Tulsa Public Schools

Independent School District No. I-1, Tulsa County

Independent Auditor's Report, Financial Statements, and Supplementary Information

June 30, 2025

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Independent School District No. I-1, Tulsa County
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Introductory Section

Tulsa Public Schools
Independent School District No. I-1, Tulsa County
School District Officials
During Fiscal Year June 30, 2025

Board of Education

During Fiscal Year 2024–2025

President

Susan Lamkin

Members

E'Lena Ashley
Kyra Carby
John Croisant
Calvin Moniz
Sarah Smith
Stacey Woolley

Ebony Johnson, Ed.D.
Superintendent

Kristin Stephens, CPA
Chief Finance Officer

George P. Stoeppelwerth
Treasurer
Executive Director – Financial Reporting

Alicia A. Srader
Director of Accounting
Encumbrance Clerk

Financial Section

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Independent Auditor's Report

Board of Education
Tulsa Public Schools
Tulsa, Oklahoma

Opinions

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Tulsa Public Schools (District), as of and for the year ended June 30, 2025, 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, based on our audit and the report of the other auditor, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2025, 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.

We did not audit the financial statements of the Foundation for Tulsa Public Schools (Foundation), the discretely presented component unit. Those statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditor.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the District restated beginning net position and fund balance as a result of a change in accounting principle and errors identified related to revenue recognition. Our opinion is not modified with respect to this matter.

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 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, 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, pension and other postemployment benefit information, and budgetary comparison information for the general fund 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 GAAS, 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 budgetary comparison information for the debt service, capital improvements, and special revenue funds and the combining financial statements 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 GAAS. In our opinion, the accompanying supplementary information 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.

Forvis Mazars, LLP

Tulsa, Oklahoma
March 23, 2026

Our discussion and analysis of the financial performance of Independent School District No. I-1, Tulsa Public Schools (District), provides an overview of the District's financial activities for the fiscal year ended June 30, 2025. The financial information for the year ended June 30, 2024 has been restated and comparative amounts presented in the management's discussion and analysis reflect the restated balances. Readers should refer to Note 1 to the financial statements for a detailed discussion of the restatement and its effects on the financial statements. The intent of this management discussion and analysis is to look at the District's financial performance as a whole; readers should also review the financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

At fiscal 2025 year-end, total fund balance of governmental funds was $270.3 million, a decrease of $17.5 million, primarily due to a slight net increase of $10 million in liabilities and deferred inflows combined with a decrease in total assets of $8.3 million. Bond issuances during the fiscal year totaled $87.5 million and were $2.5 million more than fiscal 2024 issuances. The District issues these debt offerings to further fund capital improvements and acquisitions. The District was given a "AA" rating by Standard and Poor's for the general obligation bonds issued during the year, with an outlook of "stable."

Overview of Financial Statements

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

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances. The statement of net position presents information on all the District's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

The government-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues. The activities of the District include instruction, support services – students and staff, instructional and school leadership, administrative support services, operation and maintenance of plant services, student transportation, and operation of non-instructional services. Examples of the types of expenses that can be found in these categories include:

Instruction. Costs associated with activities that deal directly with the interaction between students and teachers.

Support Services – Student and Staff. Includes costs for activities that serve as adjuncts for fulfilling the objectives of instruction, such as counseling, social work, testing, health services, psychological service, speech pathology, library, and professional development for instructional staff.

Instructional and School Leadership. Costs associated with the overall general administrative responsibility for a single school or group of schools, including principals, deans and assistant principals, and school office support.

Administrative Support Services. Includes costs such as the superintendent's office, board of education and related support, legal, audit, budgeting, accounting and financial reporting, payroll, human resource functions, purchasing, warehouse support, information services and communications, centralized printing services, and community relations.

Non-Instructional Services. Includes costs for child nutrition (cafeteria).

Operation and Maintenance of Plant Services. Includes costs for utilities, grounds upkeep, custodial, security, building repairs and maintenance that do not meet capitalization thresholds or criteria, and the servicing and maintenance of school vehicles other than school buses.

Student Transportation Services. Includes costs associated with transporting students including drivers, bus maintenance and depreciation, fuel, and transportation administration.

The government-wide financial statements can be found on pages 15 through 17 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are on pages 19 and 21, respectively.

The basic governmental fund financial statements can be found on pages 18 and 20 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22 through 57 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process. The District adopts an annual expenditure budget for all governmental funds. A budgetary comparison schedule has been provided for the general fund as required supplementary information. Required supplementary information also includes the District's contributions to Oklahoma Teacher's Retirement System and the District's proportionate share of the net pension liability. The required supplementary information can be found on pages 58 through 67 of this report.

Government-Wide Financial Analysis

Net position may serve as a useful indicator of a government's financial position over time. In the case of the District, assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by $437.4 million as of June 30, 2025, compared to $444.5 million (restated) as of June 30, 2024, a decrease of $7.1 million, or 1.6%. This decrease is primarily due to a net $16.4 million decrease in total assets and deferred outflows of resources that included a decrease of $22.4 million in investments, an increase of $16.7 million in capital assets, and a decrease of $27.3 million for deferred pension plan and OPEB outflows. Assets and outflows of resources changes

were offset by a net $9.3 million decrease in total liabilities and deferred inflows of resources caused by the net changes to pension liability and deferred pension inflows.

The largest portion of the District's net position reflects its investment in capital assets (*e.g.*, land, buildings, vehicles, fixtures and equipment, assets out of service, right-of-use assets, and construction in progress), net of accumulated depreciation plus deferred inflows/outflows of resources (if applicable) less any related debt used to acquire those assets still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The District's financial position is the product of several types of financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

A summary of the District's net position is presented below:

	Statement of Net Position	
	2025	2024 (as Restated)
Assets		
Current assets	$ 553.7	$ 510.3
Noncurrent assets	32.6	81.8
Capital assets, net	724.3	707.6
Total assets	1,310.6	1,299.7
Deferred outflows of resources	77.4	104.7
Liabilities		
Current liabilities	163.2	149.6
Long-term liabilities	491.2	530.4
Total liabilities	654.4	680.0
Deferred inflows of resources		
Succeeding year property taxes	236.2	226.1
Deferred pension and OPEB inflows	59.7	53.5
Deferred lease inflows	0.3	0.3
Total deferred inflows of resources	296.2	279.9
Net position		
Net investment in capital assets	410.5	474.5
Restricted	114.2	103.9
Unrestricted	(87.3)	(133.9)
Total net position	$ 437.4	$ 444.5

Change in Net Position

The District's total revenues were $525.9 million, a decrease of $8.1 million from the prior fiscal year total of $544.0 million primarily due to the increase in property taxes of $12.4 million being offset by the decrease in capital grants and contributions of $20.4 million and loss on sale of capital assets of $8.2 million. The total cost of all programs and services was $533.2 million and $488.8 million for the fiscal years ended June 30, 2025, and 2024, respectively. Though expenses increased by a net of $44.4 million, the overall change in District expenses from the prior year is mostly due to an increase of $19.5 million in support services mainly for the purchase of technology infrastructure and computer hardware and software from bond issuances made during the 2025 fiscal year and the latter part of fiscal year 2024. Instruction and instruction-related services increased by $5.5 million largely attributed to increased salary and benefits to support the District's investment to fill teacher vacancies with qualified certified professionals with increased salaries and retention incentives for staff. Interest expense on long-term debt increased by $4.8 million due to the timing of bond issuances and an elevated interest rate environment.

The following table presents a summary of the change in net position for the fiscal years ended June 30:

	Statement of Activities	
	2025	2024 (as Restated)
Revenues		
Program revenues		
Charges for services	$ 6.3	$ 9.4
Operating grants and contributions	95.2	96.6
Capital grants and contributions	-	20.4
General revenues		
Property taxes	227.4	215.0
State aid – formula grants	103.3	105.3
Unrestricted dedicated state revenue	70.6	66.7
County revenue	11.9	10.9
Unrestricted investment earnings	13.3	12.0
Other local revenue	6.1	7.7
Loss on sale of capital assets	(8.2)	-
Total revenues	525.9	544.0
Expenses		
Instruction and instruction-related services	240.1	234.6
Support services – student and staff	91.0	71.5
Instructional and school leadership	32.9	28.3
Administrative support services	47.3	42.0
Operation of non-instructional services	36.0	35.1
Operation and maintenance of plant services	54.8	53.4
Student transportation services	16.8	16.0
Facilities acquisition and construction services	4.2	2.6
Interest on long-term debt	10.1	5.3
Total expenses	533.2	488.8
Change in net position	(7.3)	55.2
Net position, beginning of year	445.6	389.3
Restatements	(0.9)	-
Net position, beginning of year, as restated	444.7	389.3
Net position, end of year	$ 437.4	$ 444.5

Governmental Activities

The District reports its activities in the following functional categories: instruction and instruction-related services, support services – student and staff, instructional and school leadership, administrative support services, operation of non-instructional services, operation and maintenance of plant services, student transportation services, facilities acquisition and construction services, and interest on long-term debt. The net expense shows the financial burden that was placed on the state and District's taxpayers by each of these functions and is net of program-specific revenues and grants:

	Total Expense	Net Expense
Instruction and instruction-related services	$ 240.1	$ (176.0)
Support services – student and staff	91.0	(86.2)
Instructional and school leadership	32.9	(32.9)
Administrative support services	47.3	(47.3)
Operation of non-instructional services	36.0	(7.2)
Operation and maintenance of plant services	54.8	(51.9)
Student transportation services	16.8	(16.0)
Facilities acquisition and construction services	4.2	(4.2)
Interest on long-term debt	10.1	(10.1)
Total	$ 533.2	$ (431.8)

Financial Analysis of District's Funds

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

Governmental Funds

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

Governmental funds are reported using the modified accrual basis of accounting, which focuses on cash and other financial assets that can readily be converted to cash. As a result, these statements provide a detailed short-term view of the District's operations and services.

Because the governmental fund statements focus on the near term, they differ from the government-wide financial statements, which present a longer-term perspective. To help readers understand the relationship between the two, reconciliations are provided with the governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balance

The fund financial statements present detailed information about the District's most significant funds rather than the District as a whole. All of the District's services are reported in governmental funds.

The District maintains three major governmental funds: general, capital projects, and debt service. The following schedules present a summary of each major fund's revenues and other financing sources by type and expenditures

by program for the period ended June 30, 2025, as compared to June 30, 2024. They also depict the dollar amount and percentage increases and decreases in relation to prior year revenues and other financing resources.

General Fund

	2025 Amount	2024 Amount (as Restated)	2025 Percent of Total	Change From 2024
Revenues				
Property taxes	$ 117.4	$ 110.6	30.3%	$ 6.8
Other local sources	6.6	6.7	1.7%	(0.1)
Intermediate sources	11.9	10.9	3.1%	1.0
Fees and charges	1.6	2.7	0.4%	(1.1)
State aid	178.8	176.8	46.1%	2.0
Federal aid	58.7	88.0	15.1%	(29.3)
Earnings on investments	7.3	8.1	1.9%	(0.8)
Miscellaneous	1.8	2.4	0.5%	(0.6)
Total revenues	384.1	406.2	99.1%	(22.1)
Other financing sources	3.8	0.3	1.0%	3.5
Total	$ 387.9	$ 406.5	100.1%	$ (18.6)

Revenues decreased by $22.1 million. A decrease of $29.3 million in federal aid due to ESSER funding sunsetting and slight increases in property taxes and state aid were the main contributors to the overall change from prior year.

	2025 Amount	2024 Amount (as Restated)	2025 Percent of Total	Change From 2024
Expenditures				
Current				
Instruction and instruction-related services	$ 218.4	$ 184.1	54.9%	$ 34.3
Support services – student and staff	65.2	63.4	16.4%	1.8
Instructional and school leadership	32.6	28.2	8.2%	4.4
Administrative support services	33.0	27.8	8.3%	5.2
Operation of non-instructional services	2.1	5.7	0.5%	(3.6)
Operation and maintenance of plant services	28.3	26.7	7.1%	1.6
Student transportation services	13.7	12.2	3.4%	1.5
Facilities acquisition and construction services	0.5	21.3	0.1%	(20.8)
Capital outlay	4.0	20.4	1.0%	-
Total	397.8	389.8	99.9%	24.4
Change in fund balance	$ (9.9)	$ 16.7	0.2%	$ (43.0)

Expenditures increased by $24.4 million primarily due to increased spending on instruction and related services of $34.3 million due to increased salary and benefits to support the District's investment to fill teacher vacancies with qualified certified professionals with increased salaries and retention incentives for staff.

Capital Projects Fund

Other Financing Sources

Other financing sources increased $2.4 million from fiscal year 2024 due to the increase of $2.4 million in bonds issued.

	2025 Amount	2024 Amount (as Restated)	2025 Percent of Total	Change From 2024
Revenues				
Earnings on investments	$ 1.1	$ 1.1	1.2%	$ -
Other financing sources	87.5	85.1	98.8%	2.4
Total	$ 88.6	$ 86.2	100.0%	$ 2.4

Expenditures

Expenditures increased by $30.2 million primarily due to increased spending on support services of $19.8 million for the purchase of technology infrastructure and computer hardware and software. When netted with facilities acquisition and construction, capital outlays increased $21.2 million for various projects to improve District facilities.

	2025 Amount	2024 Amount (as Restated)	2025 Percent of Total	Change From 2024
Expenditures				
Current operating				
Instruction and instruction-related services	$ 4.8	$ 6.7	4.7%	$ (1.9)
Support services – student and staff	24.4	4.6	23.6%	19.8
Instructional and school leadership	0.1	0.1	0.1%	-
Administrative support services	4.2	7.5	4.1%	(3.3)
Operation of non-instructional services	0.5	-	0.5%	0.5
Operation and maintenance of plant services	2.5	5.1	0.0% 2.4%	- (2.6)
Student transportation services	0.2	3.7	0.2%	(3.5)
Facilities acquisition and construction services	3.7	45.3	0.0% 3.6%	- (41.6)
Capital outlay	62.8	-	60.8%	62.8
Total	103.2	73.0	100.0%	30.2
Change in fund balance	$ (14.6)	$ 13.2	0.0%	$ (27.8)

Debt Service Revenues

Revenues and other financing sources increased by $6.1 million, driven by an increase in property taxes of $5.2 million. Revenues of the debt service fund are used to fund general obligation bond debt service payments.

	2025 Amount	2024 Amount (as Restated)	2025 Percent of Total	Change From 2024
Revenues				
Property taxes	$ 90.3	$ 85.1	95.8%	$ 5.2
Earnings on investments	2.1	1.8	2.2%	0.3
Other financing sources	1.9	1.3	2.0%	0.6
Total	$ 94.3	$ 88.2	100.0%	$ 6.1

Debt Service Expenditures

Expenditures increased by $0.2 million due to the increase in current principal and interest payments on the general obligation bonds.

	2025 Amount	2024 Amount (as Restated)	2025 Percent of Total	Change From 2024
Expenditures				
Debt service	$ 87.3	$ 87.1	100.0%	$ 0.2
Total	87.3	87.1	100.0%	0.2
Change in fund balance	$ 7.0	$ 1.1	100.0%	$ 0.2

Budgetary Highlights

The District's budget is prepared according to Oklahoma law and is based on accounting for certain transactions in appropriated funds based on cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund, which, including the fund balance, represented 51% of all original budgets of appropriated funds. Only the general fund is discussed below.

For 2025, the District originally budgeted general fund revenues of $345.8 million and expenditures of $350.9 million. Plans were revised and an amended budget was filed in February 2025. The revised budget increased revenue expectations to $362.7 million and increased expenditures to $372.6 million.

Actual revenue on a budgetary basis for the general fund was $9.7 million more than projected.

Actual expenditures for the year were $1.2 million less than the final budget. Expenditures were higher than expected in salaries and benefits (up $12.9 million) but offset by less than expected in several areas: purchased services (down $3.5 million) and supplies and materials (down $8.9 million). Projected expenditures in salaries and benefits increased because of the District's investment to fill teacher vacancies with qualified certified professionals with increased salaries and retention incentives for staff.

Expenditures for instruction and instruction-related services, support services, and instructional and school leadership were budgeted at a final budget of $292.4 million, or 78%, of total budgeted expenditures. Actual expenditures for these same items were $316.2 million, or 79%, of total actual expenditures.

The actual fund balance carry forward of $86.8 million was $13.7 million more than the final budgeted amount of $73.1 million due to the increase in revenues over the projected amounts with the increase in property tax and state aid revenues.

Capital Assets

As of June 30, 2025, the District had invested $724.2 million, net of accumulated depreciation of $605.7 million, in capital assets including school buildings, athletic facilities, buses, vehicles, other equipment, land, and construction in progress. This amount represented a net increase of $16.6 million, or 2.4%.

	June 30, 2024	Increases	Decreases and Transfers	June 30, 2025
Capital assets (at cost)				
Land	$ 6.0	$ -	$ -	$ 6.0
Construction in progress	42.4	50.5	(37.9)	55.0
Assets out of service	1.2	-	-	1.2
Buildings	1,165.3	8.1	25.6	1,199.0
Equipment and vehicles	74.7	4.6	(14.5)	64.8
Right-of-use assets				
Equipment and vehicles	0.3	3.6	-	3.9
Total asset cost	1,289.9	66.8	(26.8)	1,329.9
Accumulated depreciation/amortization	(582.3)	(41.7)	18.3	(605.7)
Capital assets (net)	$ 707.6	$ 25.1	$ (8.5)	$ 724.2

Additional information related to the District's capital assets can be found in Note 6 on page 39 of this report.

Debt Administration

At the end of the fiscal year, the District had $303.2 million in bonds and leases outstanding, $86.6 million due within one year. The following table presents a summary of the District's outstanding long-term debt for the fiscal years ended June 30:

	2025	2024	Change
Leases (at present value)	$ 0.3	$ 0.2	$ 0.1
General obligation bonds	298.6	288.4	10.2
Net unamortized bond premium	4.3	3.6	0.7
Total	$ 303.2	$ 292.2	$ 11.0

In March 2015, the electors approved authority for the issuance of $415 million in combined purpose bonds for building improvement and equipment acquisitions. As of June 30, 2025, the entire amount of $415.0 million has been issued.

In June of 2021, the electors approved authority for the issuance of $414 million in combined purpose, general obligation school bonds for safe learning environments, student and classroom technology, transportation, and quality learning materials. As of June 30, 2025, the District issued $315 million with $99 million remaining available for future issuances.

See Note 8 for additional information regarding the District's long-term debt on pages 41 through 43.

Contacting the District's Financial Management

This financial report is designed to provide citizens, taxpayers, parents, students, investors, and creditors with a general overview of the District's finances to show accountability for the money it receives.

Additional details can be requested at the following address:

Tulsa Public Schools
Kristin Stephens, CPA
Chief Finance Officer
3027 S. New Haven Ave.
Tulsa, OK 74114

Or visit our website at: www.tulsaschools.org

Tulsa Public Schools
Independent School District No. I-1, Tulsa County
Statement of Net Position
June 30, 2025
(In Thousands)

	Governmental Activities	Component Unit
Assets		
Current Assets		
Cash and cash equivalents	$ 129,776	$ 5,294
Investments	155,807	2,347
Receivables, net	261,815	899
Lease receivable	262	-
Inventories and prepaid expenses	6,071	32
Total Current Assets	553,731	8,572
Noncurrent Assets		
Investments	27,929	-
Net OPEB asset	4,661	-
Capital assets		
Capital assets, nondepreciable	62,169	-
Capital assets, depreciable, net	658,865	-
Lease assets, net	3,252	-
Total Noncurrent Assets	756,876	-
Total Assets	1,310,607	8,572
Deferred Outflows of Resources		
Deferred OPEB outflows	305	-
Deferred pension plan outflows	77,052	-
Total Deferred Outflows of Resources	77,357	-

Tulsa Public Schools
Independent School District No. I-1, Tulsa County
Statement of Net Position
June 30, 2025
(In Thousands) **(Continued)**

	Governmental Activities	Component Unit
Liabilities		
Current Liabilities		
Accounts payable	$ 27,705	$ 31
Accrued liabilities	36,034	-
Current portion of bonds	85,000	-
Lease liability	99	-
Accrued interest	3,987	-
Compensated absences	7,142	-
Claims and judgments	3,249	-
Total Current Liabilities	163,216	31
Noncurrent Liabilities		
Bonds payable	217,953	-
Lease liability	158	-
Compensated absences	4,786	-
Net pension liability	261,996	-
Claims and judgments	6,297	-
Total Noncurrent Liabilities	491,190	-
Total Liabilities	654,406	31
Deferred Inflows of Resources		
Succeeding year property tax	236,242	-
Deferred pension plan inflows	57,555	-
Deferred OPEB inflows	2,104	-
Deferred lease inflows	252	-
Total Deferred Inflows of Resources	296,153	-
Net Position		
Net investment in capital assets	410,526	-
Restricted for		
Debt service	86,132	-
Building	6,587	-
Other	21,519	5,726
Unrestricted (deficit)	(87,359)	2,815
Total Net Position	$ 437,405	$ 8,541

Tulsa Public Schools
Independent School District No. I-1, Tulsa County
Statement of Activities
Year Ended June 30, 2025
(In Thousands)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Component Unit The Foundation
Primary Government						
Instruction and instruction-related services	$ 240,121	$ 2,287	$ 61,825	$ -	$ (176,009)	$ -
Support services – student and staff	90,996	189	4,612	-	(86,195)	-
Instructional and school leadership	32,895	-	-	-	(32,895)	-
Administrative support services	47,273	-	-	-	(47,273)	-
Operation of non-instructional services	35,984	2,339	26,455	-	(7,190)	-
Operation and maintenance of plant services	54,818	1,452	1,469	-	(51,897)	-
Student transportation services	16,809	-	813	-	(15,996)	-
Facilities acquisition and construction services	4,239	-	-	-	(4,239)	-
Interest on long-term debt	10,136	-	-	-	(10,136)	-
Total Primary Government	$ 533,271	$ 6,267	$ 95,174	$ -	$ (431,830)	$ -
Component Unit						
School District support	$ 4,035	$ -	$ 2,156	$ -	$ -	$ (1,879)
Total Component Unit	$ 4,035	$ -	$ 2,156	$ -	-	(1,879)
General Revenues						
Taxes						
Property taxes, levied for general purposes					137,242	-
Property taxes, levied for debt service					90,268	-
County 4 mill levy and apportionment					11,858	-
State aid – formula grants					103,333	-
Unrestricted dedicated state revenue					70,635	-
Unrestricted investment earnings					13,270	454
Other local revenue					6,108	-
Loss on sale of capital assets					(8,184)	-
Total General Revenues					424,530	454
Change in Net Position					(7,300)	(1,425)
Net Position, Beginning of Year					445,592	9,966
Restatements (See Note 1)					(887)	-
Net Position, Beginning of Year, as Restated					444,705	9,966
Net Position, End of Year					$ 437,405	$ 8,541

Tulsa Public Schools
Independent School District No. I-1, Tulsa County
Balance Sheet – Governmental Funds
June 30, 2025
(In Thousands)

	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 61,452	$ 22,912	$ 28,656	$ 16,756	$ 129,776
Investments	79,486	39,660	60,609	3,981	183,736
Receivables, net	141,061	-	100,885	19,869	261,815
Lease receivable	-	-	-	262	262
Inventories and prepaid expenses	2,429	2,989	-	653	6,071
Total Assets	$ 284,428	$ 65,561	$ 190,150	$ 41,521	$ 581,660
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts payable	$ 10,451	$ 12,853	$ -	$ 4,401	$ 27,705
Accrued liabilities	36,034	-	-	-	36,034
Claims and judgments	249	-	27	-	276
Total Liabilities	46,734	12,853	27	4,401	64,015
Deferred Inflows of Resources					
Succeeding year property tax	122,805	-	95,893	17,544	236,242
Unavailable revenue	5,951	-	4,111	764	10,826
Deferred lease inflows	-	-	-	252	252
Total Deferred Inflows of Resources	128,756	-	100,004	18,560	247,320
Fund Balances					
Nonspendable					
Inventories and prepaids	2,429	2,989	-	653	6,071
Endowments	-	-	-	24	24
Restricted					
Federal and state allocation carryover	4,884	-	-	-	4,884
Capital projects	-	49,719	-	-	49,719
Debt service	-	-	90,119	-	90,119
Building	-	-	-	6,587	6,587
Child nutrition	-	-	-	3,990	3,990
Gifts	-	-	-	2,551	2,551
Flexible benefit	-	-	-	2	2
Arbitrage	-	-	-	13	13
Student activities	-	-	-	4,740	4,740
Assigned					
Purchases on order	501	-	-	-	501
Unassigned	101,124	-	-	-	101,124
Total Fund Balances	108,938	52,708	90,119	18,560	270,325
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 284,428	$ 65,561	$ 190,150	$ 41,521	$ 581,660

Tulsa Public Schools
Independent School District No. I-1, Tulsa County
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2025
(In Thousands)

Total fund balances – governmental funds		$	270,325
Net OPEB asset is not a current financial resource and so is not recorded in the governmental funds.			4,661
The cost of capital assets purchased or constructed is reported as an expenditure in the governmental funds. The statement of net position includes those capital assets among the assets of the District as a whole. Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.			
Land	6,037		
Construction in progress	54,949		
Assets out of service	1,183		
Buildings	1,199,127		
Furniture and equipment	64,731		
Right-of-use lease assets	3,968		
Accumulated depreciation/amortization	(605,709)		724,286
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as governmental fund liabilities. All liabilities, both current and long term, are reported in the statement of net position. Liabilities not reported as governmental fund liabilities include:			
Bonds payable	(302,953)		
Lease liability	(257)		
Interest payable	(3,987)		
Compensated absences	(11,928)		
Net pension liability	(261,996)		
Claims and judgments	(9,270)		(590,391)
Long-term receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the governmental funds.			10,826
Pension and OPEB-related deferred outflows and inflows are not due and payable in the current period and, therefore, they are not reported in governmental funds.			
Deferred OPEB outflows	305		
Deferred OPEB inflows	(2,104)		
Deferred pension outflows	77,052		
Deferred pension inflows	(57,555)		17,698
Total Net Position		$	437,405

Tulsa Public Schools
Independent School District No. I-1, Tulsa County
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2025
(In Thousands)

	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Funds	Total Governmental Funds
Revenues					
Property taxes	$ 117,405	$ -	$ 90,268	$ 16,646	$ 224,319
Other local sources	6,597	-	-	2,654	9,251
Intermediate sources	11,858	-	-	-	11,858
Fees and charges	1,612	-	-	3,562	5,174
State aid	178,838	-	-	4,778	183,616
Federal aid	58,674	-	-	23,944	82,618
Earnings on investments	7,371	1,149	2,174	2,576	13,270
Miscellaneous	1,807	-	-	1,104	2,911
Total Revenues	384,162	1,149	92,442	55,264	533,017
Expenditures					
Current operating					
Instruction and instruction-related services	218,369	4,840	-	579	223,788
Support services – student and staff	65,176	24,372	-	1,143	90,691
Instructional and school leadership	32,612	60	-	141	32,813
Administrative support services	32,983	4,238	-	1,022	38,243
Operation of non-instructional services	2,127	512	-	29,437	32,076
Operation and maintenance of plant services	28,379	2,501	-	22,948	53,828
Student transportation services	13,667	186	-	125	13,978
Facilities acquisition and construction services	490	3,685	-	138	4,313
Debt service					
Principal	-	-	77,199	-	77,199
Interest	-	-	10,136	-	10,136
Capital outlay	3,974	62,806	-	78	66,858
Total Expenditures	397,777	103,200	87,335	55,611	643,923
Excess (Deficiency) of Revenues Over Expenditures	(13,615)	(102,051)	5,107	(347)	(110,906)
Other Financing Sources					
Lease issuances	3,642	-	-	-	3,642
Bond issuances	-	87,500	-	-	87,500
Premium on bond issuances	-	-	1,933	-	1,933
Insurance recoveries	78	-	-	-	78
Proceeds from sale of capital assets	123	-	-	150	273
Total Other Financing Sources	3,843	87,500	1,933	150	93,426
Net Change in Fund Balances	(9,772)	(14,551)	7,040	(197)	(17,480)
Fund Balances, Beginning of Year	118,937	67,360	83,203	18,307	287,807
Restatements (See Note 1)	(227)	(101)	(124)	450	(2)
Fund Balances, Beginning of Year, as Restated	118,710	67,259	83,079	18,757	287,805
Fund Balances, End of Year	$ 108,938	$ 52,708	$ 90,119	$ 18,560	$ 270,325

Tulsa Public Schools
Independent School District No. I-1, Tulsa County
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities
Year Ended June 30, 2025
(In Thousands)

Amounts reported for governmental activities and the statement of activities are different because:			
Net changes in fund balances – total governmental funds		$	(17,480)
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which the capital outlays exceeded depreciation/amortization in the period.			
Capital outlays	66,858		
Depreciation expense	(41,713)		25,145
The effect of miscellaneous transactions involving capital assets.			
Proceeds from sale of capital assets	(273)		
Loss on sale of capital assets	(8,730)		(9,003)
Repayments of principal on long-term debt are expenditures in the 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 statement of activities.			
Principal payments	77,199		
Proceeds from the sale of bonds and premium on the issuance of bonds	(89,433)		
Lease payments	49		
Lease assets received	(3,642)		
Change in accrued interest payable	(1,048)		(16,875)
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.			1,066
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	(1,409)		
Insurance reserve	(1,267)		
OPEB expense	433		
Pension expense	12,090		9,847
Change in net position of governmental activities		$	(7,300)

Note 1. Summary of Significant Accounting Policies

This summary of significant accounting policies of Independent School District No. I-1, Tulsa Public Schools, in the City and County of Tulsa and State of Oklahoma (District) is presented to assist in understanding the District's financial statements. A summary of the significant accounting policies applied in the preparation of the basic financial statements is described below.

Basis of Accounting and Presentation

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units as promulgated by the Governmental Accounting Standards Board (GASB), the accepted standard-setting body for governmental accounting and financial reporting principles.

Reporting Entity

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

As required by GAAP, the basic financial statements present the reporting entity which consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the District's basic financial statements to be misleading.

The Foundation for Tulsa Schools (Foundation) is a legally separate, nonprofit component unit of the District. The Foundation acts primarily as a fundraising organization to supplement the resources that are available to the District and its students. The Foundation is committed to raising revenues to increase educational opportunities, enlisting community support, and business assistance in providing educational resources and opportunities. Although the District does not control the timing or dollar amount of the receipts from the Foundation, the majority of resources that the Foundation holds (either with or without donor restrictions) and invests are restricted to support the activities of the District. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the District, the Foundation is considered a component unit of the District and is discretely presented in the District's financial statements.

During the year ended June 30, 2025, the Foundation's expenses totaled $4.0 million, of which $2.6 million was distributed to the District for unrestricted purposes. These funds are included in the operating grants and contributions program revenues on the District's statement of activities. Complete financial statements for the Foundation can be obtained from 3027 South New Haven Avenue, Tulsa, OK 74114.

Basic Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report information about the District as a whole. Internal activity and balances are eliminated in preparation of the financial statements unless they relate to services provided and used internally.

The statement of activities demonstrates the degree to which the direct expense of a given function is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Indirect expenses

of other functions are not allocated to those functions but are reported separately in the statement of activities. Depreciation expense is specifically identified by function and is included in the direct expenses to each function. Interest in general long-term debt is considered an indirect expense and is reported separately in the statement of activities. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for major governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds.

Funds

The District reports its financial activities using fund accounting. This is a system of accounting wherein transactions are reported in self-balancing sets of accounts to reflect results of activities. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained, consistent with legal and managerial requirements.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities plus deferred inflows of resources is reported as fund balance.

All of the District's governmental funds can be classified into one of five types: general fund, capital projects fund, debt service fund, special revenue funds, and permanent fund. In the fund financials, data from each major fund is presented in a separate single column while data from all the nonmajor funds are aggregated into a single column.

The following are the District's major governmental funds:

General Fund. The general fund is used to account for all financial transactions except those required to be accounted for in another fund. The general fund includes the accounts and activities of the workers' compensation fund. Combining schedules are included to show separate accounting for workers' compensation and the general fund. Major revenue sources include state and local property taxes and state funding under the Foundation and Incentive Aid Program. Expenditures include all costs associated with the daily operations of the schools except for programs funded for building repairs and maintenance, school construction, and debt service on bonds and other long-term debt. The general fund includes federal and state restricted monies that must be expended for specific programs.

Capital Projects Fund. The capital projects fund is comprised of the District's bond funds and is used to account for the proceeds of bond sales to be used exclusively for acquiring school sites, constructing and equipping new school facilities, renovating existing facilities, and acquiring transportation, equipment, textbooks, and classroom learning materials

Debt Service Fund. The debt service fund is the District's sinking fund and is used to account for the accumulation of financial resources for the payment of general long-term debt (including judgments) principal, interest, and related

costs. The primary revenue sources are local property taxes levied specifically for debt service and interest earnings from temporary investments.

The following are the District's nonmajor governmental funds:

Special Revenue Funds

Special revenue funds are used to account for specific revenue sources that are restricted or committed to expenditures for a particular purpose.

Building Fund. The building fund consists mainly of monies derived from property taxes levied for the purpose of erecting, remodeling, repairing, or maintaining school buildings and purchasing furniture, equipment, and computer software to be used on or for District property, paying energy and utility costs, purchasing telecommunications services, paying fire and casualty insurance premiums for school facilities, and purchasing security systems.

Child Nutrition Fund. The child nutrition fund consists of monies derived from federal and state financial assistance and food sales. This fund is used to account for the various nutrition programs provided to students.

Gifts Fund. The gifts fund receives its assets by way of philanthropic foundations, individuals, or private organizations for which no repayment or special service to the contributor is expected. This fund is used to promote the general welfare of the District.

Flexible Benefit Fund. The flexible benefit fund is used to account for forfeited amounts received from the third-party administrator of the District's cafeteria plan. These funds must be used for administering employee benefit programs. There was no activity in this fund during the year ended June 30, 2025.

Arbitrage Rebate Fund. The arbitrage rebate fund is used to pay the rebatable arbitrage of certain bond issues to which the IRS arbitrage rules apply. These funds will either be retained or transferred to the IRS, depending on future financial events and computations. There was no activity in this fund during the year ended June 30, 2025.

Student Activity Fund. The student activity fund is used to account for monies collected principally through fundraising efforts of the students and District sponsored groups.

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the District's program.

Endowment Fund. The Texaco endowment scholarship fund accounts for an endowment whose earnings are restricted to expenditures for awarding college scholarships to Memorial High School graduates. There was no activity in this fund during the year ended June 30, 2025.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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 fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. All sources of revenue are recognized as soon as they are both

measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers 60 days from the end of the current fiscal period for property taxes and 90 days from the end of the fiscal period for all other revenue. Expenditures are generally recorded when the liability is incurred, in conformance with accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pension, other postemployment benefits (OPEB), and insurance claims, are recorded only when payment is due.

All sources of revenue associated with the current fiscal year are considered susceptible to accrual and have been recognized as revenues of the current fiscal year to the extent the availability criteria discussed above have been met.

Cash and Cash Equivalents

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

Investments

Investments consist of United States Treasury and agencies securities and certificates of deposit. Investments, except for non-negotiable certificates of deposit, are recorded at fair value. See Note 3 for discussion regarding fair value measurements. The investment income, including the net change in fair value of the investments, is recognized and reported as earnings on investments. Non-negotiable certificates of deposit are recorded at amortized cost.

Inventories and Prepaid Expenses

All inventories are valued at cost using the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in both the government-wide and fund financial statements. These prepaid expenses are recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets, which include land, construction-in-progress, assets out of service, buildings, building improvements, equipment, and vehicles, are reported in the government-wide financial statements. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. The capitalization threshold for buildings and building improvements is $10,000, while for equipment and fixtures it is $5,000. Donated capital assets are recorded at acquisition value at date of donation. As capital assets are identified as surplus, they are reclassified as assets out of service. Assets out of service are recorded at the lower of carrying amount or fair value.

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

Buildings and building improvements of the District are depreciated using the straight-line method beginning in the year they are placed in service. Equipment and vehicles are depreciated using the straight-line method beginning in the month acquired. The District's capital assets have the following estimated useful lives:

Buildings and building improvements	20 to 40 years
Equipment, vehicles, and fixtures	5 to 15 years
Right-of-use assets	5 to 15 years

Lease Assets

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Pensions and Benefit Plans

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

The District participates in a cost-sharing multiple-employer defined benefit OPEB plan, OTRS. For purposes of measuring the net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources for the year ended June 30, 2025 consist of unrecognized items not yet charged to pension or expense and contributions from the employer after the measurement date but before the end of the employer's reporting period. See Note 11 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 OPEB liability. See Note 12 for additional discussion regarding OPEB deferred outflows of resources.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position and governmental 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) and so 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 local sources of revenues, succeeding year property taxes, and lease inflows. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available, or the period levied for and budgeted. In the District's government-wide statements, 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 levied and budgeted for. The District's government-wide statements also consist of unrecognized items not yet charged to pension expense. See Note 11 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 OPEB. See Note 12 for additional discussion regarding OPEB deferred inflows of resources. Also, the District has reported deferred inflows of resources related to the unrecognized future expected revenues due to four long-term property leases for cell towers. See Note 7 for additional discussion regarding leases.

Compensated Absences

District policies permit most employees to accumulate vacation and sick leave benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. A liability is accrued for compensated absences as the benefits are earned if the leave is more likely than not to be used for time off or settled in cash.

Compensated absence liabilities are computed using the regular pay and termination pay rates, as applicable, in effect at statement of net position date plus an additional amount for salary-related payments such as social security and Medicare taxes computed using rates in effect at that date. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. On the fund financial statements, compensated absence amounts are reported as expenditures or expenses when paid.

Accrued Compensation

Salaries, wages, and benefits that have been earned but not paid as of the end of the fiscal year are reported as a liability on the governmental fund balance sheet and statement of net position. The District has three pay cycles. Employees on each cycle, including teachers, render services under their various contracts prior to the end of the fiscal year for which they do not receive payment until after the end of the fiscal year. The total gross amount of salaries, wages, and benefits associated with these services is reported as an accrued liability on the financial statements.

Long-Term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of applicable bond premium or discount. Bond issuance costs are reported as current year expenditures.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, as current period activity. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether they are or not withheld from the actual debt proceeds received, are reported as current year expenditures. Principal and interest payments are recorded as debt service expenditures.

Leases

The District is a lessor of four cell tower land leases. The District has recognized a lease receivable and a deferred lease inflow of resources on the statement of net position. The lease receivable is measured at the present value of lease payments expected to be received during the lease term. The deferred inflow of resources is measured at the value of the lease receivable plus any payments received at commencement of the lease term that relate to future periods.

For all leases, the District uses the interest rate specified in the agreement as the discount rate. When the interest rate is not specified, the District will use its estimated incremental borrowing rate as the discount rate for the leases. Also, for all leases, the District monitors changes in circumstances that would require a remeasurement of its leases and would adjust the calculated lease liability, lease receivable, and deferred lease inflows accordingly.

Net Position and Fund Balances

The government-wide financial statements utilize a net position presentation. Net position on the statement of net position includes the following:

Net Investment in Capital Assets

The component of net position that reports the difference between capital assets less both the 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 for Specific Purposes

The component of net position that reports the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources of certain programs 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 at June 30, 2025:

Child nutrition	$	4,641
Gifts		2,551
Flexible benefit		2
Arbitrage		13
Student activities		4,741
Endowments		26
Federal and state allocation carryover		4,884
OPEB asset		4,661
	$	21,519

Unrestricted

The difference between the assets plus deferred outflows of resources and liabilities plus deferred inflows of resources that are not reported in net investment in capital assets or net position restricted for specific purposes.

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

Governmental fund equity is classified as fund balance. Fund balance refers to the difference between assets and liabilities plus deferred inflows of resources in the governmental funds balance sheet. Fund balance consists of five categories, defined in GASB Statement No. 54, 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 and prepaid amounts.

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 Board of Education. Such constraints can only be removed or changed by the same form of formal action. For purposes of committed fund balance, the District's Board of Education is considered the highest level of decision making. Funds set aside by the Board of Education as a committed fund balance will require that a resolution be made by the Board of Education. Such a resolution must be made prior to the District's fiscal year-end for it to be applicable to the District's fiscal year-end, although it is permitted for the specific amount of the commitment to be determined after the fiscal year-end if additional information is required to be able to determine the exact amount to be committed. The Board of Education has the authority to remove or change the commitment of funds by resolution. The District had no committed fund balance at the end of June 30, 2025.

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 by resolution given authority to its chief financial officer 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 would be reported. Unassigned fund balance essentially consists of excess funds that have not been classified in the four above fund balance categories. When expenditures are incurred for purposes for which both restricted and unrestricted resources are available, it is the District's policy to use restricted fund balance first. When expenditures are incurred for purposes for which amounts in any of the unrestricted resources classifications can be used, it is the District's policy to use amounts classified as committed first, followed by amounts classified as assigned and then amounts classified as unassigned.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

New Accounting Pronouncements Adopted in Fiscal Year 2025

GASB Statement No. 101, Compensated Absences

The District adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, on June 30, 2025 and applied it retrospectively. This resulted in a net impact of $1.07 million to beginning net position as shown in the statement of activities and the table below. There was no impact on governmental funds, as those funds report liabilities only to the extent they are normally liquidated with expendable available financial resources.

The District adopted GASB Statement No. 102, *Certain Risk Disclosures*, on June 30, 2025 and applied it retrospectively. There was no impact on the financial statements.

New Accounting Pronouncements Issued Not Yet Adopted

GASB Statement No. 103, Financial Reporting Model Improvements

The GASB recently issued its Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The District expects to first apply GASB 103 during the year ending June 30, 2026 using a prospective recognition method. The impact of applying the Statement has not been determined.

GASB Statement No. 104, Disclosure of Certain Capital Assets

The GASB recently issued its Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The District expects to first apply GASB 104 during the year ending June 30, 2026 using a prospective recognition method. The impact of applying the Statement has not been determined.

GASB Statement No. 105, Subsequent Events

The GASB recently issued its Statement No. 105, *Subsequent Events*. The Statement modifies the subsequent events time frame throughout GASB literature and requires that the date through which subsequent events have been evaluated to be disclosed. The District expects to first apply GASB 105 during the year ending June 30, 2026 using a prospective recognition method. The impact of applying the Statement has not been determined.

Correction of Errors in Previously Issued Financial Statements

During the fiscal year ended June 30, 2025, the District identified errors in the previously issued financial statements. Accordingly, the financial statements have been restated to correct these errors and to properly present the District's financial position and changes in fund balance and net position. The cumulative effect of these corrections has been recorded as an adjustment to beginning fund balance and net position. These corrections along with the adoption of GASB No. 101, resulted in restatements of beginning net position and fund balance, as follows:

	Reporting Units Affected by Restatements of Beginning Balances				
	Funds				Government-Wide
	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Funds	Governmental Activities
Beginning of Year, as Previously Reported	$ 118,937	$ 67,360	$ 83,203	$ 18,307	$ 445,592
Adoption of GASB 101	-	-	-	-	(1,071)
Error corrections					
Interest accrual	188	96	79	18	381
Property tax revenue	(415)	-	(203)	(38)	-
Other local sources revenue	-	-	-	470	-
Prepaid item	-	(197)	-	-	(197)
Beginning of Year, as Restated	$ 118,710	$ 67,259	$ 83,079	$ 18,757	$ 444,705

The errors included:

- *Interest accrual* – Interest earned during the year was not recorded. This error resulted in an understatement of cash and earnings on investments of $0.4 million on the fund and government-wide statements.
- *Property tax revenue* – Property tax revenue was recognized using a 90-day availability period, rather than the 60-day availability period required by GASB. As a result, property tax revenue and receivables were overstated by $0.7 million on the fund statements.
- *Other local sources revenue* – Certain other local source revenues were received within 90 days of year-end but were improperly excluded from revenue recognized. This resulted in an understatement of revenue and an overstatement of deferred inflows of resources of $0.5 million on the fund statements.
- *Prepaid item* – An expenditure was improperly recorded as a prepaid item rather than expensed in the period incurred. This error resulted in an overstatement of inventories and prepaid items and an understatement of expenditures of $0.2 million on the fund and government-wide statements.

Note 2. Revenues

A description of the District's revenue sources is included below. Revenue is recognized as described below in the government-wide statements and as described below, to the extent the availability, and the associated criteria, has been met, in the governmental fund statements.

Property Taxes

The District is authorized by state law to levy property taxes, which consist of ad valorem taxes on real and personal property within the District. These property taxes are distributed to the District's general, building, and debt service funds based on the levies approved for each fund. The District receives property taxes from four counties. The county assessor for each county, upon receipt of the certification of tax levies from the county excise board, extends the tax levies on the tax rolls for submission to the county treasurer prior to October 1. The county treasurer must commence tax collection within 15 days of receipt of the tax rolls. The first half of taxes is due prior to January 1. The second half is due prior to April 1.

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

Property tax receivables are recorded on the lien date, January 1, 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 levied. An allowance for uncollectible property taxes is calculated based on historical collection data.

Intermediate Sources of Revenues

Revenue from intermediate sources is the amount of money collected by an intermediate administrative unit or a political subdivision between the District and the state and distributed to districts in amounts that differ in proportion to those which are collected within such systems. Tulsa County is the political subdivision to the District from which the District received $10.1 million from the county 4-mill tax levy dedicated to school districts and $1.8 million from the county apportionment of mortgage taxes distributed to local schools based on average daily attendance. Revenue is recognized when it is both measurable and available.

Fees and Charges

Fees and charges include tuition, fees, rentals, disposals, commissions, and reimbursements. These are recorded as revenue when services are provided.

State Aid Revenues

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

After reviewing and verifying the reports and supporting documentation, the state Department of Education may adjust subsequent fiscal period allocations of money for prior year errors disclosed by review.

Normally, such adjustments are treated as reductions from or additions to the revenue of the year when the adjustment is made.

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

As of June 30, 2025, $4.9 million of state revenue was carried forward into fiscal year 2026. The state Department of Education requires that categorical educational program revenues be accounted for in the general fund.

Federal Aid Revenues

Federal revenues consist of revenues from the federal government in the form of operating grants, entitlements, or commodities. An operating grant is a contribution to be used for a specific purpose, activity, or facility. A grant may be received either directly from the federal government or indirectly as a pass through from another government, such as the state.

Revenue is recognized when eligibility requirements have been met. Expenditure-driven grants are recognized as revenue when the qualifying expenditure has been incurred and all other eligibility requirements have been met and available.

Federal rules require that revenue earmarked for federal programs be expended only for the program for which the money is provided and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical programs. As of June 30, 2025, no federal revenue was carried forward into fiscal year 2026.

The majority of the federal revenues received by the District are apportioned to the general fund. The District maintains a separate child nutrition fund and the federal revenues received for the child nutrition programs are apportioned there.

Other Local Sources

The other local sources of revenues consist of receipts for non-federal grants, student activities, miscellaneous income as well as gifts and donor contributions. Revenue is recognized when it is both measurable and available.

Note 3. Cash and Cash Equivalents and Investments

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of bank failure, the District may not be able to recover its deposits. Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. The District's policy requires that all deposits in excess of amounts covered by federal deposit insurance be fully collateralized by the entity holding the deposits. As of June 30, 2025, all the District's deposits were either covered by insurance or were fully collateralized. Collateral was held by the pledging financial institution's trust department or agent in the District's name.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment 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 either the counterparty or the counterparty's trust department but not in the District's name. As of June 30, 2025, all of the District's investments were held by its agent in the District's name. Accordingly, the District was not exposed to custodial credit risk for investments.

Credit Risk

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The District's fixed-income securities are subject to credit risk. However, the District policy on credit quality limitations upholds a very high standard by limiting investments to either direct obligations of the U.S. government or investments backed 110% by collateral. At June 30, 2025, the District's investment portfolio had invested $64.4 million in mortgage-backed securities. The credit ratings of the these securities are Moody's Aa1, Standard and Poor's AA+, and Fitch AA+. The remaining $99.3 and $20.0 million is invested in U.S. treasury bills and notes and certificates of deposit, respectively, which are not subject to credit risk disclosure requirements.

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. The investment concentration as of June 30, 2025 is listed in the following table.

Interest Rate Risk

The interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investment policy limits the duration of investments to a maximum maturity from the date of purchase of 60 months (excluding the endowment funds which may be invested up to 120 months), provided that sufficient liquidity is available to meet the District's major cash outlays. The District monitors investment performance on an ongoing basis to limit the District's interest rate risk.

Maturities of investments and percentages held by issuer are as follows as of June 30, 2025:

Investment Type	Percent of Portfolio	Fair Value	Investment Maturities (in Years)		
			Less Than One	One Through Five	Six Through Ten
Negotiable certificates of deposit	8.39%	$ 15,000	$ 15,000	$ -	$ -
U.S. T-Bills and notes	55.56%	99,309	41,634	57,675	-
Mortgage-backed securities					
Federal Home Loan Bank	35.49%	63,432	12,906	50,526	-
Freddie Mac	0.56%	995	-	995	-
Total	100%	178,736	$ 69,540	$ 109,196	$ -
Non-negotiable certificates of deposit carried at amortized cost		5,000			
		$ 183,736			

The District's investment policy is adopted in accordance with the provisions of applicable law by the board of the District. This policy sets forth the investment policy for the management of the public funds of the District. The policy is designed to ensure prudent management of public funds, the availability of funds when needed, and reasonable investment returns.

Fair Value Measurements

GASB 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements. The District categorizes its fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include: a) quoted prices for similar assets or liabilities in active markets, b) quoted prices for identical or similar assets or liabilities in markets that are not active, and c) inputs other than quoted prices that are observable for the asset or liability, such as: (1) interest rates and yield curves observable at commonly quoted intervals, (2) implied volatilities, and (3) credit spreads. Level 3 inputs are significant unobservable inputs.

On June 30, 2025, $100.8 million of the District's investments were valued using Level 1 inputs, and $77.9 million of the District's investments are valued using Level 2 inputs.

Investment Authority

The District treasurer is required by the board to invest District monies in the custody of the treasurer in those investments permitted by law. The treasurer shall, to the extent practicable, use competitive bids when purchasing direct obligations of the U.S. government or other obligations of the U.S. government, its agencies, or instrumentalities.

The District treasurer shall limit investments to:

- Direct obligations of the U.S. government to the payment of which the full faith and credit of the government of the U.S. is pledged; provided the District treasurer, after completion of an investment education program in compliance with applicable law, may invest funds in the investment account in other obligations of the U.S. government, its agencies, or instrumentalities.
- Obligations to the payment of which the full faith and credit of the state is pledged.
- Certificates of deposit of banks when such certificates of deposit are secured by acceptable collateral as defined in this policy.
- Savings accounts or savings certificates of savings and loan associations to the extent that such accounts or certificates are fully insured by the Federal Savings and Loan Insurance Corporation.
- Repurchase agreements that have underlying collateral consisting of those items specified above including obligations of the United States, its agencies, and instrumentalities, and where the collateral has been deposited with a trustee or custodian bank in an irrevocable trust or escrow account established for such purposes.
- County, municipal, or school district direct debt obligations for which an ad valorem tax may be levied or bond and revenue anticipation notes, money judgments against such county, municipality, or school district ordered by a court of record or bonds, or bond and revenue anticipation notes issued by a public trust for which such county, municipality, or school district is a beneficiary thereof. All collateral pledged to secure public funds shall be valued as defined in this policy.
- Money market mutual funds regulated by the Securities and Exchange Commission and which investments consist of obligations of the United States, its agencies, and instrumentalities and investments in those items and those restrictions specified in this policy.
- Warrants, bonds, or judgments of the District.
- Qualified pooled investment programs through an interlocal cooperative agreement formed pursuant to applicable law and to which the board has voted to be a member, the investments of which consist of those items specified in this policy, as well as obligations of the U.S. agencies and instrumentalities; or
- Any other investment that is authorized by law.

Investment Philosophy

This policy shall be based upon a “prudent investor” standard. The board recognizes that those charged with the investment of public funds act as fiduciaries for the public and, therefore, the treasurer is directed to exercise the judgment and care that persons of ordinary prudence, discretion, and intelligence exercise in the management of their own affairs as to the permanent nonspeculative disposition of their funds, with due consideration of probable income earnings and probable safety of capital. In investing the District’s funds, the treasurer shall place primary emphasis first on the safety and liquidity of the principal and then on earnings.

Liquidity

Available funds will be invested to the fullest extent practicable in interest-bearing investments or accounts, with the investment portfolio remaining sufficiently liquid to meet reasonably anticipated operating requirements.

Diversification

The investment portfolio will be diversified to avoid one class of investment causing a disproportionate risk of loss to the portfolio. Provided this restriction will not apply to direct obligations of the U.S. government, its agencies or instrumentalities, or certificates of deposit secured by diversified pledges of collateral as provided this policy.

Safety of Principal

Although investments are made to produce income for the District, investments will be made in a manner that preserves principal and liquidity.

Prohibition of Speculation

The purchase of an investment to be sold before its maturity will normally result in either a gain or loss for the District and is, therefore, “speculative” by definition. This practice is prohibited.

Yield

The portfolio will be designed to attain maximum yield within the class of each investment instrument while maintain the safety of the funds invested and considering the investment risk and liquidity needs.

Maturity

Investments will be purchased with the expectation that they will be held to maturity. Investments in the sinking fund may have maturities extending to 60 months and investments in the Endowment Fund may have maturities extending to 120 months. Investments in all other funds may have maturities extending to 36 months, provided sufficient liquidity is available to meet major outlays, and except that general fund investments may not exceed 18 months. Any investment collateralized by a pledge of a surety bond or letter of credit as permitted by Oklahoma Administrative Code (OAC) 735, Chapter 20, may not have a maturity date after the expiration of the surety bond or letter of credit.

Capability of Investment Management

The superintendent shall be responsible for seeing that the treasurer and any assistant treasurer are qualified and capable of managing the investment portfolio and satisfactorily complete any investment education programs required by state law or by the board.

Collateral

Securities pledged to the District to secure investments shall be limited to the type and terms acceptable to the treasurer of the State of Oklahoma under the OAC Title 735, Chapter 20. Such securities shall be diversified as to type and maturity. Such securities shall be valued at no more than market value and such pledged value shall be at least 110% of the deposits being secured on the date of the pledge. Changes in the market value of the pledged securities occurring during the life of the pledge that would cause the value of the pledge to be less than 110% of the principal being secured shall be supplemented by the pledgor with additional securities. The treasurer shall have the authority to sign forms and contracts with financial institutions or the Federal Reserve to enter into agreements for the safekeeping of collateral.

Note 4. Receivables (Net of Allowance for Uncollectibles)

Amounts are aggregated into a single receivables (net of allowance for uncollectible receivables) line for governmental funds. The details below are of the receivables including the applicable allowances for uncollectible accounts at June 30, 2025:

	General Fund	Debt Service Fund	Nonmajor Funds	Total Governmental Funds
Due from other governments				
Local				
Current year property tax	$ 7,813	$ 4,995	$ 920	$ 13,728
Succeeding year property tax	122,521	96,134	17,587	236,242
State	456	-	-	456
Federal	9,033	-	172	9,205
Other receivables	1,550	-	1,235	2,785
Gross receivables	141,373	101,129	19,914	262,416
Less allowance for uncollectible property tax	(312)	(244)	(45)	(601)
Net receivables	$ 141,061	$ 100,885	$ 19,869	$ 261,815

Receivables that are not collected within the availability period and the receivable from the succeeding year property tax are recorded in the governmental fund financial statements as deferred inflows of resources. At June 30, 2025, $252 million of receivables was considered to be unavailable revenue and was recorded as deferred inflows of resources in the governmental fund balance sheet, of which $236.2 million was succeeding year property tax. On the statement of net position, $10.8 million was reclassified to revenue from unavailable revenue, while succeeding year property taxes remain deferred inflows of resources.

Note 5. Inventories and Prepaid Expenses

Inventories are valued at average cost using the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

During the year ended June 30, 2025, the District changed the methodology used to record access to online materials provided alongside textbooks and prepayments for textbooks. The change did not result in a material impact to the financial statements.

Prepaid maintenance agreements are for technology-related equipment, software subscriptions, and licensing and have terms ranging from 12 to 72 months. These are amortized over the life of the service agreement and recorded as expenditures as services are provided rather than when purchased. All of the District's subscription-based technology agreements are considered to be short-term because each party must agree to extend the contract beyond a year.

The inventories and prepaid items on hand were comprised of the following categories at June 30, 2025:

Inventory and Prepaid Items	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
Inventory				
Food service supplies	$ -	$ -	$ 648	$ 648
Classroom supplies	79	-	-	79
Custodial supplies	388	-	-	388
Total inventory	467	-	648	1,115
Prepaid items	1,962	2,989	5	4,956
Total inventory and prepaid items	$ 2,429	$ 2,989	$ 653	$ 6,071

Note 6. Capital Assets

Capital asset activity was as follows for the year ended June 30, 2025:

Investment Type	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Governmental activities					
Capital assets, not being depreciated					
Land	$ 6,037	$ -	$ -	$ -	$ 6,037
Construction in progress	42,350	50,535	(37,936)	-	54,949
Assets out of service	1,183	-	-	-	1,183
Total capital assets not being depreciated	49,570	50,535	(37,936)	-	62,169
Capital assets being depreciated/amortized					
Buildings and improvements	1,165,312	8,137	37,936	(12,258)	1,199,127
Equipment and vehicles	74,681	4,568	-	(14,518)	64,731
Right-of-use assets					
Equipment and vehicles	326	3,642	-	-	3,968
Total capital assets being depreciated/amortized	1,240,319	16,347	37,936	(26,776)	1,267,826
Less accumulated depreciation/amortization for					
Buildings and improvements	(529,564)	(37,038)	-	6,237	(560,365)
Equipment and vehicles	(52,624)	(4,086)	-	12,082	(44,628)
Right-of-use assets					
Equipment and vehicles	(127)	(589)	-	-	(716)
Total accumulated depreciation/amortization	(582,315)	(41,713)	-	18,319	(605,709)
Net of capital assets being depreciated/amortized	658,004	(25,366)	37,936	(8,457)	662,117
Governmental activities capital assets, net	$ 707,574	$ 25,169	$ -	$ (8,457)	$ 724,286

Depreciation/amortization expense was charged to functions/programs of the District as follows for the year ended June 30, 2025:

Governmental activities		
Instruction and instruction-related services	$	23,703
Support services – student and staff		2,380
Administrative support services		7,572
Operation of non-instructional services		3,734
Operation and maintenance of plant services		2,770
Student transportation services		1,554
	$	41,713

Assets Out of Service

Assets out of service include the sites identified as surplus properties under the Project Schoolhouse initiative. The District has not yet determined the ultimate disposition of these assets. As of June 30, 2025, the net book value of assets out of service was $1.2 million

Note 7. Leases

As Lessee

The District records lease agreements that qualify as right-of-use agreements for accounting purposes at the present value of their future minimum lease payments at their inception date. The present value has been calculated based on the District's incremental borrowing rate at time of inception unless the lessor's implicit interest rate is known.

The District entered into two lease agreements for the acquisition of 26 compressed natural gas (CNG) buses, of which the natural gas conversion equipment on each bus will be leased for 36 months before being paid in full. The contract on December 16, 2022 is for 16 buses and the contract on January 9, 2023 is for 10 buses. This arrangement allows Midwest Transport Solutions to pass along to the District a federal income tax credit, creating a 6% savings on the total price of each bus. Exercising the purchase options for each bus after leasing for 36 months will cost a total of $195 thousand. As of June 30, 2025, the District has received all the buses, fulfilling the lease contracts.

The District also has an annual contract that began July 1, 2021, with four optional renewal years, for disposal services which include the use of dumpsters that are provided by the vendor. It is reasonably certain the agreement will be renewed for all optional terms.

The future right-of-use lease payments are as follows as of June 30, 2025:

	Principal	Interest	Total
2026	$ 99	$ 14	$ 113
2027	81	9	90
2028	77	2	79
	$ 257	$ 25	$ 282

As Lessor

The District leases land for cell towers. These leases have terms between 60 months and 25 years, with payments required monthly or annually.

The total amount of inflows of resources recognized is as follows for the year ended June 30, 2025:

Lease revenue	$ 30
Interest income	9
	$ 39

Note 8. Long-Term Debt

2021 School Bond

In June 2021, the electors approved authority for the issuance of $414 million in combined purpose, general obligation school bonds which include $166.8 million for safe learning environments; $90.7 million for student and classroom technology; $17.3 million for transportation; and $139.2 million for quality learning materials.

As of June 30, 2025, $315 million has been issued leaving $99 million remaining for future issuances.

Current Year Combined Purpose Bond issuances (Series 2024B, 2024C, and 2025A)

In August 2024 and April 2025, the District issued $57.5 and $30 million, respectively, in combined purpose bonds. The proceeds from these bonds will be used to construct and renovate school facilities; for student and classroom learning technology improvements, transportation vehicles, and equipment; and to acquire classroom materials and technology.

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 as an increase or decrease, respectively, to the coupon interest payment in reporting interest expense. The District uses the effective interest rate method for amortizing premiums and discounts. Amortization expense on bond premiums for the year ended June 30, 2025 is $1.3 million. The net amount of unamortized premium at June 30, 2025 was $4.3 million.

The following is a summary of changes in outstanding long-term debt at June 30, 2025:

Bonds Payable Series		Outstanding June 30, 2024	Issuances	Retirements	Outstanding June 30, 2025	Due Within One Year
2025A	2021 Combined Purpose	$ -	$ 30,000	$ -	$ 30,000	$ -
2024C	2021 Combined Purpose	-	7,500	-	7,500	-
2024B	2021 Combined Purpose	-	50,000	-	50,000	-
2024A	2021 Combined Purpose	35,000	-	-	35,000	8,750
2023C	2021 Combined Purpose	13,180	-	-	13,180	3,295
2023B	2021 Combined Purpose	36,820	-	-	36,820	9,205
2023A	2021 Combined Purpose	34,500	-	8,625	25,875	8,625
2022C	2021 Technology Equipment	6,200	-	1,550	4,650	1,550
2022B	2021 Combined Purpose	33,800	-	8,450	25,350	8,450
2022A	2021 Combined Purpose	28,500	-	9,500	19,000	9,500
2021C	2015 & 2021 Technology Equipment	7,500	-	2,500	5,000	2,500
2021B	2015 & 2021 Combined Purpose	39,390	-	13,125	26,265	13,125
2021A	2015 Combined Purpose	10,500	-	5,250	5,250	5,250
2020C	2015 Combined Purpose	4,500	-	2,250	2,250	2,250
2020B	2015 Combined Purpose	25,000	-	12,500	12,500	12,500
2020A	2015 Combined Purpose	5,750	-	5,750	-	-
2019C	2015 Technology Equipment	2,375	-	2,375	-	-
2019B	2015 Combined Purpose	5,365	-	5,365	-	-
Total bonds payable		288,380	87,500	77,240	298,640	85,000
Premium on bonds		3,635	1,933	1,255	4,313	-
Total bonds payable		$ 292,015	$ 89,433	$ 78,495	$ 302,953	$ 85,000

The future bond payments are scheduled as follows at June 30, 2025:

	Principal	Coupon Interest	Total
2026	$ 85,000	$ 8,459	$ 93,459
2027	86,890	5,603	92,493
2028	61,750	3,497	65,247
2029	43,125	1,696	44,821
2030	21,875	478	22,353
	$ 298,640	$ 19,733	$ 318,373

Interest rates on the bonds range from 0.45% to 5.00% and nominal rates range from 0.45% to 4.73%. Original amount and principal payments:

	Issue Date	Original Amount	Final Maturity	Annual Principal Payments	Coupon Rate	Nominal Rate
2025A	4/1/2025	$ 30,000	4/1/2030	$ 7,500	2.93%	2.93%
2024C	8/1/2024	$ 7,500	8/1/2029	$ 1,875	5.00%	4.73%
2024B	8/1/2024	$ 50,000	8/1/2029	$ 12,500	4.00%	3.00%
2024A	4/1/2024	$ 35,000	4/1/2029	$ 8,750	2.96%	2.92%
2023C	8/1/2023	$ 13,180	8/1/2028	$ 3,295	4.70%	4.61%
2023B	8/1/2023	$ 36,820	8/1/2028	$ 9,205	3.20%	3.15%
2023A	3/1/2023	$ 34,500	3/1/2028	$ 8,625	2.70%	2.60%
2022C	8/1/2022	$ 6,200	8/1/2027	$ 1,550	3.50%	3.40%
2022B	8/1/2022	$ 33,800	8/1/2027	$ 8,450	2.20%	2.20%
2022A	3/1/2022	$ 38,000	3/1/2027	$ 9,500	1.35%	1.35%
2021C	9/1/2021	$ 10,000	9/1/2026	$ 2,500	0.67%	0.67%
2021B	9/1/2021	$ 52,515	9/1/2026	$ 13,125	0.50%	0.50%
2021A	3/1/2021	$ 21,000	3/1/2026	$ 5,250	0.45%	0.45%
2020C	8/1/2020	$ 9,000	8/1/2025	$ 2,250	1.45%	1.44%
2020B	8/1/2020	$ 50,000	8/1/2025	$ 12,500	1.52%	1.51%
2020A	3/1/2020	$ 23,000	3/1/2025	$ 5,750	1.12%	1.12%
2019C	8/1/2019	$ 9,500	8/1/2024	$ 5,355	1.45%	1.44%
2019B	8/1/2019	$ 21,430	8/1/2024	$ 12,500	1.52%	1.51%

Interest expense on bonds during the year ended June 30, 2025 totaling $10.1 million is reported in the debt service fund.

Note 9. Risk Management

The District is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. Commercial insurance coverage is purchased for claims arising from such matters other than workers' compensation and natural disasters. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

The District is self-insured for workers' compensation claims. Premiums are paid into the workers' compensation fund, which is combined with the general fund for purposes of financial statement presentation, from the general fund and child nutrition fund. The District is also self-insured for general liability claims. Liabilities are reported in government-wide statements when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities are reported in the general fund statements to the extent these amounts are payable with expendable available financial resources. Liabilities in the government-wide statements also include an amount for claims that have been incurred but not reported (IBNR). The result of this process to estimate the claims' liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are re-evaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. For example, estimated recoveries from salvage or subrogation are another component of the claims liability estimate.

An excess coverage insurance policy covers individual claims in excess of $1 million up to the statutory limit. Settlements did not exceed coverage for the past three years.

The District had established liabilities for worker's compensation and general liability claims of $7.3 million and $2.2 million, respectively. Changes in the balance of claims liability is as follows for the past year June 30, 2025:

	2025
Unpaid claims, beginning of year	$ 8,373
Incurred claims (including IBNRs)	1,308
Claim payments	(135)
Unpaid claims, end of year	$ 9,546

$3.3 million of the amount unpaid at June 30, 2025 is expected to be paid out in the next fiscal year from the general fund.

Note 10. Commitments and Contingent Liabilities

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 or services. The total amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows at June 30, 2025:

General Fund	$ 501
Capital Projects Fund	27,539
Nonmajor Funds	3,857
Total	$ 31,897

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

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

Note 11. Pension Benefits

Plan Description

The District participates in the Oklahoma Teachers Retirement Plan – a cost-sharing multiple-employer defined benefit pension plan administered by the OTRS. OTRS provides retirement, disability, and death benefits to plan

members and beneficiaries. Benefit provisions are established and may be amended by the legislature of the State of Oklahoma. Title 70 of the Oklahoma State Statutes assigns the authority for management and operation of OTRS to the Board of Trustees of the OTRS. OTRS issues a publicly available annual financial report that can be obtained at www.ok.gov/TRS/.

Participation in the plan is required for certified teachers, administrators, and certain non-certified administrators. Other permanent support employees working at least half time are eligible for participation in the plan at their option. On June 30, 2025, there were 4,738 active employees of the District participating in the plan, comprising 4% of the total teacher's retirement system participants.

Benefits Provided

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

Benefit provisions include:

- Members who joined OTRS after July 1, 1991, but before November 1, 2017, become fully vested in retirement benefits earned to date after five years of credited service. Members who joined OTRS on or after November 1, 2017 become fully vested after seven years of credited service. Any member who has attained age 55 or who has completed 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 80 may be retired upon proper application for retirement on forms established by OTRS 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 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 65 years or who reaches a normal retirement date having attained a minimum age of 60 years may be retired upon proper application for retirement and executing a retirement contract.
- Final compensation for members who joined OTRS prior to July 1, 1992 is defined as the average salary for the three highest years of compensation. Final compensation for members joining OTRS after June 30, 1992 is defined as the average of the 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 or $25,000, 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. 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 years of service. An eligible sole designated beneficiary 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.
- Upon the death of a retired member, OTRS will pay $5,000 to the designated beneficiary, in addition to the benefits provided for the retirement option selected by the member.
- A member is eligible for disability benefits after 10 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 IRC.

Contributions

The contribution requirements of OTRS are at an established rate determined by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 7% of their annual compensation. The District's contribution rate is 9.5% for the year ended June 30, 2025. In addition, the District is required to match the state's contribution rate on salaries that are paid with federal funds. The District's total contribution to OTRS in 2025 was $24.2 million, including $2.3 million of matching contributions.

The state makes a contribution on behalf of each teacher meeting minimum salary requirements (known as the OTRS year of service credit). The credit amount is determined based on years of service and ranges from $60.15 per year for zero years of service to $1,410.53 per year for 25 years or more of service. For the fiscal year ended June 30, 2025, the state paid $1.3 million on behalf of teachers employed at the District. In accordance with GAAP, the District recognized the on-behalf payments as revenue and expenditure in the government-wide and fund financial statements.

The state is also required to contribute to OTRS on behalf of the participating employers. The District has estimated the amounts contributed to OTRS by the state on its behalf based on a contribution rate provided to the District. In accordance with GAAP, the District recognized the on-behalf payments as revenue and expenditures in the fund financial statements. In the government-wide statement of activities, revenue and expense is recognized for the state's on-behalf contribution on an accrual basis of $21.2 million.

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

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

At June 30, 2025, the District reported a liability of $262.0 million for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024. The District's proportion of the net pension liability was based on the District's contributions to OTRS relative to total contributions of OTRS for all participating employers for the year ended June 30, 2024. Based upon this information, the District's proportion was 3.98%. The change in proportion from the June 30, 2023 measurement date was a decrease of 0.06%.

The District recognized pension expense of $39.7 million. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 18,525	$ (4,048)
Changes of assumptions	2,873	(11,239)
Net difference between projected and actual earnings on pension plan investments	-	(8,957)
Changes in proportion and differences between District contributions and proportionate share of contributions	31,470	(33,311)
Total deferred amount to be recognized in pension expense in future periods	52,868	(57,555)
District contributions subsequent to the measurement date	24,184	-
Total deferred amount related to pensions	$ 77,052	$ (57,555)

Deferred pension outflows totaling $24.2 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, 2026. 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. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

2026	$ (8,334)
2027	24,299
2028	(12,488)
2029	(8,858)
2030	694
	$ (4,687)

Actuarial Assumptions

The total pension liability as of June 30, 2025 was determined based on an actuarial valuation prepared as of June 30, 2024 using the following actuarial assumptions:

- Actuarial Cost Method – Entry Age Normal
- Investment Rate of Return, net of investment expenses – 7.00%
- Inflation – 2.50%
- Administrative expenses – 0.12% of valuation payroll per year
- Future Ad Hoc Cost-of-living Increases – None

- Salary Increases – Composed of 2.50% wage inflation, plus 0.50% productivity increase rate, plus step rate promotional increases for members with less than 25 years of service
- New entrant salary growth – 3.00% per year
- Overall payroll growth – 2.50% per year
- Mortality Rates after Retirement
  - Males: 2020 GRS Southwest Region Teacher Mortality Table. Generational mortality improvements in accordance with the latest MP scales with immediate convergence.
  - Females: 2020 GRS Southwest Region Teacher Mortality Table. Generational mortality improvements in accordance with the latest MP scales with immediate convergence.
  - Disabled males: 2020 GRS Southwest Region Teacher Mortality Table for Males, set forward three years with minimum rates at all ages of 4.0%. Generational mortality improvements in accordance with the latest MP scales with immediate convergence.
  - Disabled females: 2020 GRS Southwest Region Teacher Mortality Table for Females, set forward three years with minimum rates at all ages of 2.5%. Generational mortality improvements in accordance with the latest MP scales with immediate convergence
- Mortality Rates for Active Members – Pub-2010 Teachers Active Employee Mortality table. Generational mortality improvements in accordance with the latest MP scales with immediate convergence
- Retirement rates – Separate male and female rates, based on age, developed from the 2024 Experience Study
- Termination rates – Rates based on the member's service, developed from the 2024 Experience Study

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	38.30%	4.50%
International equity	16.70%	4.50%
Domestic fixed income	22.00%	2.40%
Real estate [(A)]	10.00%	4.40%
Private equity	8.00%	6.90%
Private debt	5.00%	5.60%
Total	100.00%	

(A) The Real Estate total expected return is a combination of U.S. Direct Real Estate (unlevered) and U.S. Value Added Real Estate (unleveraged).

Discount Rate

The discount rate used to measure the total pension liability was 7.0%. This single discount rate was based solely on the expected rate of return on pension plan investments of 7.0%. 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 at a constant percent of projected member payroll based on the past five years of actual contributions. Based on the stated assumptions and the projection of cash flows, OTRS' fiduciary net position and future contributions were projected to be available to finance all projected future

benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's net pension liability	$ 400,152	$ 261,996	$ 146,909

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report of OTRS, which can be located at www.ok.gov/TRS.

Note 12. 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 OTRS and additions to/deductions from these fiduciary net positions have 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 they are due and payable in accordance with the benefit terms. Investments held by OTRS are reported at fair value.

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 benefit OPEB plan administered by the OTRS. Title 74 O. S. Sec. 1316.3 defines the health insurance benefits. The authority to establish and amend benefit provisions rests with State Legislature. OTRS issues a publicly available financial report that can be obtained at www.ok.gov/TRS.

Benefits Provided

OTRS pays a medical insurance supplement to eligible members who elect to continue their employer provided health insurance. The supplement payment is between $100 and $105 per month, provided the member has 10 years of Oklahoma service prior to retirement.

Contributions

Employer and employee contributions are made based upon the OTRS plan provisions contained in Title 70, as amended. However, the statutes do not specify or identify a 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 11; 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 from the System were $1.8 million.

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

At June 30, 2025, the District reported a Net OPEB asset of $4.7 million for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of June 30, 2024. The District's proportion of the net OPEB asset was based on the District's contributions received by the OPEB plan relative to the total contributions received by the OPEB plan for all participating employers as of June 30, 2024. Based upon this information, the District's proportion was 3.98%. The change in proportion from the June 30, 2023 measurement date was an increase of 0.02%.

For the year ended June 30, 2025, the District recognized OPEB expense of $0.3 million. The District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources on June 30, 2025:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 671
Changes of assumptions	198	1,250
Net difference between projected and actual earnings on OPEB plan investments	-	183
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
Total deferred amount to be recognized in OPEB expense in future periods	198	2,104
District contributions subsequent to the measurement date	107	-
Total deferred amount related to OPEB	$ 305	$ 2,104

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

2026	$ (638)
2027	168
2028	(534)
2029	(497)
2030	(314)
Thereafter	(91)
	$ (1,906)

Actuarial Assumptions

The total OPEB liability (asset) as of June 30, 2025 was determined based on an actuarial valuation prepared as of June 30, 2024 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% wage inflation, plus 0.75% productivity increase rate, plus step-rate promotional increase for members with less than 25 years of service
- Investment Rate of Return, net of investment expense – 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 ending June 30, 2019.
- Mortality Rates after Retirement
  - Males: 2020 GRS Southwest Region Teacher Mortality Table. Generational mortality improvements in accordance with the Ultimate MP scales are projected for the year 2020
  - Females: 2020 GRS Southwest Region Teacher Mortality Table. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020
- Due to the nature of the benefit, heathcare trend rates are not applicable to the calculation of contribution rates

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	38.30%	4.50%
International equity	16.70%	4.50%
Domestic fixed income	22.00%	2.40%
Real estate [(A)]	10.00%	4.40%
Private equity	8.00%	6.90%
Private debt	5.00%	5.60%
Total	100.00%	

(A) The Real Estate total expected return is a combination of U.S. Direct Real Estate (unlevered) and U.S. Value Added Real Estate (unleveraged).

Discount Rate

A single discount rate of 7.00% was used to measure the total OPEB liability as of June 30, 2024. This single discount rate was based solely on the expected rate of return on OPEB plan investments of 7.00%. Based on the stated assumptions and the projection of cash flows, the OPEB plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. 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 payrolls. The projection of cash flows also assumed that the state's contribution plus the matching contributions will remain a constant percentage of projected member payroll based on the past five years of actual contributions.

Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's net OPEB asset	$ 3,137	$ 4,661	$ 5,955

Sensitivity of the District's Proportionate Share of the Net OPEB 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 asset.

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.

Note 13. Compensated Absences

Sick Pay Benefits

The District provides sick pay benefits for all its permanent employees, and all employees entitled to sick leave are permitted to accrue unlimited unused leave. Upon termination, employees who have been employed by the District for at least 10 years are paid for any unused sick leave on a graduated scale. After 20 years of service, both certified and supporting employees are paid an additional $30 per day for any unused service.

Vacation Benefits

Permanent employees on 12-month contracts accrue vacation on a graduated scale from 10 to 20 days per year based on their years of service. Employees may accrue a maximum of twice their annual vacation entitlement and are paid for any unused vacation at their current salary rate upon termination. The activity related to these benefits is as follows during the year ended June 30, 2025:

Investment Type	Balance June 30, 2024 (as Restated)	Accruals	Payments	Balance June 30, 2025
Vacation	$ 6,495	$ 6,260	$ 4,962	$ 7,793
Sick	4,023	10,405	10,293	4,135
Total	$ 10,518	$ 16,665	$ 15,255	$ 11,928

In past years, general, building, and child nutrition funds have been used to liquidate this liability. Of the total, $7.1 million is expected to be paid out in the next fiscal year either to employees upon termination or to employees for compensated time off.

Note 14. Subsequent Events

Combined Purpose Bonds (Series 2025B)

In August 2025, the District issued $46.5 million in Combined Purpose Bonds Series 2025B. The proceeds from these bonds will be used to construct and renovate school facilities, student and classroom learning technology improvements, acquisition of transportation vehicles and equipment, and to purchase textbooks, classroom learning materials, technology infrastructure, and computer hardware and software. This bond has a coupon rate of 4% and 5%, a nominal rate of 3.15%, and a maturity date of August 1, 2030.

Combined Purpose Bonds (Series 2025C)

In August 2025, the District issued $7.63 million in Combined Purpose Bonds Series 2025C. The proceeds from these bonds will be used to acquire student and classroom learning technology improvements and to purchase textbooks, classroom learning materials, technology infrastructure, and computer hardware and software. This bond has a coupon rate of 5%, a nominal rate of 4.4%, and a maturity date of August 1, 2030.

Combined Purpose Bonds (Series 2026A)

In February 2026, the District issued $40 million in Combined Purpose Bonds Series 2026A. The proceeds from these bonds will be used to construct and renovate school facilities, student and classroom learning technology improvements, and to purchase textbooks, classroom learning materials, technology infrastructure, and computer hardware and software. This bond has a coupon rate of 3 to 4%, a nominal rate of 2.49%, and a maturity date of February 1, 2031.

Note 15. Tax Abatement Disclosures

The City of Tulsa provides ad valorem tax abatements to promote development within an enterprise zone in downtown Tulsa. The District is impacted by tax abatements provided by the City of Tulsa under the Tax Incentive Financing (TIF) District Number One economic development program. The TIFs were established to encourage the development, renovation, and redevelopment of residential, both single-family and multiple-unit dwellings, as well as commercial space and hotels. The TIF agreements provide for abatement of ad valorem taxes owed to the District of up to 100% of the additional property taxes that result from the increase in assessed value because of the improvements, administered as a reduction in the tax bill for the property owners, and last for up to six years (or fewer if the property is sold). For the fiscal year ended June 30, 2025, the City of Tulsa had two active TIF agreements that impact the District. The District continues to receive ad valorem taxes from property owners at the market value of the property assessed prior to the creation of the TIF agreements.

The State of Oklahoma grants a five-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 of Oklahoma will reimburse the District for foregone property taxes because of this exemption. During the year ended June 30, 2025, the amount of foregone tax revenues because of this exemption were $4.9 million in exempt manufacturing.

Note 16. Discretely Presented Component Unit – The Foundation For Tulsa Schools (Not in Thousands)

Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Foundation are prepared on the accrual basis of accounting in accordance with GAAP and include the statements of financial position, statements of activities, and statements of cash flows of the Foundation.

Description of the two net asset categories and the types of transactions included in each category are as follows:

Without donor restrictions. Net assets not subject to donor-imposed restrictions that are available for use at the discretion of the Board of Directors and/or management for general operating purposes. From time to time, the Board may designate a portion of these net assets for specific purposes, making them unavailable for use at management's discretion.

With donor restrictions. Net assets subject to donor-imposed restrictions that will be met either by actions of the Foundation or the passage of time. When a restriction has been fulfilled, net assets subject to donor-imposed restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Also included in this category are net assets whose use is limited by donor-imposed restrictions that require such resources be maintained in perpetuity and the related income utilized for operating or other donor-restricted purposes.

Expenses are reported as decreases in net assets without donor restrictions. Expirations of donor-imposed restrictions that simultaneously increase one class of net assets and decrease another are reported as reclassifications between the applicable classes.

Contributions

Contributions, including unconditional promises to give, are recorded when received. All contributions are available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions.

Conditional promises to give, which contain donor-imposed conditions that include one or more barriers that must be overcome as well as a right of return or release from the obligation, are not recognized until the conditions on which they depend are substantially met or explicitly waived by the donor. Transfers of assets under conditional promises, which are received by the Foundation prior to fulfilling these conditions, are recorded as a liability (*i.e.*, refundable advance) until the conditions are substantially met or explicitly waived by the donor.

Contributions Receivable

Contributions receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the (current) status of individual accounts and historical collection experience. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and an entry to credit the contributions receivable. As of June 30, 2025, there was no allowance for uncollectible contributions receivable.

Investments

Investments, including investments restricted for endowment, are held under managerial agency agreements and include money market funds, fixed income securities, and equity securities, which are carried at fair value based upon quoted market prices or dealer quotes. Dividends, interest, and net unrealized gains and losses, including investment expenses, are reported in the statement of activities. Interest and gains earned on investments are considered unrestricted as to their use unless their use is restricted by donor stipulation.

Investments consist of the following at June 30, 2025:

Fixed income securities	$	924
Equity securities		1,418
Money market		5
Total investments	$	2,347

Concentration and Risks

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist primarily of cash, contributions receivable, and investments.

The Foundation maintains its cash in accounts which may, at times, exceed federally insured amounts. However, it has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

Three donors accounted for approximately 60% of the Foundation's total revenue for the year ended June 30, 2025. One donor accounted for 100% of the Foundation's contributions receivable at June 30, 2025.

The Foundation's investments are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term, and such changes could materially affect the amounts

reported in the statements of activities. Significant fluctuations in fair values could occur from year to year, and the amounts the Foundation will ultimately realize could differ materially.

Fair Value Measurements

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the methodologies used as of June 30, 2025. During the year ended June 30, 2025, there were no transfers of financial instruments between Level 1 and Level 2 or transfers into or out of Level 3. The following is a description of the valuation methodologies used for assets measured at fair value:

- The fair value of investments in money market funds and equity securities are based upon quoted market prices for identical assets and are classified within Level 1.
- Fixed income securities (including government and agency securities) are valued by the asset custodian who uses independent pricing services or by dealers who make markets in such securities. Pricing services consider yield or price of bonds of comparable quality, coupon, maturity, and type as well as available dealer supplied prices. Certain securities may be valued by a single source or dealer. Fixed income securities are classified within Level 2.
- Beneficial interest in assets held by community foundation is measured at fair value using Level 2 inputs. Since the Foundation maintains variance power for the beneficial interests held, there is no potential market for the beneficial interests or similar assets. Consequently, the valuation is determined by aggregating the valuation of the underlying investments of beneficial interest. The underlying investments include cash equivalents, corporate obligations, equity securities, and other investments. The fair values of the underlying investments are based on quoted prices from active and inactive markets.

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets that are measured at fair value on a recurring basis at June 30, 2025:

Asset Class	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Fixed income securities	$ 924	$ -	$ 924
Equity securities	1,418	1,418	-
Money market	5	5	-
Total investments	2,347	1,423	924
Beneficial interest in assets held by community foundation	18	-	18
	$ 2,365	$ 1,423	$ 942

Restricted Net Position

Restricted net position for other purposes is as follows at June 30, 2025:

Restricted for purpose		
Early Childhood Development Initiative	$	1,747
TPS Priorities and Strategies		152
Innovative Partners Program		775
Parent Resource Center		1,000
TPS High School Redesign		100
Tulsa Teacher Corps		824
CARES Enrollment Initiative		707
Total funds restricted for purpose		5,305
Unappropriated endowment earnings		71
Endowment funds held in perpetuity		350
Total restricted net position	$	5,726

Required Supplementary Information

Tulsa Public Schools
Independent School District No. I-1, Tulsa County
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Retirement System of Oklahoma
Last Ten Fiscal Years
(In Thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Measurement date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
District's proportion of the net pension liability	3.98%	3.92%	4.62%	3.69%	3.89%	3.65%	4.06%	4.05%	4.03%	4.10%
District's proportionate share of the net pension liability	$ 261,996	$ 302,101	$ 349,641	$ 188,469	$ 369,062	$ 241,594	$ 245,365	$ 268,340	$ 336,547	$ 249,031
District's covered payroll	$ 219,997	$ 201,201	$ 207,142	$ 176,301	$ 181,364	$ 176,340	$ 158,490	$ 161,626	$ 163,790	$ 163,115
District's proportionate share of the net pension liability as a percentage of its covered payroll	119.09%	150.15%	183.28%	106.90%	203.49%	137.00%	154.81%	166.03%	205.47%	152.67%
Plan fiduciary net position as a percentage of the total pension liability	77.33%	72.57%	70.05%	80.80%	63.47%	71.56%	72.74%	69.32%	62.24%	70.31%

There were no significant changes to benefits provisions or other matters that affected the comparability of the information presented above.

Changes of Assumptions

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

June 30, 2024	No change from prior year.
June 30, 2023	Increases were composed of 2.25% inflation, plus 0.75% productivity increase rate, plus step-rate promotional increases for members with less than 25 years of service
June 30, 2022	No change from prior year.
June 30, 2021	No change from prior year.
June 30, 2020	Increases were composed of 2.25% inflation, plus 0.75% productivity increase rate, plus step-rate promotional increases for members with less than 25 years of service.
June 30, 2019	No change from prior year.
June 30, 2018	Increases were composed of 2.5% inflation, plus 0.75% productivity increase rate, plus step-rate promotional increases for members with less than 25 years of service.
June 30, 2017	No change from prior year.
June 30, 2016	Increases were composed of 3.25% wage inflation, including 2.50% price inflation, plus
June 30, 2015	Increases were 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 services.

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

June 30, 2024	No change from prior year.
June 30, 2023	No change from prior year.
June 30, 2022	No change from prior year.
June 30, 2021	No change from prior year.
June 30, 2020	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 ending June 30, 2019.
June 30, 2019	No change from prior year.
June 30, 2018	No change from prior year.

June 30, 2017	No change from prior year.
June 30, 2016	No change from prior year.
June 30, 2015	Determined using the experience based table developed from a five year experience study for the period ending 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 change from prior year.
June 30, 2023	No change from prior year.
June 30, 2022	No change from prior year.
June 30, 2021	2020 GRS Southwest Region Teacher Mortality Table for males and females.
June 30, 2020	Mortality Rates after Retirement – Males and females: 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.
June 30, 2019	No change from prior year.
June 30, 2018	No change from prior year.
June 30, 2017	No change from prior year.
June 30, 2016	No change from prior year.
June 30, 2015	Rates for active employees were determined using the RP-2000 Employee Mortality tables, with male rates multiplied by 60% and female rates multiplied by 50%. Rates for retired males were determined using the RP-2000 combined health Mortality Table for males with white collar adjustments and the generational mortality improvements in accordance with Scale BB from the table's base year of 2000. Rates for retired females were determined using the GRS Southwest Region Teacher Mortality Table, scaled at 105% and the generational mortality improvements in accordance with Scale BB from the table's base year of 2012.

Tulsa Public Schools
Independent School District No. I-1, Tulsa County
Changes of Assumption
Teachers' Retirement System of Oklahoma
Last Ten Fiscal Years **(Continued)**

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

June 30, 2024	No change from prior year.
June 30, 2023	No change from prior year.
June 30, 2022	No change from prior year.
June 30, 2021	No change from prior year.
June 30, 2020	Return was 7.00% per year.
June 30, 2019	No change from prior year.
June 30, 2018	No change from prior year.
June 30, 2017	No change 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 change from prior year.

Tulsa Public Schools
Independent School District No. I-1, Tulsa County
Schedule of the District's Pension Plan Contributions
Teachers' Retirement System of Oklahoma
Last Ten Fiscal Years
(In Millions)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 24.2	$ 19.6	$ 21.6	$ 23.6	$ 18.4	$ 18.8	$ 18.4	$ 16.5	$ 16.8	$ 17.1
Contributions in relation to the contractually required contribution	(24.2)	(19.6)	(21.6)	(23.6)	(18.4)	(18.8)	(18.4)	(16.5)	(16.8)	(17.1)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 238	$ 220	$ 201	$ 207	$ 176	$ 181	$ 176	$ 158	$ 162	$ 164
Contributions as a percentage of covered payroll	10.18%	8.91%	10.75%	11.40%	10.45%	10.39%	10.45%	10.44%	10.37%	10.43%

See Note to Required Supplementary Information

Tulsa Public Schools
Independent School District No. I-1, Tulsa County
Schedule of the District's Proportionate Share of the Net OPEB Liability (Asset)
Teachers' Retirement System of Oklahoma
Last Ten Fiscal Years
(In Thousands)

	2025	2024	2023	2022	2021	2020	2019	2018
Measurement date	June 30, 2024	June 30, 2023	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	3.98%	3.92%	3.69%	3.69%	3.89%	3.65%	4.06%	4.05%
District's proportionate share of the net OPEB liability (asset)	$ (4,661)	$ (1,974)	$ (1,614)	$ (4,699)	$ (385)	$ (2,257)	$ (2,624)	$ (1,807)
District's covered payroll	$ 219,997	$ 201,201	$ 207,142	$ 176,301	$ 181,364	$ 176,340	$ 158,490	$ 161,626
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	-2.12%	-0.98%	-0.78%	-2.67%	-0.21%	-1.28%	-1.66%	-1.12%
Plan fiduciary net position as a percentage of the total OPEB liability	-131.23%	112.01%	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 years is available, the District will present information for those years available.

Tulsa Public Schools
Independent School District No. I-1, Tulsa County
Schedule of the District's OPEB Plan Contributions
Teachers' Retirement System of Oklahoma
Last Ten Fiscal Years
(In Thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	$ 107.0	$ 107.0	$ 225.0	$ 225.0	$ 36.0	$ 32.0	$ 118.0	$ 118.0	$ 264.0
Contributions in relation to the contractually required contribution	(107.0)	(107.0)	(225.0)	(225.0)	(36.0)	(32.0)	(118.0)	(118.0)	(264.0)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 237,656	$ 219,997	$ 201,201	$ 207,142	$ 176,301	$ 181,364	$ 176,340	$ 158,490	$ 161,626
Contributions as a percentage of covered payroll	0.05%	0.05%	0.11%	0.11%	0.02%	0.02%	0.07%	0.07%	0.16%

Note – The District is required to present information for 10 years. However, until a full 10 years is available, the District will present information for those years available.

Tulsa Public Schools
Independent School District No. I-1, Tulsa County
Budgetary Comparison Schedule – General Fund
Year Ended June 30, 2025
(In Thousands)

	Original	Final	Actual (Budgetary Basis)	Variance Final Budget
Revenues				
Local and intermediate sources	$ 140,201	$ 143,030	$ 147,155	$ 4,125
State program revenues	149,738	154,451	157,453	3,002
Federal program revenues	55,897	65,272	67,850	2,578
Total Revenues	345,836	362,753	372,458	9,705
Expenditures				
Current				
Salaries	216,121	236,040	243,593	7,553
Benefits	71,807	72,694	78,020	5,326
Purchased services	31,590	29,503	26,035	(3,468)
Supplies	24,347	30,406	21,544	(8,862)
Property/equipment	819	906	110	(796)
Other expenditures	5,745	1,514	879	(635)
Other outlays	461	1,522	1,162	(360)
Total Expenditures	350,890	372,585	371,343	(1,242)
Excess (Deficiency) of Revenues Over Expenditures	(5,054)	(9,832)	1,115	10,947
Other Financing Sources				
Lapsed appropriations from prior year and fund transfer	(300)	(300)	2,446	2,746
Total Other Financing Sources	(300)	(300)	2,446	2,746
Net Change in Fund Balance	(5,354)	(10,132)	3,561	13,693
Fund Balance, Beginning of Year	86,470	83,220	83,220	-
Fund Balance, End of Year	$ 81,116	$ 73,088	$ 86,781	$ 13,693

Tulsa Public Schools
Independent School District No. I-1, Tulsa County
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances to the Budgetary Comparison Schedule – General Fund (Unaudited)
Year Ended June 30, 2025
(In Thousands)

Change in fund balance of governmental funds – General Fund	$	(9,772)
Revenues are recognized when earned in the governmental funds but are recognized when received for budgetary purposes. During the year, $20,427 was received that was attributable to prior year activities and $12,511 of revenue was realized but not received by the close of the year.		7,916
Expenditures for supplies and materials and prepaids are shown when they are used in the governmental funds but reported as expenses when they are purchased for budgetary purposes. The District purchased more supplies and materials than it used during the year, resulting in an increase in inventories from $409 to $466 and prepaids increased by $183.		(240)
Obligations are accrued when incurred and measurable in the governmental funds but reported when expended for budgetary purposes. There was an increase of $208 in the accounts payable accrual.		208
A decrease in the liability insurance and worker's compensation reserves of $307 was made to comply with modified accrual standards.		(307)
Fair market value adjustment for long-term investments		(84)
Encumbrances are included in expenditures for budgetary purposes but not for the governmental fund financial statements.		(2,895)
Expenditures in the governmental fund financial statements include those paid with prior year encumbrances, which are excluded on the budgetary basis.		4,124
Expenditures for worker's compensation claims are shown in a separate fund for budgetary purposes but combined with the general fund in the governmental funds.		2,165
Excess of revenues over expenditures – budgetary basis	$	1,115

Note 1. Budgets and Budgetary Accounting

Budgetary Comparison Schedule

The cash basis of accounting is used to prepare the budgetary comparison schedule. A reconciliation from the cash basis to the modified accrual basis of accounting, which is GAAP, is presented on the face of the schedule.

Budget Law and Practice

The board of the District has elected to prepare and present budgets under the Oklahoma School District Budget Act. The District superintendent directs the preparation of the budget proposal and submits it to the board. The board holds a public hearing on the proposed budget within 45 days preceding the start of the budget year. Notice of the date, time, and place of the hearing, together with the proposed budget summary, is published in the Tulsa Daily Commerce and Legal News at least five days before the public hearing. The budget is also available upon request from the District's chief financial officer. At the public hearing on the budget, any person may present to the board comments, recommendations, or information on any part of the proposed budget.

Once adopted, the budget must be in effect no later than the first day of the fiscal year to which it applies. The budget as adopted and filed with the Oklahoma state auditor and inspector constitutes an appropriation for each fund, which may not be used for any other purpose except as provided by law.

The District presents the budget in four funds: the general fund, capital projects fund, debt service fund, and special revenue fund, which includes the child nutrition and building funds. Budgetary control for accounts without a project is generally at the full account level. For accounts within a project, budgetary control is generally maintained by fund, project, and site. The District superintendent or designee may transfer an unexpended and unencumbered appropriation from one account to another within the same fund. Line-item transfers that are not original budget items in excess of $25,000 require board approval. Whenever the necessity for maintaining any special fund of a school district has ceased to exist and a balance remains in the fund, the governing body may authorize the transfer of the balance to the general fund. Applicable law governs the use or transfer of any remaining balance in the debt service or capital projects fund.

The District board amends the original budget after the prior fiscal year financial activity has been finalized, the annual state aid allocation has been released, federal fund allocations are identified, and the property tax valuations have been certified for all affected counties within the District, generally between December and February of the fiscal year.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in governmental funds. Encumbrances outstanding at year-end are included in the "actual" amounts shown 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 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.

Other Supplementary Information

Tulsa Public Schools
Independent School District No. I-1, Tulsa County
Budgetary Comparison Schedule – Debt Service Fund
Year Ended June 30, 2025
(In Thousands)

	Original	Final	Actual (Budgetary Basis)	Variance Final Budget
Revenues				
Local and intermediate sources	$ 87,036	$ 89,516	$ 90,429	$ 913
Total Revenues	87,036	89,516	90,429	913
Expenditures				
Other expenditures	171,493	174,747	87,375	(87,372)
Total Expenditures	171,493	174,747	87,375	(87,372)
Excess (Deficiency) of Revenues Over Expenditures	(84,457)	(85,231)	3,054	88,285
Other Financing Sources				
Premiums on bonds sold	1,200	1,200	1,933	733
Total Other Financing Sources	1,200	1,200	1,933	733
Net Change in Fund Balance	(83,257)	(84,031)	4,987	89,018
Fund Balance, Beginning of Year	83,257	84,031	84,031	-
Fund Balance, End of Year	$ -	$ -	$ 89,018	$ 89,018

Tulsa Public Schools
Independent School District No. I-1, Tulsa County
Budgetary Comparison Schedule – Capital Improvements
Year Ended June 30, 2025
(In Thousands)

	Original	Final	Actual (Budgetary Basis)	Variance Final Budget
Revenues				
Local and intermediate sources	$ 85,000	$ 87,500	$ 87,500	$ -
Total Revenues	85,000	87,500	87,500	-
Expenditures				
Current				
Purchased services	72,785	76,716	45,672	(31,044)
Supplies	34,765	39,369	43,108	3,739
Property	9,943	10,810	4,363	(6,447)
Other expenditures	-	-	-	-
Total Expenditures	117,493	126,895	93,143	(33,752)
Excess (Deficiency) of Revenues Over Expenditures	(32,493)	(39,395)	(5,643)	33,752
Other Financing Sources				
Lapsed appropriations from prior year	4,000	4,000	3,342	(658)
Total Other Financing Sources	4,000	4,000	3,342	(658)
Net Change in Fund Balance	(28,493)	(35,395)	(2,301)	33,094
Fund Balance, Beginning of Year	28,493	35,395	35,395	-
Fund Balance, End of Year	$ -	$ -	$ 33,094	$ 33,094

Tulsa Public Schools
Independent School District No. I-1, Tulsa County
Budgetary Comparison Schedule – Special Revenue Fund
Year Ended June 30, 2025
(In Thousands)

	Building Fund				Child Nutrition Fund			
	Original	Final	Actual (Budgetary Basis)	Variance Final Budget	Original	Final	Actual (Budgetary Basis)	Variance Final Budget
Revenues								
Local and intermediate sources	$ 17,965	$ 19,277	$ 19,271	$ (6)	$ 2,937	$ 3,706	$ 3,397	$ (309)
State program revenues	1,860	1,860	2,248	388	2,937	3,706	3,397	(309)
Federal program revenues	-	-	-	-	2,937	3,706	3,397	(309)
Total Revenues	19,825	21,137	21,519	382	8,811	11,118	10,191	(927)
Expenditures								
Current								
Salaries	8,776	8,444	9,218	774	11,827	11,122	11,438	316
Benefits	2,475	2,370	2,607	237	3,667	3,510	3,554	44
Purchased services	9,647	12,448	10,117	(2,331)	11,564	12,500	12,219	(281)
Supplies	801	572	1,107	535	430	173	56	(117)
Property	27	27	107	80	84	-	-	-
Other expenditures	803	881	811	(70)	-	-	-	-
Total Expenditures	22,529	24,742	23,967	(775)	27,572	27,305	27,267	(38)
Excess (Deficiency) of Revenues Over Expenditures	(2,704)	(3,605)	(2,448)	1,157	(18,761)	(16,187)	(17,076)	(889)
Other Financing Sources								
Lapsed appropriations from prior year and fund transfer	325	325	484	159	100	100	4	(96)
Total Other Financing Sources	325	325	484	159	100	100	4	(96)
Net Change in Fund Balances	(2,379)	(3,280)	(1,964)	1,316	(18,661)	(16,087)	(17,072)	(985)
Fund Balances, Beginning of Year	4,379	6,673	6,673	-	2,735	1,190	1,190	-
Fund Balances, End of Year	$ 2,000	$ 3,393	$ 4,709	$ 1,316	$ (15,926)	$ (14,897)	$ (15,882)	$ (985)

Tulsa Public Schools
Independent School District No. I-1, Tulsa County
Combining Balance Sheet – General Fund
June 30, 2025
(In Thousands)

	General Fund	Worker's Compensation Fund	Total General Fund
ASSETS			
Cash and cash equivalents	$ 59,687	$ 1,765	$ 61,452
Investments	79,486	-	79,486
Receivables, net	141,061	-	141,061
Lease receivable	-	-	-
Inventories and prepaid expenses	2,429	-	2,429
Total Assets	$ 282,663	$ 1,765	$ 284,428
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts payable	$ 10,176	$ 275	$ 10,451
Accrued liabilities	36,034	-	36,034
Insurance claims	(27)	276	249
Total Liabilities	46,183	551	46,734
Deferred Inflows of Resources			
Succeeding year property tax	122,805	-	122,805
Unavailable revenue	5,951	-	5,951
Total Deferred Inflows of Resources	128,756	-	128,756
Fund Balances			
Nonspendable			
Inventories and prepaids	2,429	-	2,429
Restricted			
Federal and state allocation carryover	4,884	-	4,884
Assigned			
Purchases on order	501	-	501
Unassigned	99,910	1,214	101,124
Total Fund Balances	107,724	1,214	108,938
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 282,663	$ 1,765	$ 284,428

Tulsa Public Schools
Independent School District No. I-1, Tulsa County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – General Fund
Year Ended June 30, 2025
(In Thousands)

	General Fund	Worker's Compensation Fund	Total General Fund
Revenues			
Property taxes	$ 117,405	$ -	$ 117,405
Other local sources	6,597	-	6,597
Intermediate sources	11,858	-	11,858
Fees and charges	1,612	-	1,612
State aid	178,838	-	178,838
Federal aid	58,674	-	58,674
Earnings on investments	7,371	-	7,371
Miscellaneous	307	1,500	1,807
Total Revenues	382,662	1,500	384,162
Expenditures			
Current			
Instruction and instruction-related services	217,132	1,237	218,369
Support services – student and staff	65,003	173	65,176
Instructional and school leadership	32,552	60	32,612
Administrative support services	32,949	34	32,983
Operation of non-instructional services	1,960	167	2,127
Operation and maintenance of plant services	27,967	412	28,379
Student transportation services	13,584	83	13,667
Facilities acquisition and construction services	490	-	490
Capital outlay	3,974	-	3,974
Total Expenditures	395,611	2,166	397,777
Deficiency of Revenues Over Expenditures	(12,949)	(666)	(13,615)
Other Financing Sources			
Lease issuances	3,642	-	3,642
Insurance recoveries	78	-	78
Proceeds from sale of capital assets	123	-	123
Total Other Financing Sources	3,843	-	3,843
Net Change in Fund Balances	(9,106)	(666)	(9,772)
Fund Balances, Beginning of Year	117,057	1,880	118,937
Restatements (See Note 1)	(227)	-	(227)
Fund Balances, Beginning of Year, as Restated	116,830	1,880	118,710
Fund Balances, End of Year	$ 107,724	$ 1,214	$ 108,938

Tulsa Public Schools
Independent School District No. I-1, Tulsa County
Combining Balance Sheet – Nonmajor Funds
June 30, 2025
(In Thousands)

	Special Revenue Funds						Permanent Fund	Total
	Building Fund	Child Nutrition Fund	Gifts Fund	Flexible Benefit Fund	Arbitrage Fund	Student Activities Fund	Endowments Fund	Nonmajor Funds
Assets								
Cash and cash equivalents	$ 3,585	$ 6,781	$ 1,635	$ 2	$ 13	$ 4,740	$ -	$ 16,756
Investments	2,957	-	1,000	-	-	-	24	3,981
Receivables, net	19,395	459	15	-	-	-	-	19,869
Lease receivable	262	-	-	-	-	-	-	262
Inventories and prepaid expenses	2	651	-	-	-	-	-	653
Total Assets	$ 26,201	$ 7,891	$ 2,650	$ 2	$ 13	$ 4,740	$ 24	$ 41,521
Liabilities, Deferred Inflows of Resources, and Fund Balances								
Liabilities								
Accounts payable	$ 1,054	$ 3,248	$ 99	$ -	$ -	$ -	$ -	$ 4,401
Total Liabilities	1,054	3,248	99	-	-	-	-	4,401
Deferred Inflows of Resources								
Succeeding year property tax	17,544	-	-	-	-	-	-	17,544
Unavailable revenue	762	2	-	-	-	-	-	764
Deferred lease inflows	252	-	-	-	-	-	-	252
Total Deferred Inflows of Resources	18,558	2	-	-	-	-	-	18,560
Fund Balances								
Nonspendable								
Inventories and prepaids	2	651	-	-	-	-	-	653
Endowments	-	-	-	-	-	-	24	24
Restricted								-
Building	6,587	-	-	-	-	-	-	6,587
Child nutrition	-	3,990	-	-	-	-	-	3,990
Gifts	-	-	2,551	-	-	-	-	2,551
Flexible benefit	-	-	-	2	-	-	-	2
Arbitrage	-	-	-	-	13	-	-	13
Student activities	-	-	-	-	-	4,740	-	4,740
Total Fund Balances	6,589	4,641	2,551	2	13	4,740	24	18,560
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 26,201	$ 7,891	$ 2,650	$ 2	$ 13	$ 4,740	$ 24	$ 41,521

Tulsa Public Schools
Independent School District No. I-1, Tulsa County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Funds
Year Ended June 30, 2025
(In Thousands)

	Special Revenue Funds						Permanent Fund	Total
	Building Fund	Child Nutrition Fund	Gifts Fund	Flexible Benefit Fund	Arbitrage Fund	Student Activities Fund	Endowments Fund	Nonmajor Funds
Revenues								
Property taxes	$ 16,646	$ -	$ -	$ -	$ -	$ -	$ -	$ 16,646
Other local sources	12	(470)	918	-	-	2,194	-	2,654
Fees and charges	49	3,350	-	-	-	163	-	3,562
State aid	2,351	2,427	-	-	-	-	-	4,778
Federal aid	1	23,929	14	-	-	-	-	23,944
Earnings on investments	2,271	152	78	-	-	75	-	2,576
Miscellaneous	1,100	-	-	-	-	4	-	1,104
Total Revenues	22,430	29,388	1,010	-	-	2,436	-	55,264
Expenditures								
Current								
Instruction and instruction-related services	-	-	434	-	-	145	-	579
Support services – student and staff	-	-	272	-	-	871	-	1,143
Instructional and school leadership	-	-	74	-	-	67	-	141
Administrative support services	815	-	197	-	-	10	-	1,022
Operation of non-instructional services	-	28,176	-	-	-	1,261	-	29,437
Operation and maintenance of plant services	22,948	-	-	-	-	-	-	22,948
Student transportation services	-	-	41	-	-	84	-	125
Facilities acquisition and construction services	138	-	-	-	-	-	-	- 138
Capital outlay	78	-	-	-	-	-	-	78
Total Expenditures	23,979	28,176	1,018	-	-	2,438	-	55,611
Excess (Deficiency) of Revenues Over Expenditures	(1,549)	1,212	(8)	-	-	(2)	-	(347)
Other Financing Sources								
Proceeds from sale of capital assets	150	-	-	-	-	-	-	150
Total Other Financing Sources	150	-	-	-	-	-	-	150
Net Change in Fund Balances	(1,399)	1,212	(8)	-	-	(2)	-	(197)
Fund Balances, Beginning of Year	8,008	2,959	2,559	2	13	4,742	24	18,307
Restatements (See Note 1)	(20)	470						450
Fund Balances, Beginning of Year, as Restated	7,988	3,429	2,559	2	13	4,742	24	18,757
Fund Balances, End of Year	$ 6,589	$ 4,641	$ 2,551	$ 2	$ 13	$ 4,740	$ 24	$ 18,560