

March 23, 2026 Agenda Board Questions and Responses Draft

(Agenda item numbers are based on the [3.23.26 draft agenda.](#))

E.2 Amity Institute

This item authorizes continuation of the Amity international intern program supporting language immersion schools.

Questions:

1. What instructional roles do interns typically fill during the school day (e.g., small-group instruction, classroom support, language immersion activities)?

Phase 1 (Beginning of Year to Fall Break): Interns focus on small-group intervention during Walk to Read, provide one-on-one support during instructional blocks, and offer consistent support of the immersion program.

- Phase 2 (After Fall Break through February): Interns continue their small-group intervention and one-on-one support while beginning lesson planning with guidance from a mentor teacher and teaching a short daily lesson.
- Phase 3 (March to End of Year): Interns continue all support roles while independently designing lesson plans and delivering a full 90-minute instructional block (reading, math, science, and/or social studies) 3–5 times per week.

Throughout all phases, interns also assist with classroom support and help prepare and present cultural events and presentations, reinforcing both academic and cultural learning.

2. Since the program is funded by school foundations/PTAs, are there contingency plans if external funding fluctuates?

For Zarrow, the program's funding is **pre-approved annually by the HZIS Foundation**, ensuring consistent and reliable financial support. As a result, there are no funding fluctuations. For Eisenhower, the program's funding is **pre-approved annually by our PTA**, ensuring consistent and reliable financial support. As a result, there are no funding fluctuations. Of course, if funding becomes an issue in the future then the programming will be re-evaluated as with all programs.

E.5 Routine Staffing Items

This item includes new hires, adjustments, and staff separations.

3. How does the number of teacher separations in Q1 compare with the same period last year?

During the first semester of 2024, total teacher separations were 96, compared to 94 during the first semester of 2025.

4. Are there particular subject areas or schools where teacher vacancies or turnover are currently most significant?

Similar to school districts across the state and nation, Special Education, Math, and Science have been our highest areas of need. In recent years, there has been a slight uptick in the Early Childhood vacancies. Turnover varies by school site and school year.

5. What percentage of current classroom teaching positions districtwide are filled by fully certified teachers versus emergency certifications or long-term substitutes?

Our certified teacher workforce is comprised of approximately 2,220 team members. Of this group, approximately 84% hold a standard or provisional teaching certificate, and 16% hold an emergency certification. We currently have 54 long-term substitute teachers serving in vacant positions.

G.1 Independent Audit Report

This item asks the board to accept the independent audit conducted by Forvis Mazars for the FY2025 financial statements and federal programs.

6. Did the audit identify any material weaknesses or significant deficiencies in internal financial controls?

Yes, one material weakness and one significant deficiency. The last couple of pages of the audit report describe the findings. (starting on page 86 of audit report)

7. Were there any findings related to federal programs or ESSER spending?

No findings regarding ESSER.

Two compliance findings regarding the child nutrition cluster - Not performing on a regular basis a suspension and debarment search on vendors charged to federal grants (this search is performed during the new vendor setup process, but not annually) and including geographic (local) preference as part of the RFP process for an expense that was charged to a federal grant. (page 88 and 89 of audit report). District Policy 5202: Solicitation Requirements states a preference for local vendors. However, when using Federal money this preference should not

apply. This requirement was never flagged by prior financial statement audit teams, OSDE child nutrition audit teams, any legal counsel, prior food service providers or OSAI. Internally this is being addressed through policy and RFP template revisions.

In both instances, the expense started out as a non-federal expense, however, during the year-end process to prepare our financial information to report to the Oklahoma State Department of Education's OCAS system, journal entries were posted to move expenses from non-federal to federal accounts. The expense was for the temporary help staffing agency in child nutrition. The expense started out in project 3850, a state project code, but due to OCAS requirements where project codes can not have more expense than revenues, this expense was reclassified to project 7630 (National School Lunch Program), a federal grant program. In moving this expense, it triggered the need to comply with federal expenditure compliance requirements.

8. Were there any repeat findings from prior years, and if so, what corrective actions have been implemented?

From the status update of the 2024-001 finding - While the same adjustments were not needed during the current year audit, other adjustments were necessary to ensure presentation of annual financial statements in accordance with US GAAP. See current year finding 2025-001. A corrective action plan is still in progress. (page 90 of audit report)

9. Finding 2025-001: inconsistent application of modified accrual revenue recognition

The auditors found that the District did not consistently apply the required current availability periods for governmental fund revenues, including the 60-day rule for property taxes, which led to audit adjustments to revenues, receivables, and deferred inflows. This was identified as a significant deficiency.

Question:

For Finding 2025-001, the auditors state that the District did not consistently apply modified accrual revenue recognition rules, including the required availability period for governmental fund revenues and the 60-day rule for property taxes, which resulted in audit adjustments to revenues, receivables, and deferred inflows.

- Please walk the Board through which revenue streams were affected,
- how the error occurred, and at what point in the year-end close and review process this should have been caught internally rather than by the auditors.
- Then please describe the corrective process in detail: who is responsible for reviewing revenue cutoffs, what written procedures or checklists are being revised, what secondary review will now occur before the financial statements are finalized, and how management

will demonstrate to the Board that this deficiency has been fully corrected before next year's audit.

The significant deficiency was caused by a combination of year end journal entries impacting accounts receivable and revenue.

Ad valorem tax receipts received in July and August 2025 and accrued for as fiscal year 2025 revenue was double counted due to another accrual journal entry where TPS accrues the subsequent year's ad valorem as Deferred Revenue and Accounts Receivable. Essentially, 14 months of ad valorem revenue was accrued and an audit entry was made to remove two months worth. Staff (Treasury Department) has updated their process guidance/instructions for this year end accrual work to ensure the double counting does not occur again.

Grant reimbursements - There were two grant reimbursement claims (about \$582,000) received in October 2025 for expenses incurred during fiscal year 2025. During the year end accrual work, staff looked at the subsequent 60 days for receipts that pertained to fiscal year 2025 and should be recorded as revenue. Since these deposits were received in October 2025, staff did not properly accrue them as deferred revenue for fiscal year 2025. Staff (Treasury, Grants, Accounting) have worked together to establish a process to ensure all grant reimbursement claims are recognized in Munis as Accounts Receivable when the claim is filed and invoiced. Monthly meetings are now held to review a spreadsheet/tool used to track grant reimbursement claims.

The Treasury team (Assistant Treasurer) performs the year end accrual work for accounts receivable and revenue. The Accounting team (E.D. of Accounting and Controller) reviews the journal entries and supporting documentation before finalizing the financial statements.

10. Repeat nature of 2025-001 / prior finding 2024-001 only partially corrected

The prior-year financial reporting finding was listed as partially corrected, and the report specifically ties that unresolved issue to current-year finding 2025-001.

Question:

The summary schedule of prior audit findings states that prior finding 2024-001 was only partially corrected, and specifically refers the Board to current-year Finding 2025-001.

- Please explain why the prior corrective action plan did not fully resolve the underlying financial reporting control problem,
- what part of the prior remediation was effective,
- what part failed, and why.
- Then please provide the Board with the updated corrective action plan, including milestones, assigned staff, management oversight, and the date by which you expect to

certify that the original issue has been fully remediated rather than carried forward again next year.

The finding from FY2024 dealt with incorrectly applying modified accrual standards, which is also the basis for the 2025 finding. Staff, during the year-end GAAP/GASB journal entries process, erroneously posted entries that were not in accordance with modified accrual standards. With the auditors' guidance, staff has updated their work procedures for these year-end journal entries to prevent the same errors from happening again.

11. Finding 2025-002: capital projects expenditures recorded as prepaid expenses

The auditors found that certain capital projects fund expenditures were recorded as prepaid expenses even though they did not benefit future periods, requiring an audit adjustment. This was the material weakness in financial reporting.

Question:

For Finding 2025-002, the auditors found that expenditures in the capital projects fund were recorded as prepaid expenses even though they did not benefit future periods and should have been recognized as expenditures in the current year. Because this finding rose to the level of a material weakness,

- please explain precisely what transactions were misclassified,
- why staff concluded they were prepaid,
- who reviewed and approved that classification,
- and why the existing controls did not detect the error on a timely basis.
- Then please describe the corrective steps management is taking, including any new approval thresholds, reconciliations, finance review protocols, training for staff handling capital project accounting, and how those controls will be tested internally before the next audit cycle.

During our year-end work to convert our cash basis financials to modified accrual, we posted a journal entry to move an expenditure out of expenses and into prepaid expenses. The auditors pulled this expenditure as part of their sample of prepaid expenses. As staff was pulling together the supporting documentation to provide to the auditors, staff realized the error (this expenditure should have stayed as an expense) and provided the auditors with a correcting journal entry along with the supporting documentation.

The expenditure was for an IT project - ESC Data Center Refresh (Purchase Cisco Systems server and network hardware, Pure Storage SAN (Storage Area Network) hardware, and professional services for installation of this hardware, for a period of 60 months, from Presidio Networked Solutions, LLC, under Oklahoma State Contract SW1014P to replace and refresh the core datacenter infrastructure for Tulsa Public Schools.) PO 22505037.

Our capitalization threshold is \$5,000 on an individual item basis. This project consisted of multiple purchases of hardware below that threshold and with server licenses for 60 months. We wanted to capture the cost of the licenses as a prepaid expense and amortize it over the 60 months. In the spreadsheet that we use to list all of the transactions that could potentially be considered a prepaid expense, a column with the total invoice amounts was copied and pasted as the amount to add to prepaids. However, this amount included the hardware components of the PO that do not qualify as a prepaid expense. We kept the license component in prepaids and expensed the hardware in the journal entry given to the auditors.

This correction rose to the level of a material weakness due to the dollar value, \$903,159.03.

The E.D. of Accounting reviewed the GL Accountant's work of gathering all of the potential prepaid expense transactions. The ED made the determination of which transactions to include as prepaids and erroneously copied and pasted the wrong amounts. With the hire of a Controller, there will now be another layer of review to prevent such mistakes from happening again. The year end accrual and GAAP/GASB entries is a very manual process. Staff combs through thousands of transactions to determine whether it qualifies as a prepaid expense, a SBITA (software based information technology agreement - which requires special treatment), if it belongs in CIP, if it is capital asset addition, or if it should stay in expense. As it is a very manual process, it is prone to human error.

12. Capital asset and capital outlay reconciliation

The auditors specifically reported that reconciliation of capital asset and capital outlay amounts to the fixed asset module was a significant issue discussed with management during the audit.

Question:

The auditors specifically note that reconciliation of capital asset and capital outlay amounts to the fixed asset module was an issue discussed with management during the audit. Please explain what concern or discrepancy prompted that discussion, whether it was tied to the broader capital projects accounting issues, and whether management believes the District's fixed asset processes are currently reliable. Then please describe the process now being used to reconcile capital outlay to the fixed asset module, including frequency, responsible personnel, review signoff, and how exceptions will be escalated to senior leadership and, if necessary, the Board.

During the year end process to comb through all of the expenditure transactions to determine if it meets the capitalization threshold or if it should be in CIP (construction in process), the spreadsheet that was put together did not list the GL accounts from where the expenditures were booked. Since the GL accounts were not attached to the fixed asset additions, it made it difficult to trace back the additions to CIP and current year additions to fixed assets. The year-end fixed asset journal entries are made at the government-wide level in aggregate amounts. The auditors recommended that we keep GL accounts tied to the transactions so it will be easier to trace back the new additions to CIP and fixed assets. Essentially, the auditors want to see which of our GL

accounts are considered capital outlay accounts and from those capital outlay accounts what ultimately made it to our fixed asset schedule or CIP and what was left classified as an expense.

Accounting staff will implement this recommendation to the 2026 fiscal year-end work.

13. Finding 2025-004: local preference in a federally funded Child Nutrition RFP

The auditors found that the District included a geographic or local preference in an RFP and vendor evaluation funded in whole or in part with federal Child Nutrition resources, even though federal regulations generally prohibit that unless expressly authorized. The finding recommends policy changes, training, and review of reclassifications between federal and non-federal funding.

Question:

For Finding 2025-004, the auditors found that the District used a local or geographic preference in a Child Nutrition procurement that was funded in whole or in part with federal dollars, even though federal procurement rules generally prohibit that practice.

- Please explain clearly how that RFP was structured,

The RFP for this local vendor has been in place for many years and was not flagged when guidelines for federal dollars was updated to prevent local preference. All other funding sources allow for local preference that is noted in Board Policy 5202.

- why local preference was included
- who approved the solicitation,
- and why the federal funding implications were not identified before the procurement was issued and evaluated.
- Then please walk the Board through the corrective process: what procurement policy language will be revised, what training will be required for staff, how federally funded solicitations will be flagged in advance, who will perform the compliance review before release, and how the District will ensure this does not recur in Child Nutrition or any other federally funded purchasing.

The RFP for this local vendor has been in place for many years and was not flagged when guidelines for federal dollars was updated to prevent local preference. All other funding sources allow for the local preference that is noted in Board Policy 5202.

Local preference is included as part of school board policy 5202

The director of Solicitation Management

Local preference is part of school board policy 5202 and was not identified as being contrary to federal regulations by prior financial audit firms, OSDE child nutrition audit teams, OSAI, any legal

counsel or prior food service providers. We appreciate new auditors' expert knowledge and extensive testing to keep our policies and processes in line and up to date.

A new RFP is being issued that removes the geographic preference reference. The district will also make a recommendation to update School Board Policy 5202 to account for local preference not being accepted by federal regulations. This is being reviewed by the Director of Solicitation Management and the Director of Federal Programs to ensure compliance before issuing.

Additional review of the uniform grant guidelines will be required of all purchasing employees to ensure compliance.

14. Board oversight and monitoring of corrective action

Management represents that it has a process to track the status of audit findings and recommendations and that it has developed a corrective action plan.

Question:

Management represents that the District has a process to track audit findings and recommendations and has developed a corrective action plan.

- Please provide that process to the Board in concrete terms:
 - what tracking tool is used,
 - who updates it,
 - how often it is reviewed,
 - what evidence is required before a finding is marked complete,
 - and who certifies closure.
 - Then please tell us what regular reporting management will provide to the Board or Audit Committee so governance has visibility into remediation progress rather than waiting until the next annual audit to find out whether these issues were actually fixed.

The first two findings revolve around year-end GAAP/GASB journal entries, which only happen once the fiscal year is over and staff has to convert the District cash basis financials into modified accrual basis. There are plans to perform some of this work through the fiscal year (for example, review our AP Liability Report every month to identify potential prepaids/SBITAs/CIP or fixed asset additions). Performing this exercise on a monthly basis instead of looking through 12 months of transactions once the fiscal year is over, makes the task less daunting and more manageable. It will reduce the risk of errors, as well as allow time for several layers of review by different staff members.

Accounting keeps a spreadsheet with a listing of year-end entries that are needed at the fund level and government-wide to get the District financial statements ready for the audit.

The two other findings regarding compliance from the Single Audit, management plans to issue the RFP before the end of fiscal year 2026 to remove geographic preference and the search for

suspension and debarment of District vendors will be performed every year to ensure compliance going forward. There are about a thousand vendors with the search taking about 5-7 minutes each.

15. First, regarding the material weakness in revenue recognition —

- what specific corrective actions have been implemented to ensure revenues are recorded accurately at year-end moving forward?
- And what internal controls are now in place so that these types of errors are identified by management, not auditors?

A correction to the question – the finding the auditors reported as a material weakness is related to prepaid expenses, not revenue recognition. For the year-end work regarding the district's prepaid expenses, Accounting will implement an enhanced formal prepaid expense review and reconciliation procedure. Staff will perform an analytical review of prepaid balances (year over year percentage increase in the final balance and review all new additions over an established threshold to ensure they meet the definition of a prepaid expense).

Regarding the other finding the auditors reported as a significant deficiency related to the inconsistent application of the current availability period for revenue recognition, with guidance from our auditors, staff has updated their work process/instructions when they perform the year end work to record the revenue and accounts receivable accruals. The Assistant Treasurer performs this task, and the work will be reviewed by the Controller and E.D.-Accounting before the journal entries are finalized and posted.

During the 2025 year-end work to prepare for the audit, the District had one recently hired employee (E.D.-Accounting (C.P.A. credentialed)) with the knowledge and work experience with GAAP and GASB principles. The District has since hired a Controller (also C.P.A. credentialed) with GAAP and GASB experience to support the year end financial statement conversion process from cash basis to modified accrual.

16. How will the Board be updated on the progress of these corrections, and what timeline should we expect for full resolution?

This majority of this work happens after the fiscal year has ended as our cash basis financial statements are converted into modified accrual in preparation for the annual audit. The expectation is that these past errors will not happen again for the 2026 fiscal year.

17. Regarding the federal compliance findings in the Child Nutrition program —

- what procedures have been put in place to ensure 'all' vendors are properly vetted,
- and how are staff being trained to follow federal procurement rules consistently?

The search for suspension and debarment of our vendors will be performed every year to ensure compliance going forward. This search is already performed on new vendors but will be expanded to existing ones as well. There are about a thousand vendors with the search taking about 5-7 minutes each.

18. How do these corrective actions strengthen accountability and ensure continued support for students and classrooms?

These corrective actions strengthen accountability by formalizing review procedures, increasing oversight, and ensuring that key financial activities are consistently monitored by management. Enhanced analytical reviews, clearer processes, and multiple levels of review and approval create a stronger internal control environment and improve compliance with GAAP, GASB, and federal requirements, while the addition of experienced accounting leadership reinforces technical accuracy and ownership. At the same time, these improvements help safeguard resources by ensuring funds are recorded and reported appropriately, supporting informed decision-making and protecting critical funding streams: ultimately ensuring continued, reliable support for students and classrooms.