fund balances, end of year	\$ -	\$ -	\$ 4,992	\$ 4,992

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Budgetary Comparison Schedule (Budgetary Basis)—2016 Bond Funds  
Year Ended June 30, 2024  
(in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
Revenues:				
Local sources	\$ 1,000	\$ 1,000	\$ 2,941	\$ 1,941
<b>Total revenues</b>	<b>1,000</b>	<b>1,000</b>	<b>2,941</b>	<b>1,941</b>
Expenditures:				
Instruction	4,526	4,526	-	(4,526)
Support services	20,208	20,208	3,084	(17,124)
Facilities, acquisition, and construction services	13,914	13,914	3,877	(10,037)
	<b>38,648</b>	<b>38,648</b>	<b>6,961</b>	<b>(31,687)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(37,648)</b>	<b>(37,648)</b>	<b>(4,020)</b>	<b>33,628</b>
Other financing sources, prior year lapsed appropriations	375	375	3,430	3,055
<b>Net change in fund balances</b>	<b>(37,273)</b>	<b>(37,273)</b>	<b>(590)</b>	<b>36,683</b>
Fund balances, beginning of year	37,273	37,273	35,968	(1,305)
Fund balances, end of year	\$ -	\$ -	\$ 35,378	\$ 35,378

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Budgetary Comparison Schedule (Budgetary Basis)—2022 Bond Funds  
Year Ended June 30, 2024  
(in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
Revenues:				
Local sources	\$ 1,626	\$ 1,626	\$ 6,576	\$ 4,950
Nonrevenue receipts	106,500	106,500	590,629	484,129
<b>Total revenues</b>	<b>108,126</b>	<b>108,126</b>	<b>597,205</b>	<b>489,079</b>
Expenditures:				
Instruction	27,361	27,361	5,321	(22,040)
Support services	1,178	1,178	12,257	11,079
Facilities, acquisition, and construction services	142,450	142,450	34,258	(108,192)
	<b>170,989</b>	<b>170,989</b>	<b>51,836</b>	<b>(119,153)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(62,863)</b>	<b>(62,863)</b>	<b>545,369</b>	<b>608,232</b>
Other financing sources, prior year lapsed appropriations	375	375	454	79
<b>Net change in fund balances</b>	<b>(62,488)</b>	<b>(62,488)</b>	<b>545,823</b>	<b>608,232</b>
Fund balances, beginning of year	62,488	62,488	66,741	4,253
Fund balances, end of year	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 612,564</b>	<b>\$ 612,485</b>

## **OTHER INFORMATION**

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Schedule of Surety Bonds  
Year Ended June 30, 2024**

The District provides the following surety bonds, compliant with 70 Oklahoma Statute §5-116a and §5-129 (E) requirements for any Superintendent or financial officer or other relevant employee of the school district who has supervision of or authority to expend school district funds. The District had the following Surety Bonds for fiscal year 2024:

Effective July 1, 2023 through June 30, 2024  
Insurance Carrier: Ohio Casualty

Position/Description	Bond #	Amount
<b>District Officers</b>		
Treasurer	LSF041268/1597454	\$ 1,000,000
Assistant Treasurer	LSF041268/1597454	1,000,000
Director of Purchasing	LSF041268/1597454	750,000
Encumbrance Clerk/Chief Financial Officer	LSF041268/1597454	500,000
Superintendent	LSF041268/1597454	500,000
Treasurer Clerk	LSF041268/1597454	25,000
Minute Clerk & Board Clerk	LSF041268/1597454	10,000
<b>Activity Funds</b>		
Activity Fund Custodian — Administration		25,000
Activity Fund Custodian — High Schools		25,000
Activity Fund Custodian — Middle Schools		10,000
Activity Fund Custodian — Elementary Schools		2,500
Financial/Principal Secretary		2,500

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Charter School Membership  
Year Ended June 30, 2024**

Charter school membership for the year ended June 30, 2024 was as follows:

	Membership
Harding Charter Preparatory High School	938
John W. Rex Charter Elementary School	769
KIPP Reach College Preparatory	448
Stanley Hupfeld Academy at Western Village	282
Western Gateway Elementary School	273
<b>Total</b>	<b>2,710</b>

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Enterprise School Membership  
Year Ended June 30, 2024**

Enterprise school membership for the year ended June 30, 2024 was as follows:

Enterprise School	Membership
Belle Isle Enterprise Middle School	472
Mary Golda Ross Enterprise Elementary School	709
John Marshall Enterprise Middle School	672
John Marshall Enterprise High School	862
<b>Total</b>	<b>2,715</b>



**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Schedule of MAPS Sales Tax Funded Transfers and Classification  
Year Ended June 30, 2024**

A schedule of MAPS sales tax funded transfers and classification is reported as follows (in thousands):

Description	Value
Total Transferred FY 2024	\$ -
Total Transferred FY 2005 - FY 2023	372,424
Total Transferred through June 30, 2024	<u>\$ 372,424</u>
Total Technology	\$ 23,852
Total Other Construction/FFE etc.	348,460
Total Transportation	<u>112</u>
	<u>\$ 372,424</u>

Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools

School Activity Fund—State Regulatory Basis  
Year Ended June 30, 2024  
(in thousands)

Revenues:	
Local sources	\$ 2,516
Nonrevenue receipts	8
<b>Total revenues</b>	<u>2,524</u>
Expenditures:	
Instruction	40
Support services	1,781
Noninstructional	556
Other	177
<b>Total expenditures</b>	<u>2,554</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(30)
Other financing sources, prior year lapsed appropriations	<u>29</u>
<b>Net change in fund balances</b>	(1)
Fund balances, beginning of year	<u>2,682</u>
Fund balances, end of year	<u><u>\$ 2,681</u></u>

**Independent School District No. 89 of  
Oklahoma County, Oklahoma,  
also known as the Oklahoma City  
Public Schools**

Compliance Report  
June 30, 2024

## Contents

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**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**

RSM US LLP

**Independent Auditor's Report**

**Board of Education**

Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools

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 (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 89 of Oklahoma County, Oklahoma, also known as the Oklahoma City Public Schools (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated April 23, 2025.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002 that we consider to be material weaknesses.

**Report on Compliance and Other Matters**

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

**The District's Responses to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

**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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*RSM US LLP*

Oklahoma City, Oklahoma  
April 23, 2025

**Report on Compliance for Each Major Federal Program;  
Report on Internal Control Over Compliance;  
and Report on Schedule of Expenditures of Federal Awards  
Required by the Uniform Guidance**

RSM US LLP

**Independent Auditor's Report**

Board of Education  
Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools

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

***Opinion on Each Major Federal Program***

We have audited the Independent School District No. 89 of Oklahoma County, Oklahoma, also known as the Oklahoma City Public Schools' (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

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

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

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

***Responsibilities of Management for Compliance***

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

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

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

In performing an audit in accordance with GAAS, *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.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2024-003. Our opinion on each major federal program is not modified with respect to this matter.

*Government Auditing Standards* requires the auditor to perform limited procedures on District's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### ***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.

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2024, and the related notes to the financial statements which collectively comprise the District's basic financial statements. We issued our report thereon dated April 23, 2025, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*RSM US LLP*

Oklahoma City, Oklahoma  
April 23, 2025

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2024**

Federal Grantor/Program	Federal Assistance Listing Number	Pass-through Grantor	Pass-through Grantor's Project Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Agriculture</b>					
<b>Direct Program</b>					
<b>Child Nutrition Cluster:</b>					
School Breakfast Program (SBP)	10.553	Department of Education	764	\$ -	\$ 5,541,814
National School Lunch Program (NSLP)					
National School Lunch Program (NSLP)	10.555	Department of Education	763	-	17,477,860
Child Nutrition Supply Chain Assistance	10.555	Department of Education	759	-	968,261
Passed-Through Oklahoma Department of Human Services Commodities (Noncash)	10.555	Department of Human Services	773	-	1,768,936
Total ALN 10.555				-	20,215,057
Summer Food Program	10.559	Department of Education	766	-	6,823
Fresh Fruit and Vegetable Program	10.582	Department of Education	768	-	1,076,588
<b>Total Child Nutrition Cluster</b>				-	26,840,282
Child and Adult Care Food Program	10.558	Department of Human Services	769	-	51,774
Child Nutrition Discretionary Grants Limited Availability					
Farm Equipment Grant	10.579	Department of Education	791	-	302,554
<b>Total U.S. Department of Agriculture</b>				-	27,194,610
<b>U.S. Department of the Interior</b>					
<b>477 Cluster:</b>					
Indian Education Assistance to Schools					
Title VII, Johnson O'Malley	15.130	Department of Education	563	-	136,806
<b>Federal Communications Commission</b>					
COVID-19 - Emergency Connectivity Fund	32.009	Federal Communications Commission	778	-	104,599
<b>U.S. Department of Education</b>					
<b>Direct Program</b>					
Indian Education Grants to Local Educational Agencies	84.060	N/A	N/A	-	569,245
<b>U.S. Department of Education</b>					
Title I Grants to Local Educational Agencies					
Title I, Part A, Basic	84.010	Oklahoma Department of Education	511	-	20,829,207
Title I, School Support	84.010	Oklahoma Department of Education	515	-	2,690,672
Title I, Part A, Neglected	84.010	Oklahoma Department of Education	518	-	346,536
Consolidated Administrative Fund	84.010	Oklahoma Department of Education	786	-	998,628
Total ALN 84.010				-	24,865,043
Title I State Agency Program					
Title I, Part D, Local Delinquent Program	84.013	Department of Education	532	-	174,290

(Continued)

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Schedule of Expenditures of Federal Awards (Continued)  
Year Ended June 30, 2024**

Federal Grantor/Program	Federal Assistance Listing Number	Pass-through Grantor	Pass-through Grantor's Project Number	Passed Through to Subrecipients	Federal Expenditures
<b>Special Education Cluster:</b>					
Special Education - Grants to States					
Discretionary PL 108-446, IDEA, Part B	84.027	Department of Education	621	-	7,507,777
Early Intervening Services	84.027	Department of Education	623	-	438,290
Flow Through, PL 108-446, IDEA Part B Private Schools	84.027	Department of Education	625	-	14,835
Special Education Professional Development OSDE Sponsored	84.027	Department of Education	613	-	510
Special Education Professional Development District Sponsored	84.027	Department of Education	615	-	26,252
COVID-19 - American Rescue Plan (ARP)-IDEA Part B					
Flow Through	84.027X	Department of Education	628	-	193,394
COVID-19 - American Rescue Plan (ARP)-IDEA B Preschool	84.027X	Department of Education	643	-	193
American Rescue Plan (ARP)-IDEA B Secondary					
Transition Services	84.027X	Department of Education	618	-	6,953
American Rescue Plan (ARP), IDEA, Part B	84.027X	Department of Education	624	-	321,075
Total ALN 84.027				-	8,509,279
Special Education - Preschool Grants					
Preschool, Ages 3-5 PL 108-446, IDEA Part B	84.173	Department of Education	641	-	90,153
<b>Total Special Education Cluster</b>				-	8,599,432
Impact Aid					
Title VII Impact Aid	84.041	Department of Education	591	-	39,384
Career and Technical Education - Basic Grants to States					
Carl Perkins Secondary	84.048	Career and Technology Education	421	-	1,052,157
Rehabilitation Services - Vocational Rehabilitation Grants to States					
Job Training - OJT	84.126	Department of Rehabilitation Services	456	-	108,219
Education for Homeless Children and Youth					
Title X, Part C, Education for Homeless Children and Youth	84.196	Department of Education	596	-	15,055
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	University of Oklahoma	772	-	346,151
English Language Acquisition State Grants					
Title III, Part A, Immigrant Education Act	84.365	Department of Education	571	-	47,087
Title III, Part A, English Language Acquisition					
Language Enhancement and Academic Achievement	84.365	Department of Education	572	-	1,070,011
Total ALN 84.365				-	1,117,098
Supporting Effective Instruction State Grants					
Title II, Part A, Teacher and Principal Training	84.367	Department of Education	541	-	3,323,905
Comprehensive Literacy Development					
High Dosage Literacy Tutoring	84.371	Department of Education	717	-	16,689

(Continued)

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Schedule of Expenditures of Federal Awards (Continued)  
Year Ended June 30, 2024**

Federal Grantor/Program	Federal Assistance Listing Number	Pass-through Grantor	Pass-through Grantor's Project Number	Passed Through to Subrecipients	Federal Expenditures
COVID-19 - Elementary and Secondary School Emergency Relief Fund					
COVID-19 - ARP ESSER III American Rescue Plan	84.425D	Department of Education	795	-	62,220,452
COVID-19 - American Rescue Plan--Elementary and Secondary School Emergency Relief (ARP ESSER)					
COVID-19 - ARP ESSER I American Rescue Plan	84.425U	Department of Education	796	-	9,286
COVID-19 - ARP ESSER II American Rescue Plan	84.425U	Department of Education	797	-	154,952
COVID-19 - ARP ESSER School Counselor Corps Competitive Project	84.425U	Department of Education	722	-	365,725
COVID-19 - ARP ESSER III	84.425U	Department of Education	725	-	31,482
COVID-19 - ARP ESSER Science of Reading	84.425U	Department of Education	726	-	34,238
COVID-19 - ESSER Summer Learning and Enrichment Program Grants	84.425U	Department of Education	558	-	55,786
COVID-19 - ESSER Comprehensive Afterschool Program Grants	84.425U	Department of Education	559	-	91,925
ARP ESSER - American Rescue Plan Elementary and Secondary School - Community Partners in Reading	84.425U	Department of Education	716	-	13,598
Total ALN 84.425U				-	756,992
Total ALN 84.425				-	62,977,444
Total U.S. Department of Education				-	103,204,112
U.S. Department of Health and Human Services					
Maternal, Infant & Early Childhood Home Visiting (MIECHV) - PAT	93.505	Department of Human Services	771	-	353,053
Child Care and Development Cluster					
Child Care Stabilization Grant	92.575	Department of Human Services	775	-	489,000
Head Start Cluster					
Head Start Funds to Schools	93.600	Department of Commerce	691	-	549,412
Medicare Cluster					
State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	93.777	Department of Human Services	697	-	476,764
Medical Assistance Program (Medicaid; Title XIX)	93.778	Department of Human Services	698	-	41,208
Medicare Cluster Total				-	517,972
Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools					
Project GET FIT!	93.981	Department of Education	787	-	8,477
Total U.S. Department of Health and Human Services				-	1,917,914
Total Federal Assistance				\$ -	\$ 132,558,041

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Notes to Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2024**

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**Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Independent School District No. 89 of Oklahoma County, Oklahoma, also known as the Oklahoma City Public Schools (the District) under programs of the federal government for the year ended June 30, 2024. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, and expended during the year are included in this Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion on the operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

**Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**Note 3. Indirect Cost Rate**

The District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 4. Noncash Assistance**

The schedule includes federal awards in the form of noncash assistance (commodities) received during the year in the amount of \$ 1,768,936 related to USDA Commodities grants (CFDA Number 10.555) provided by the U.S. Department of Agriculture and passed through the Oklahoma Department of Human Services.

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2024**

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The prior year single audit disclosed no findings in the *schedule of findings and questioned costs* and no uncorrected or unresolved prior findings exist from the prior year's *summary of prior audit findings*.

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2024**

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**I. Summary of the Independent Auditor's Results**

**Financial Statements**

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

. Material weakness(es) identified?	<u>  X  </u> Yes	<u>      </u> No
. Significant deficiency(ies) identified?	<u>      </u> Yes	<u>  X  </u> None Reported
Noncompliance material to financial statements noted?	<u>      </u> Yes	<u>  X  </u> No

**Federal Awards**

Internal control over major federal programs:

. Material weakness(es) identified?	<u>      </u> Yes	<u>  X  </u> No
. Significant deficiency(ies) identified?	<u>      </u> Yes	<u>  X  </u> None Reported

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

. Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200 516(a)?	<u>  X  </u> Yes	<u>      </u> No
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**Identification of major federal programs:**

Assistance Listing Number	Name of Federal Program or Cluster
84.365	English Language Acquisition State Grants
	Child Nutrition Cluster
10.553	School Breakfast Program
10.555	National School Lunch Program
10.559	Summer Food Service Program for Children
10.582	Fresh Fruit and Vegetable Program

Dollar threshold used to distinguish between type A and type B programs: \$3,000,000

Auditee qualified as low-risk auditee?	<u>  X  </u> Yes	<u>      </u> No
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(Continued)

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Schedule of Findings and Questioned Costs (Continued)  
Year Ended June 30, 2024**

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**II. Findings Related to the Financial Statement Audit as Required to be Reported in  
Accordance with Generally Accepted Government Auditing Standards**

**A. Internal Control**

**2024-001  
Financial Reporting  
Material Weakness**

Criteria: Management of the District is responsible for establishing and maintaining effective internal controls over financial reporting. These controls should allow management or employees to prevent, or detect and correct, misstatements to the trial balance, and perform financial reporting on a timely basis.

Condition: The District does not have adequate controls in place over the application of revenue recognition guidance to certain federal awards. A material audit adjusting entry was identified during the audit to correct federal grant revenue recognition in the nonmajor governmental fund (the Building Fund) due to cutoff errors relating to the underlying expenditures that were used to satisfy grant eligibility requirements.

Cause: The District applied the incorrect revenue recognition guidance to certain federal grants and did not record grant revenue for expenditures that were used to satisfy eligibility requirements in the correct period.

Effect or potential effect: There was a material adjusting entry of \$4.9 million to correct revenue recognition on the modified accrual basis in the governmental fund and to correct the total expenditures reported on the Schedule of Federal Awards.

Recommendation: We recommend the District personnel implement procedures and controls to ensure that all federal grant related accounts are reviewed for proper revenue recognition and are reconciled back to the reported federal awards on a timely basis.

View of responsible officials: Management concurs with the audit finding regarding the timing of revenue recognition for certain federal grants. This issue arose specifically in relation to ESSER (Elementary and Secondary School Emergency Relief) funding received in the Building Fund, which has historically not been a recipient of federal funding. The unique nature of this transaction contributed to the misapplication of revenue recognition guidance.

It is important to note that this was not an omission of revenue, but rather a timing issue in which the revenue was initially recorded in the incorrect fiscal year due to cutoff errors. As such, management considers this to be an isolated incident.

To prevent recurrence, management has implemented additional review procedures and controls for all federal claims, including those recorded in fund groups that do not typically receive federal funding, such as the Building Fund. These enhancements include cross-functional reviews of federal revenue transactions to ensure accurate recognition in accordance with applicable accounting guidance.



**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Schedule of Findings and Questioned Costs (Continued)  
Year Ended June 30, 2024**

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**2024-002**

**SAP Information Technology Security Administration  
Material Weakness**

Criteria: Management of the District is responsible for supporting a controlled environment that is effectively designed and the formal documentation that supports the effectiveness of the internal processes.

Condition: The District current internal controls may be operating as designed and a formal policy exist to ensure access is appropriate to support the operating effectiveness of controls. However, during the assessment of logical access for SAP, the following was noted:

- The SAP environment is configured to require a minimum length of characters, expiration, and password history which aligns with the organizational policy. However, it was noted that the system does not require upper, lowercase, or numeric values as stated within the policy.
- RSM observed and evaluated logical access within the SAP environment and noted that all access to SAP\* was appropriate. However, privileged access beyond SAP\*—including but not limited to SU10, SU01, and debug capabilities—was granted to certain individuals whose job responsibilities did not appear to necessitate such elevated access.

Cause: The District's periodic access reviews did not address completeness of the access review.

Effect or potential effect: The incompatible or super user logical access may result in transaction errors or fraud that is not detected in a timely manner.

Recommendation: We recommend that management align SAP password configuration settings with the organization's established policy. Additionally, management should perform periodic access reviews to assess whether access is provisioned in accordance with the principle of least privilege, evaluated at the individual, role, and profile levels.

View of responsible officials: Management concurs with the finding. While all access to SAP was deemed appropriate during the audit, the District is working with its third-party ERP administration team to ensure full alignment with internal policies and controls.

The District is also implementing a formal process to perform periodic access reviews of the ERP system, with a focus on privileged access and adherence to the principle of least privilege.

**B. Compliance Findings**

None report.

**Independent School District No. 89 of Oklahoma County, Oklahoma,  
also known as the Oklahoma City Public Schools**

**Schedule of Findings and Questioned Costs (Continued)  
Year Ended June 30, 2024**

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**III. Findings and Questioned Costs for Federal Awards**

**A. Internal Control**

None reported.

**B. Compliance Findings**

**Finding 2024-003**

**Noncompliance**

**All Assistance Listing Numbers and Federal Agencies included on the  
schedule of expenditures of federal awards for year ended June 30, 2024  
Federal Clearinghouse Annual Submission**

Finding: The Single Audit package was not submitted to the Federal Clearinghouse within the required time period.

Criteria: Uniform Guidance 2 CFR 200.512(a) requires that organization's audit must be completed and the data collection form and reporting package should be submitted within the earlier of 30 days after receipt of the auditor's report or nine months after the end of the audit period.

Condition: The Single Audit package for the District's year ended June 30, 2024 should have been submitted to the Federal Audit Clearinghouse by March 31, 2025.

Cause: The audit was not completed by March 31, 2025 due to delays in the overall audit process caused by a shortage of resources.

Effect or potential effect: Potential suspension of funding provided by federal agencies.

Questioned costs: None

Context: The June 30, 2024 Single Audit package.

Identification as a repeat finding, if applicable: No

Recommendation: We recommend the District file the reporting package timely to the Federal Audit Clearinghouse.

Views of responsible officials: Management agrees with this finding. Management acknowledges the finding. The delay in submitting the Single Audit package was primarily due to the external auditor's resource constraints, which impacted the timely completion of the audit. Management views this as an isolated event and assures that it will not occur again.

To prevent future delays, the District will coordinate closely with the external auditors to ensure adequate resources are available and will monitor audit timelines to ensure timely submission of future audit packages.



*OKCPS – Corrective Action Plan*  
**Year ended June 30, 2024**

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Finding Number: 2024-001

Planned Corrective Action: District has implementing additional review procedures and controls for all federal claims, including those recorded in fund groups that do not typically receive federal funding.

Anticipated Completion Date: June 30, 2025

Responsible Contact Person: Sydney Ward, CFO

Finding Number: 2024-002

Planned Corrective Action: District is working with its third-party ERP administration team to ensure our ERP system is in full alignment with internal policies and controls.

Anticipated Completion Date: June 30, 2025

Responsible Contact Person: Clint Everhart, Executive Director of Finance

Finding Number: 2024-003

Planned Corrective Action: District will work closely with external auditors with an initial calendar to meet the required deadline for next year's (fiscal year 2025) audit.

Responsible Contact Person: Clint Everhart, Executive Director of Finance

Anticipated Completion Date: by March 31, 2026