

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

Financial Statements
June 30, 2022

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

District Profile

Board of Education

<i>Name</i>	<i>Office</i>	<i>District</i>	<i>Term of Office</i>	<i>End of Term</i>
Paula Lewis	Board Chairperson		4 yrs	2025
Carole Thompson	Member	1	4 yrs	2025
Lori Bowman	Member	2	4 yrs	2025
Carrie Pirrong	Member	3	2 yrs	2024
Mark Mann	Vice Chairperson	4	4 yrs	2024
Adrian Anderson	Member	5	4 yrs	2026
Gloria Torres	Member	6	4 yrs	2023
Meg McElhaney	Member	7	4 yrs	2026

Superintendent

Dr. Sean McDaniel

Chief Financial Officer

Shannon Meeks, CPA

FINANCIAL SECTION



Independent Auditor's Report

RSM US LLP

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Independent School District No. 89 of Oklahoma County, Oklahoma, also known as Oklahoma City Public Schools (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2022, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the District's proportionate share of the net pension liability, the schedule of the District's contributions to Oklahoma Teachers Retirement System for pensions, the schedule of the District's proportionate share of the Net OPEB Liability (Asset), the schedule of the District's contributions to the Oklahoma Teachers Retirement System for OPEB, and the budgetary comparison schedule for the General Fund as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining financial statements, and budgetary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements, and budgetary schedules is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

RSM US LLP

Oklahoma City, Oklahoma
March 2, 2023

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

Management's Discussion and Analysis For Fiscal Year Ended June 30, 2022

Within the management's discussion and analysis of the Independent School District No. 89 of Oklahoma County, Oklahoma, also known as the Oklahoma City Public Schools (the District) annual financial report, the District's management provides narrative discussion and analysis of the financial activities of the District for the fiscal year ended June 30, 2022. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements following this section. The reports are prepared using the integrated approach as prescribed by Government Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, which also requires that certain comparative information between the current year and the prior year be presented.

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

Financial Highlights

Key financial highlights for the fiscal year ended June 30, 2022 were:

- The District's Statement of Net Position (accrual basis) reported that assets and deferred outflows exceeded liabilities and deferred inflows by \$512.2 million (net position) an increase of \$53.7 million, or 11.7% over the previous year end net position of \$458.5 million.
- General fund expenditures (budgetary basis) of \$383.0 million were less than total revenues (revenues plus lapsed appropriations) of \$400.6 million by \$17.6 million, or 4.4% of total revenues. The fund balance increased to \$38.4 million, or 10.0% of total expenditures.
- Standard & Poor's affirmed its 'AA' annual bond rating on the District's general obligation debt outstanding. Their outlook improved from negative to stable.
- Per State Department of Education accreditation as of October 1 of the fiscal year, student membership totaled 32,121, an increase of 1,092 students, or 3.5% over last year's membership of 31,029.

Overview of the Financial Statements

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

District-Wide Financial Statements

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

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

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

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

**Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2022**

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

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

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

Fund Financial Statements

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

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

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

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

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

**Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2022**

Notes to the Financial Statements

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

Required Supplementary Information

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

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

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

Other Supplementary Information

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

District-Wide Financial Analysis

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

Net Position

The District's total net position at June 30, 2022 and 2021 was \$512.2 million and \$458.5 million, respectively. During the fiscal year ended June 30, 2022, net position increased \$53.7 million or 11.7%. As a result of the District recording its proportionate share of the net pension liability of the state-administered Oklahoma Teachers Retirement System (OTRS) in accordance with GASB Statement No. 68, the District is unable to report positive unrestricted net position.

The largest portion of the District's net position, \$626.4 million (122.3% of total net position), reflects its net investment in capital assets. The District uses these capital assets to provide instruction, facilities and transportation services; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Detailed financial information is available on page 17.

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

**Management’s Discussion and Analysis
For Fiscal Year Ended June 30, 2022**

The following table provides a comparative summary of the District’s statements of net position as of June 30, 2022 and 2021:

	Statements of Net Position Governmental Activities	
	2022	2021
Current assets	\$ 439,198	\$ 419,339
Capital assets and other noncurrent assets	718,479	711,151
Total assets	1,157,677	1,130,490
Deferred outflows of resources	126,832	151,135
Current liabilities	89,143	62,735
Long-term liabilities	376,189	596,772
Total liabilities	465,332	659,507
Deferred inflows of resources	307,018	163,612
Net position:		
Net investment in capital assets	626,359	638,006
Restricted	102,993	73,052
Unrestricted (deficit)	(217,193)	(252,552)
Total net position	\$ 512,159	\$ 458,506

The District’s total assets at June 30, 2022 were \$1,157.7 million, an increase of \$27.2 million, or 2.4%, over last year’s assets of \$1,130.5 million.

	Total Assets Governmental Activities	
	2022	2021
Cash and cash equivalents	\$ 186,680	\$ 176,956
Investments	25,025	37,448
Deposits held by a third party	48,969	26,807
Accounts receivables, net of allowances	178,024	177,557
Inventories	500	571
Total current assets	439,198	419,339
Land and construction	16,457	14,021
Other capital assets, net of accumulated depreciation	694,351	696,662
Other noncurrent assets	7,671	468
Total noncurrent assets	718,479	711,151
Total assets	\$ 1,157,677	\$ 1,130,490

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

**Management’s Discussion and Analysis
For Fiscal Year Ended June 30, 2022**

Current Assets

The District’s current assets consist primarily of cash and cash equivalents, investments, deposits held by a third party, receivables, and inventories. Current assets at June 30, 2022 were \$439.2 million, an increase of \$19.9 million, or 4.75%, over last year’s current assets of \$419.3 million. Major transactions/factors were:

- Increase of cash and cash equivalents of \$9.7 million over prior year.
- Decrease of investments of \$12.4 million from prior year.
- Increase of deposits held by a third party of \$22.2 million is related to an increase in bond principal and interest payments due July 1st.

Noncurrent Assets

The District’s investment in capital assets includes: land; assets under construction; buildings and improvements; technology, appliances, and musical instruments; machinery, equipment, furniture and fixtures; and vehicles. Capital assets, net of accumulated depreciation, at June 30, 2022 were \$710.8 million, an increase of \$0.1 million, or 0.0%, over last year’s total net capital assets of \$710.7 million. Major transactions/factors were:

- Increase for capital grants transfers of \$5.8 million for buildings, improvements, and technology.
- Increase for assets under construction activity of \$17.3 million.
- Increase for purchasing vehicles of \$1.9 million.
- Decrease for depreciation expense of \$25.5 million.

The following table provides a comparative summary of the District’s capital assets as of June 30, 2022 and 2021:

	Capital Assets, Net of Accumulated Depreciation Governmental Activities	
	2022	2021
Land	\$ 3,993	\$ 3,993
Assets under construction	12,464	10,028
Buildings and improvements	666,169	669,907
Technology, appliances, and musical instruments	8,631	6,610
Machinery, equipment, furniture and fixtures	8,212	8,943
Vehicles	11,339	11,202
Total capital assets	\$ 710,808	\$ 710,683

Additional information concerning the District’s capital assets is contained in Note 4 to the financial statements.

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

**Management’s Discussion and Analysis
For Fiscal Year Ended June 30, 2022**

Total Liabilities

The District’s total liabilities at June 30, 2022 were \$465.3 million, a decrease of \$194.2 million, or 29.4%, below last year’s total liabilities of \$659.5 million. The following table provides a comparative summary of the District’s liabilities as of June 30, 2022 and 2021:

	Total Liabilities	
	Governmental Activities	
	2022	2021
Current liabilities	\$ 39,717	\$ 36,228
Current portion of long-term liabilities	49,426	26,507
Total current liabilities	89,143	62,735
Long-term portion of GO bonds	101,985	141,420
Premium on bonds	1,431	1,797
Accrued compensated absences	4,647	4,904
Net pension liability	268,126	448,651
Total noncurrent liabilities	376,189	596,772
Total liabilities	\$ 465,332	\$ 659,507

Current Liabilities

The District’s total current liabilities at June 30, 2022 were \$89.1 million, an increase of \$26.4 million, or 42.1%, over last year’s total current liabilities of \$62.7 million, primarily due to an increase in the current portion of long-term obligations of \$22.9 million.

Noncurrent Liabilities

The District’s total noncurrent liabilities at June 30, 2022 were \$376.2 million, a decrease of \$220.6 million or 37.0%, below last year’s total noncurrent liabilities of \$596.8 million. Major transactions/factors were:

- Decrease of net pension liability of \$180.5 million.
- Decrease of the total long-term portion of general obligation bonds of \$39.4 million, resulting from the 2022 general obligation bond sale of \$8.0 million and the scheduled short-term repayment of \$47.4 million for other existing general obligation bonds.

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

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

**Management’s Discussion and Analysis
For Fiscal Year Ended June 30, 2022**

Outstanding Debt

General obligation bond debt, including premiums, at June 30, 2022 was \$150.9 million, a decrease of \$16.8 million or 10.0%, below last year’s total bond debt of \$167.6 million. Changes in the outstanding debt balance reflect the net impact of any increases of debt for new bond sales and any reductions of debt for bond principal payments. Major transactions/factors were:

- Increase for debt associated with the 2016 Bond Sale of \$8.0 million.
- Decrease for general obligation bond principal payments totaling \$24.4 million.

The following table provides a comparative summary of the District’s outstanding debt as of June 30, 2022 and 2021:

	Outstanding Debt Governmental Activities	
	2022	2021
General obligation bonds	\$ 149,420	\$ 165,825
Premium on bonds	1,431	1,797
Total	\$ 150,851	\$ 167,622

Deferred Outflows of \$126.6 million consists of items not yet charged to pension expense and OPEB expense and contributions from the employer after the measurement date but before the end of the employer’s reporting period. Deferred outflows of \$0.2 million relates to debt refunding and equals the difference between the re-acquisition price and the net carrying amount of old debt. The deferred outflows will be recognized as a component of interest expense over the life of the old debt or the life of the new debt, whichever is shorter.

Deferred Inflows of \$146.8 million were recorded related to future property tax collections as projected based on the Oklahoma County lien date of January 1, 2022 as these will not be recognized as revenue until the year for which it is budgeted. Deferred inflows of \$159.1 million were recorded related to items not yet recognized as a reduction of pension expense and OPEB expense. Deferred inflows of \$1.1 million were related to lease revenue not yet recognized.

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

**Management’s Discussion and Analysis
For Fiscal Year Ended June 30, 2022**

Financial Analysis of the District’s Activities

The District’s statement of activities is reported on the accrual basis. Detailed financial information is available on page 17. The following table provides a comparative summary of the District’s statements of activities for the years ended June 30, 2022 and 2021:

	Statements of Activities	
	Governmental Activities	
	2022	2021
Program revenues:		
Charges for services	\$ 3,190	\$ 2,337
Operating grants and contributions	190,330	124,143
Capital grants and contributions	5,831	3,139
General revenues:		
Property and other taxes	167,451	177,705
State aid, charter schools	-	39,619
State aid not restricted to specific purposes	127,409	127,949
Support from other local governments, not restricted to specific purposes	4,099	6,900
Interest, dividends and investment earnings	195	129
Other	3,900	3,624
Total revenues	502,405	485,545
Expenses:		
Instruction	203,752	226,957
Support services	195,277	206,612
Noninstructional services	25,249	23,655
Facilities, acquisitions, and construction	21,632	20,275
Charter schools	-	39,619
Other outlays	444	1,141
Interest on long-term debt	2,398	2,285
Total expenses	448,752	520,544
Increase (decrease) in net position	53,653	(34,999)
Net position, beginning	458,506	493,505
Net position, ending	\$ 512,159	\$ 458,506

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

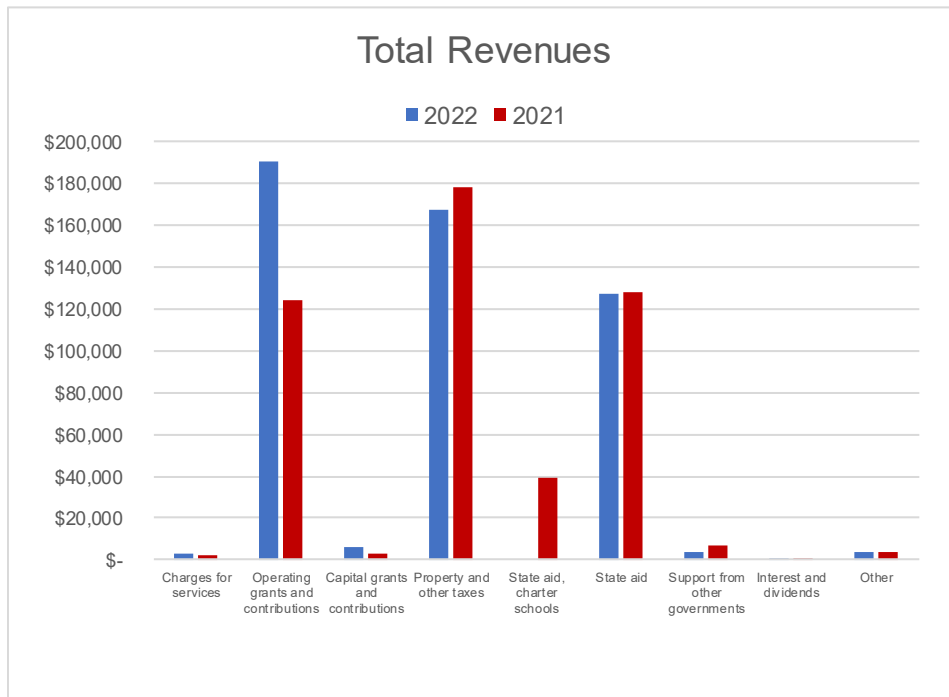
**Management’s Discussion and Analysis
For Fiscal Year Ended June 30, 2022**

Revenues

The District’s total accrual basis revenues at June 30, 2022 were \$502.4 million, an increase of \$16.9 million, or 3.5%, over last year’s total revenues of \$485.5 million. Major transactions/ factors were:

- Revenue from operating and capital grants and contributions was \$196.2 million, an increase of \$68.9 million or 54.1%, over prior year revenues of \$127.3 million.
- Pass through state funding revenue for charter schools was zero, a decrease of \$39.6 million or 100.0%, because it was discontinued by the state in the current year.
- Revenue from property and other taxes was \$167.4 million, a decrease of \$10.3 million or 5.8%, below prior year revenues of \$177.7 million.

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



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

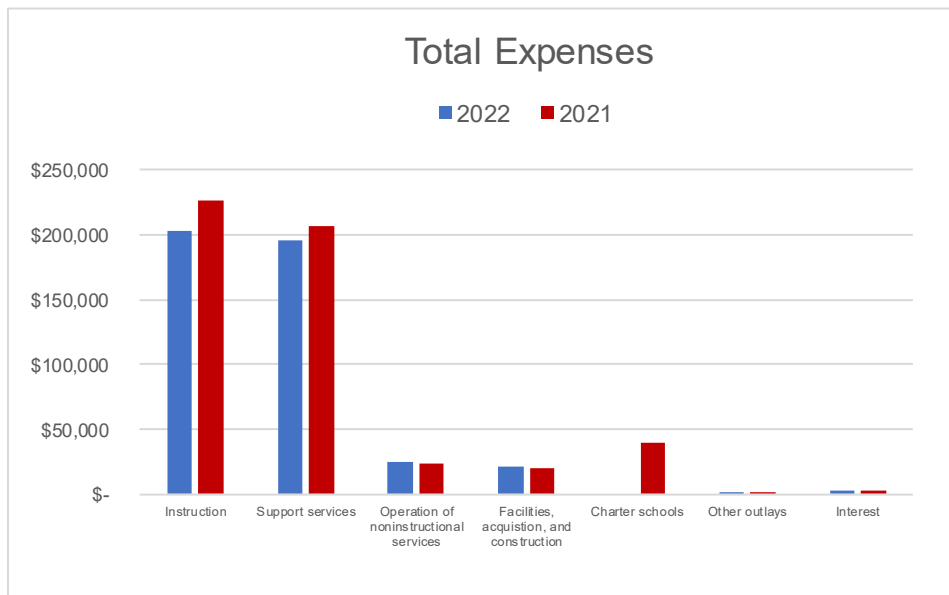
**Management’s Discussion and Analysis
For Fiscal Year Ended June 30, 2022**

Expenses

The District’s total accrual basis expenses at June 30, 2022 were \$448.8 million, a decrease of \$71.8 million, or 13.8%, below last year’s total expenses of \$520.5 million.

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

- Instructional costs were \$203.8 million, a decrease of \$23.2 million or 10.2% below last year’s expenses of \$227.0 million.
- Support costs were \$195.3 million, a decrease of \$11.3 million or 5.5% below last year’s expenses of \$206.6 million.
- Pass through expense for charter schools was zero, a decrease of \$39.6 million or 100.0%, because it was discontinued by the state in the current year.



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

**Management’s Discussion and Analysis
For Fiscal Year Ended June 30, 2022**

Financial Analysis of the District’s Funds

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

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

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

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

Total Revenues by Source			
		2022	2021
Local sources	\$	150,964	\$ 150,229
Intermediate sources		12,499	17,437
State sources		166,549	179,494
Federal sources		161,697	102,247
Charter schools		-	39,619
Other		200	82
Total sources of revenue	\$	491,909	\$ 489,108

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

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

**Management’s Discussion and Analysis
For Fiscal Year Ended June 30, 2022**

Total Expenditures by Function				
	2022		2021	
Instruction	\$	199,578	\$	191,413
Support services		188,995		170,254
Noninstructional services		25,961		22,113
Facilities acquisition and construction		119		112
Charter schools		-		39,619
Other outlays		384		883
Debt service		28,048		43,630
Capital outlay		51,249		54,163
Total cost of service	\$	494,334	\$	522,187

General Fund Budget Discussion

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

Revenues

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

Expenditures

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

Economic Outlook

During FY22, the District continued its commitment to maximizing student and classroom investments and incorporating equity into decision-making processes while protecting the District’s overall financial position.

The State of Oklahoma posted an all-time high 12-month gross receipts of \$17.4 billion in December, 2022. While growth has recently experienced a slowdown, 2022 collections were \$2.2 billion higher than the previous calendar year, with the top three revenue streams showing expansion. State unemployment rates, 3.43% in December 2021, are slightly lower than the national average of 3.5%.

OKCPS experienced a 3.5% increase in enrollment with over a thousand more students. Similar growth is expected in the coming years, potentially providing the district with rising state funding. OKCPS leadership will continue to carefully evaluate legislative activity and monitor revenues and expenditures to ensure that the financial resources are aligned to meet our student’s academic and emotional needs.

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

**Management’s Discussion and Analysis
For Fiscal Year Ended June 30, 2022**

Voters approved a November 2022 bond issue, providing OKCPS the opportunity to invest \$955 million in much needed projects. Whether it be through new buildings, renovations, technology, or buses, every school will be impacted.

Looking forward, the Oklahoma State Board of Education approved a FY23 budget request of \$3.26 billion for common education, representing an increase of \$96 million, of which \$74 million would be used to increase the statewide funding formula. This request now goes to the Senate, the House, and the Governor’s office as they prepare and finalize the state budget.

The District’s state funding is highly dependent on student enrollment and district weighted enrollment continues to decline while overall state weighted enrollment increases. District leadership will continue to carefully evaluate legislative activity and monitor revenues and expenditures to ensure that the financial resources are equitably aligned to meet our student’s academic and emotional needs.

Contacting the District’s Financial Management

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

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

BASIC FINANCIAL STATEMENTS

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

**Statement of Net Position
June 30, 2022
(in thousands)**

	Governmental Activities
Assets	
Current assets:	
Cash and cash equivalents	\$ 186,680
Investments	25,025
Restricted cash and cash equivalents: deposits held by third party	48,969
Receivables:	
Delinquent/protected property taxes, net of allowance	9,191
Property taxes—succeeding year, net of allowance	146,832
Due from other governments	21,528
Lease receivable	131
Other, net of allowance	342
Inventories	500
Total current assets	439,198
Noncurrent assets:	
Capital assets:	
Land and assets under construction	16,457
Other capital assets, net of accumulated depreciation	694,351
Net other postemployment benefits	6,685
Lease receivable	986
Total noncurrent assets	718,479
Total assets	1,157,677
Deferred outflows of resources	
Debt refunding related amounts	159
Other postemployment benefits amounts	1,229
Pension related amounts	125,444
Total deferred outflows of resources	126,832
Liabilities	
Current liabilities:	
Warrants payable	3,193
Accounts payable and accrued liabilities	34,950
Accrued interest payable	1,574
Current portion of long-term obligations	49,426
Total current liabilities	89,143
Noncurrent liabilities:	
General obligation bonds	101,985
Premium on bonds	1,431
Accrued compensated absences	4,647
Net pension liability	268,126
Total noncurrent liabilities	376,189
Total liabilities	465,332
Deferred inflows of resources	
Property taxes—succeeding year	146,832
Pension related amounts	154,289
Other postemployment benefits amounts	4,801
Lease revenue	1,096
Total deferred inflows of resources	307,018
Net position	
Net investment in capital assets	626,359
Restricted for:	
Debt service	74,230
Capital projects	5
Building	6,954
School nutrition	3,126
Other postemployment benefits	3,113
Other	15,565
Unrestricted (deficit)	(217,193)
Total net position	\$ 512,159

See notes to financial statements.

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

**Statement of Activities
Year Ended June 30, 2022
(in thousands)**

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Functions/Programs					
Governmental activities:					
Instruction	\$ 203,752	\$ 1,124	\$ 70,861	\$ -	\$ (131,767)
Support services	195,277	1,253	86,181	-	(107,843)
Noninstructional services	25,249	813	23,314	-	(1,122)
Facilities, acquisitions, and construction	21,632	-	1,315	5,831	(14,486)
Other outlays	444	-	8,659	-	8,215
Interest on long-term debt	2,398	-	-	-	(2,398)
Total governmental activities	\$ 448,752	\$ 3,190	\$ 190,330	\$ 5,831	(249,401)
General revenues:					
Taxes:					
Property taxes, levied for general purposes					96,465
Property taxes, levied for debt service					42,996
Other					27,990
State aid not restricted to specific purposes					127,409
Support from other local governments, not restricted to specific purposes					4,099
Interest, dividends and investment earnings					195
Other					3,900
Total general revenues					303,054
Change in net position					53,653
Net position at beginning of year					458,506
Net position at end of year					\$ 512,159

See notes to financial statements.

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

**Balance Sheet—Governmental Funds
June 30, 2022
(in thousands)**

	General Fund	Debt Service Fund	2016 Bond Funds	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 54,413	\$ 23,793	\$ 74,772	\$ 33,702	\$ 186,680
Investments	20,023	-	-	5,002	25,025
Restricted cash and cash equivalents: deposits held by third party	-	48,969	-	-	48,969
Receivables:					
Delinquent/protested property taxes, net of allowance	5,773	2,636	-	782	9,191
Property taxes—succeeding year, net of allowance	89,581	44,447	-	12,804	146,832
Due from other governments	20,720	407	-	401	21,528
Lease receivable	1,117	-	-	-	1,117
Other, net of allowance	171	-	-	171	342
Inventories	288	-	-	212	500
Total assets	\$ 192,086	\$ 120,252	\$ 74,772	\$ 53,074	\$ 440,184
Liabilities					
Warrants payable	\$ 2,878	\$ -	\$ -	\$ 315	\$ 3,193
Accounts payable and accrued liabilities	25,434	-	6,926	2,590	34,950
Total liabilities	28,312	-	6,926	2,905	38,143
Deferred inflows of resources					
Unavailable revenue—delinquent/protested property taxes	5,773	2,636	-	782	9,191
Unavailable revenue—property taxes—succeeding year	89,581	44,447	-	12,804	146,832
Unavailable revenue—due from other governments	4,625	-	-	317	4,942
Lease revenue	1,096	-	-	-	1,096
Total deferred inflows of resources	101,075	47,083	-	13,903	162,061
Fund balances					
Nonspendable	288	-	-	238	526
Restricted	5,230	73,169	67,846	31,036	177,281
Committed	-	-	-	4,634	4,634
Assigned	5,646	-	-	358	6,004
Unassigned	51,535	-	-	-	51,535
Total fund balances	62,699	73,169	67,846	36,266	239,980
Total liabilities, deferred inflows of resources and fund balances	\$ 192,086	\$ 120,252	\$ 74,772	\$ 53,074	\$ 440,184

See notes to financial statements.

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

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

**June 30, 2022
(in thousands)**

Total governmental fund balances	\$	239,980
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		
Cost of capital assets	\$ 1,064,044	
Accumulated depreciation	<u>(353,236)</u>	710,808
Certain assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Delinquent/protested property taxes, net of allowance	9,191	
Due from other governments	4,942	
Net other postemployment benefits	<u>6,685</u>	20,818
Deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
Deferred outflows of resources, debt refunding related amounts	159	
Deferred outflows of resources, pension related amounts	125,444	
Deferred outflows of resources, net other postemployment benefits	1,229	
Deferred inflows of resources, net other postemployment benefits	(4,801)	
Deferred inflows of resources, pension related amounts	<u>(154,289)</u>	(32,258)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities consist of:		
General obligation bonds payable	(149,420)	
Premium on bonds	(1,431)	
Compensated absences	(6,638)	
Net pension liability	(268,126)	
Accrued interest	<u>(1,574)</u>	(427,189)
Net position of governmental activities	\$	<u>512,159</u>

See notes to financial statements.

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

**Statement of Revenues, Expenditures and Changes in Fund Balances—
Governmental Funds
Year Ended June 30, 2022
(in thousands)**

	General Fund	Debt Service Fund	2016 Bond Funds	Other Governmental Funds	Total Governmental Funds
Revenues:					
Local sources	\$ 91,074	\$ 44,014	\$ 65	\$ 15,811	\$ 150,964
Intermediate sources	12,499	-	-	-	12,499
State sources	162,145	-	-	4,404	166,549
Federal sources	136,596	-	-	25,101	161,697
Other	179	-	-	21	200
Total revenues	402,493	44,014	65	45,337	491,909
Expenditures:					
Current:					
Instruction	199,510	-	45	23	199,578
Support services	172,189	-	2,429	14,377	188,995
Noninstructional services	1,852	-	-	24,109	25,961
Facilities, acquisitions, and construction	113	-	6	-	119
Other outlays	523	(325)	-	186	384
Debt service:					
Principal payments	-	24,405	-	-	24,405
Interest and fiscal charges	-	3,643	-	-	3,643
Capital outlay:					
Instruction	17,757	-	98	4	17,859
Support services	7,857	-	9,869	480	18,206
Noninstructional services	-	-	-	304	304
Facilities, acquisitions, and construction	73	-	10,962	3,786	14,821
Other outlays	59	-	-	-	59
Total expenditures	399,933	27,723	23,409	43,269	494,334
Excess (deficiency) of revenues over (under) expenditures	2,560	16,291	(23,344)	2,068	(2,425)
Other financing sources:					
Bond issuances	-	-	8,000	-	8,000
Premium on bond issuances	-	87	-	-	87
Insurance recoveries	32	-	-	99	131
Total other financing sources	32	87	8,000	99	8,218
Net change in fund balances	2,592	16,378	(15,344)	2,167	5,793
Fund balances, beginning of year	60,107	56,791	83,190	34,099	234,187
Fund balances, end of year	\$ 62,699	\$ 73,169	\$ 67,846	\$ 36,266	\$ 239,980

See notes to financial statements.

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

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2022
(in thousands)**

Net changes in fund balances - total governmental funds	\$	5,793
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Amounts reported for governmental activities and the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement activities. This is the amount by which the capital outlays exceeded depreciation and retirements in the period.

Capital outlay expenditures capitalized	\$	24,463	
Depreciation expense		(25,530)	
Contributed capital		1,242	
Loss on disposal of capital assets		<u>(50)</u>	125

Repayments of principal on long-term debt are expenditures in governmental funds but reduce long-term liabilities in the statement of net position and do not affect the statement of activities. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Proceeds from the sale of new bonds are other financing sources in the governmental funds but have no impact on the statements of activities.

Principal payments and amortization of bond premium		24,858	
Proceeds from the sale of bonds and premium on the issuance of bonds		<u>(8,087)</u>	16,771

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.

4,312

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			368
Interest expense recognized in the statement of activities			791
Net other postemployment benefit expense			1,555
Pension expense, net of state on-behalf payments of \$15.1 million			<u>23,938</u>

Change in net position of governmental activities	\$	<u>53,653</u>
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See notes to financial statements.

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

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

Note 1. Nature of Operations and Significant Accounting Policies

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

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

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

Reporting entity: As required by accounting principles generally accepted in the United States of America, the basic financial statements present the reporting entity, which consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the District's basic financial statements to be misleading. The District has not identified any organizations that should be included in the District's reporting entity.

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

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

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

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

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

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

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

The District reports the following major governmental funds:

- **General Fund:** The General Fund is established as the District's primary operating fund and is used to account for all financial transactions except for those required to be accounted for in another fund. Major revenue sources include local property taxes, state funding under the foundation and incentive aid program, and federal and state restricted monies that must be expended for specific programs.
- **Debt Service Fund:** The Debt Service Fund (the Sinking Fund) is established to account for the local property tax proceeds levied specifically for debt service retirement and related investment interest earnings and the general obligation bond debt obligations and payments.
- **2016 Bond Funds:** The 2016 Bond Funds, capital project funds, are established to account for the various general obligation bond sale proceeds and expenditures as authorized by the voters on November 8, 2016. These resources are used exclusively for maintaining, renovating, and equipping school facilities, enhancing safety and security, and acquiring technology and transportation equipment. The total bond issue authorized by the voters was \$180 million, and consisted of the following separately approved propositions:
 - *Proposition 1:* \$106.34 million for school building maintenance, including roofing, heating, air conditioning, safety improvements, and general equipment;
 - *Proposition 2:* \$54.46 million for technology infrastructure upgrades, student and testing labs, and computers; and
 - *Proposition 3:* \$19.20 million to replace school buses and update the support vehicle fleet.

The District reports the following nonmajor governmental funds:

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

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

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

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

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

Basis of accounting, measurement focus, and financial statement presentation: The government-wide statement of net position and statement of activities financial statements are reported on the accrual basis of accounting using the economic resources measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are budgeted. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

The Balance Sheet—Governmental Funds and Statement of Revenues, Expenditures, and Changes in Fund Balances: Governmental Funds financial statements are reported on the modified accrual basis of accounting using the current financial resources measurement focus. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

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

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

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

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

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

Cash and cash equivalents and investments: The District considers all cash on hand, demand deposits, interest-bearing checking accounts, high yield savings accounts, and highly liquid investments with an original maturity of three months or less when purchased to be cash and cash equivalents. As of June 30, 2022, the District's investments were in sweep accounts and Insured Cash Sweeps which meet the definition of cash equivalents and certificates of deposit and the District's position in the Oklahoma Public School Liquid Asset Pool (the Pool) which are classified as investments. Certificates of deposit have maturities of one year or less and are recorded at amortized cost. In accordance with state law, the Pool operates in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. The Pool is subject to regulatory oversight by the sponsors (Oklahoma State School Boards Association, Cooperative Council of Oklahoma School Administration, Organization of Rural Oklahoma Schools, and Oklahoma Association of School Business Officials), although it is not registered with the SEC.

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

Interfund transactions: Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as due to/from other funds. There were no amounts due to/from other funds as of June 30, 2022. Transfers move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources. Transfers within governmental activities are eliminated upon consolidation. During the year ended June 30, 2022, there were no interfund transactions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Deferred outflows of resources: In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s). It will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources include the debt refunding loss equal to the difference between the reacquisition price and the net carrying amount of the old debt. The deferred outflow will be recognized as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter. Deferred outflows of resources also consist of unrecognized items not yet charged to pension expense and contributions from the employer after the measurement date but before the end of the employer's reporting period. See Note 8 for additional discussion regarding pension deferred outflows of resources. In addition, the District has reported deferred outflows of resources for contributions made subsequent to the measurement date for its other postemployment benefit liability. See Note 9 for additional discussion regarding other post-employment benefit deferred outflows of resources.

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

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

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

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

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

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

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

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

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

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

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

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

Net position and fund balance: The district-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

- **Net investment in capital assets:** This component of net position reports capital assets less both accumulated depreciation and the outstanding balance of debt (excluding unexpended proceeds) that is directly attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position, if any.
- **Restricted net position:** This component of net position should be reported when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. The restricted net position for other purposes is made up of the following: state allocation carryover of \$12,792, and student services of \$2,773.

Net position totaling \$19,746 is restricted by enabling legislation. The remaining \$83,247 is restricted by creditors, grantors, contributors, or laws or regulations of other governments.

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

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

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

- **Nonspendable fund balance:** The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. This would include items not expected to be converted to cash including inventories, long-term receivables, and prepaid amounts. It may also include long-term loans and receivables, as well as property acquired for resale and the corpus (principal) of a permanent fund.
- **Restricted fund balance:** The restricted fund balance classification should be reported when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

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

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

- **Committed fund balance:** The committed fund balance classification reflects specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority (the District's Board of Education). Such constraints can only be removed or changed by the same form of formal action.

Funds set aside by the Board of Education as committed fund balance requires the approval of a resolution by a majority vote of the members of the Board of Education. Such approval must take place prior to the District's fiscal year-end in order for it to be applicable to that fiscal year. It is permitted for the specific amount of the commitment to be determined after the fiscal year-end if any additional information is required in order to determine the exact amount. The Board of Education has the authority to remove or change the commitment of funds with a resolution.

- **Assigned fund balance:** The assigned fund balance classification reflects amounts that are constrained by the government's intent to be used for specific purposes but meet neither the restricted nor committed forms of constraint. Assigned funds cannot cause a deficit in unassigned fund balance. For the purposes of assigned fund balance, the District has given authority to its Chief Financial Officer as the Board approved Encumbrance Clerk to assign funds for specific purposes.
- **Unassigned fund balance:** The unassigned fund balance classification is the residual classification for the General Fund only. It is also where negative residual amounts for all other governmental funds must be reported. Unassigned fund balance essentially consists of excess funds that have not been classified in the other four fund balance categories mentioned above.

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

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

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

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

	Major Funds			Nonmajor		Total Governmental Funds
	General Fund	Debt Service Fund	2016 Bond Funds	Other Governmental Funds		
Nonspendable:						
Inventories	\$ 288	\$ -	\$ -	\$ 212	\$	500
Gifts	-	-	-	26		26
	<u>288</u>	<u>-</u>	<u>-</u>	<u>238</u>		<u>526</u>
Restricted for:						
Capital projects	5	-	67,846	10,642		78,493
Debt service	-	73,169	-	-		73,169
Building	-	-	-	6,953		6,953
Student services	-	-	-	2,748		2,748
School nutrition services	-	-	-	3,126		3,126
State allocation carryover	5,225	-	-	7,567		12,792
	<u>5,230</u>	<u>73,169</u>	<u>67,846</u>	<u>31,036</u>		<u>177,281</u>
Committed for,						
capital projects	-	-	-	4,634		4,634
Assigned for:						
Compensated absences	5,646	-	-	-		5,646
Capital projects	-	-	-	358		358
	<u>5,646</u>	<u>-</u>	<u>-</u>	<u>358</u>		<u>6,004</u>
Unassigned	51,535	-	-	-		51,535
Total fund balance	<u>\$ 62,699</u>	<u>\$ 73,169</u>	<u>\$ 67,846</u>	<u>\$ 36,266</u>	<u>\$</u>	<u>239,980</u>

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

After review and verification of reports and supporting documentation, the Oklahoma State Department of Education may adjust subsequent fiscal period allocations of money due to changes in state revenue actual collections versus appropriated funds.

The District receives revenues from the state to administer certain categorical educational programs. Oklahoma State Department of Education rules require that revenues earmarked for these programs are expended only for the program for which the money is provided and require that money not expended as of the close of the fiscal year be carried forward into the following fiscal year to be expended for the same categorical programs. Approximately \$5,232 of state categorical revenue was carried forward to fiscal year 2022. The Oklahoma State Department of Education requires that categorical educational program revenue be accounted for in the general fund.

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

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

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

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

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

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

Subsequent events: On January 23, 2023, the District issued Combined Purpose General Obligation Bonds, Series 2023A in the amount of \$126,000,000. The Series 2023A bonds are subject to the satisfaction of certain closing conditions, and the closing date is scheduled for March 7, 2023.

New accounting pronouncements adopted:

The District adopted the following new accounting pronouncement in fiscal year 2022.

GASB Statement No. 87, Leases, issued June 2017, will be effective for the District beginning with its fiscal year ending June 30, 2022, with earlier adoption encouraged. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability and (2) an intangible asset representing the lessee's right to use the leased asset. In addition, the District must report the (1) amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (2) interest expense on the lease liability and (3) note disclosures about the lease. The Statement provides exceptions from the single-approach for short-term leases, financial purchases, leases of assets that are investments, and certain regulated leases. This statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, non-lease components embedded in lease contracts (such as service agreements), and leases with related parties. Under this Statement, a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The adoption resulted in no impact to beginning net position as of July 1, 2021.

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

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, issued May 2020, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosure regarding a SBITA. This statement will be effective for the District with its year ending June 30, 2023. The District is currently evaluating the impact that this new standard may have on its financial statements.

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

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

GASB Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*, issued June 2022, will be effective for the District beginning with its fiscal year ending June 30, 2024, with earlier adoption encouraged. Statement No. 100 defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements. The District is currently evaluating the impact that this new standard may have on its financial statements.

GASB Statement No. 101, *Compensated Absences*, issued June 2022, will be effective for the District beginning with its fiscal year ending June 30, 2024, with earlier adoption encouraged. Statement No. 101 requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. The District is currently evaluating the impact that this new standard may have on its financial statements.

Note 2. Deposits and Investments

Custodial credit risk—deposits: Custodial credit risk is the risk that in the event of failure of the counterparty, the District may not be able to recover the value of its deposits. Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. The District's policy requires all deposits in excess of amounts covered by federal deposit insurance be fully collateralized by the entity holding the deposits. As of June 30, 2022, all of the District's deposits were either covered by federal deposit insurance or were collateralized with securities held by the pledging financial institution's trust department in the District's name.

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

Note 2. Deposits and Investments (Continued)

Custodial credit risk—investments: For an investment, custodial credit risk is the risk that the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if they are uninsured, are not registered in the name of the District, and are held by a counterparty or the counterparty's trust department but not in the name of the District. The District's investments in sweep accounts, totaling \$176.8 million, are not deposits or obligations of any bank, are not guaranteed by any bank and are not insured or guaranteed by the FDIC, the Federal Reserve Board, or any other government agency, and are therefore exposed to custodial credit risk. The District mitigates this risk by investing in sweep accounts that invest primarily in short-term U.S. Treasury and government securities, in accordance with State Statutes.

Concentration of credit risk: The District's investment policy requires that, except for direct obligations of the U.S. government, its agencies, or instrumentalities or certificates of deposit secured by diversified pledges of collateral, the District's investment portfolio will be diversified to avoid incurring undue concentration in securities of one type. As of June 30, 2022, the District's external investment pool is excluded from this requirements.

Interest rate risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District's investment policy does limit investment maturities for purposes of liquidity management. District sources of funding limit investments to be very short-term in nature. Funds are strategically placed for meeting cash flow needs for all areas of cash management. As of June 30, 2022, the District's investments were in sweep accounts that mature daily, six and twelve-month certificates of deposit, or the Oklahoma Public School Liquid Asset Pool (the Pool) which has a weighted average maturity of 15 days as of June 30, 2022.

The Pool measures its investments at amortized cost on the Statement on Net Position pursuant to criteria established in Governmental Accounting Standards Board (GASB) Statement No. 79, *Certain Investment Pools and Pool Participants*. The pool is carried at amortized cost, which approximately fair value, which does not require categorization under GASB Statement No. 72, *Fair Value Measurements and Application*.

Credit risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations, the Oklahoma Public School Liquid Asset Pool is not rated.

Note 3. Receivables

Total receivables before provision for allowances for uncollectible accounts at June 30, 2022, for the District's governmental funds are as follows:

	Governmental Activities			Total Governmental Activities
	General Fund	Debt Service Fund	Other Governmental Funds	
Delinquent/protected property taxes	\$ 7,640	\$ 3,481	\$ 1,035	\$ 12,156
Property taxes receivable—succeeding year	92,926	46,127	13,283	152,336
Due from other governments	20,720	407	431	21,558
Lease receivable	1,117	-	-	1,117
Other	643	-	301	944
Total	\$ 123,046	\$ 50,015	\$ 15,050	\$ 188,111

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

Note 3. Receivables (Continued)

Total allowances for uncollectible accounts are as follows:

	Governmental Activities			Total Governmental Activities
	General Fund	Debt Service Fund	Other Governmental Funds	
Allowances for uncollectible accounts attributable to:				
Delinquent/protested property taxes	\$ (1,867)	\$ (845)	\$ (253)	\$ (2,965)
Property taxes—succeeding year	(3,345)	(1,680)	(479)	(5,504)
Due from other governments	-	-	(31)	(31)
Other	(472)	-	(130)	(602)
Total	\$ (5,684)	\$ (2,525)	\$ (893)	\$ (9,102)

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

	Governmental Activities			Total Governmental Activities
	General Fund	Debt Service Fund	Other Governmental Funds	
Delinquent/protested property taxes	\$ 5,773	\$ 2,636	\$ 782	\$ 9,191
Property taxes receivable—succeeding year	89,581	44,447	12,804	146,832
Due from other governments	20,720	407	401	21,528
Lease receivable	1,117	-	-	1,117
Other	171	-	171	342
Total	\$ 117,362	\$ 47,490	\$ 14,158	\$ 179,010

Lease receivable

The District has entered into leases of its property, including buildings and land, to third parties for purposes such as office and tower space. The leases have various length terms through fiscal year 2059 with payments required monthly or annually. As of June 30, 2022 The District's lease receivable is \$1,117.

Revenue recognized under lease contracts during the year ended June 30, 2022 was \$173 which includes both lease revenue and interest.

The District did not report inflows of resources related to variable payments, termination penalties, residual values guarantees for the period ending June 30, 2022.

**Independent School District No. 89 of Oklahoma County, Oklahoma,
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Note 4. Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2022, was as follows:

	Beginning Balance	Additions	Reclassifications	Disposals	Ending Balance
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 3,993	\$ -	\$ -	\$ -	\$ 3,993
Assets under construction	10,028	17,416	(14,980)	-	12,464
Total capital assets not being depreciated	14,021	17,416	(14,980)	-	16,457
Capital assets being depreciated:					
Buildings and improvements	911,573	5,283	10,926	(24)	927,758
Technology, appliances, and musical instruments	76,826	290	4,054	(56)	81,114
Machinery, equipment, furniture and fixtures	15,633	794	-	(125)	16,302
Vehicles	21,339	1,922	-	(848)	22,413
Total capital assets being depreciated	1,025,371	8,289	14,980	(1,053)	1,047,587
Accumulated depreciation for:					
Buildings and improvements	(241,666)	(19,923)	-	-	(261,589)
Technology, appliances, and musical instruments	(70,216)	(2,323)	-	56	(72,483)
Machinery, equipment, furniture and fixtures	(6,690)	(1,503)	-	103	(8,090)
Vehicles	(10,137)	(1,781)	-	844	(11,074)
Total accumulated depreciation	(328,709)	(25,530)	-	1,003	(353,236)
Total capital assets being depreciated, net	696,662	(17,241)	14,980	(50)	694,351
Governmental activities capital assets, net	\$ 710,683	\$ 175	\$ -	\$ (50)	\$ 710,808

Depreciation expense for the year ended June 30, 2022, was charged to functions/programs of the District as follows:

Governmental activities:	
Instruction	\$ 196
Support services	5,296
Noninstruction services	169
Facilities, acquisitions, and construction	19,869
Total governmental activities	\$ 25,530

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

Note 5. Compensated Absences

Upon retirement or resignation in good standing, the District pays eligible employees for unused sick leave at a set daily rate as determined by classification and/or length of service. The length of service required to receive the sick leave payout is determined by the employee's applicable collective bargaining agreement for the District's school administrators, support, and certified staff and District policy for all other pro-tech/administrative staff. The number of allowed sick leave carryforward days for support, professional/technical and principals is 201 days. Certified employees (teachers) may carryover 201 days.

Unused vacation leave is calculated at hourly rates. The maximum carryover of vacation leave is two times the allowable annual accrued amount.

Personal days not used by employees by June 30 become sick days subject to the accrual calculation and limitations above. As of June 30, 2022, the District had an outstanding liability for unused sick, vacation, and personal leave totaling approximately \$6.17 million and a related liability for payroll taxes associated with the unused sick, vacation, and personal leave totaling approximately \$0.5 million. The activity for the year is as follows:

Beginning balance	\$	7,006
Leave earned		2,020
Leave used		(2,388)
Ending balance	\$	<u>6,638</u>

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

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

Note 6. Long-Term Liabilities

Oklahoma Statutes prohibit the District from becoming indebted in an amount exceeding revenues to be received for any fiscal year without approval by the District's voters. Bond issues have been approved by the voters and issued by the District for various capital improvements. These bonds are required to be fully paid serially within 25 years from the date of issue.

As of June 30, 2022, the District had the following long-term liabilities:

Governmental Activities:

\$9.0 million general obligation bonds of 2017, dated April 20, 2017, due in annual installments of \$2.25 million beginning in July 1, 2019 through July 1, 2022, plus interest ranging from 2.00% to 3.00%	\$ 2,250
\$30.985 million general obligation bonds of 2017, dated June 9, 2017, due in varying annual installments beginning July 1, 2018 with an installment of \$7.38 million and a final installment of \$3.775 million due July 1, 2024, plus interest ranging from 4.00% to 5.00%	11,170
\$44.0 million general obligation bonds of 2018, dated July 5, 2017, due in annual installments of \$11 million beginning in July 1, 2020 through July 1, 2023, plus interest ranging from 0.05% to 3.00%	22,000
\$15.0 million general obligation bonds of 2019, dated January 24, 2019, due in annual installments of \$5 million beginning in July 1, 2021 through July 1, 2023, plus interest ranging from 2.00% to 3.00%	10,000
\$76.5 million general obligation bonds of 2020, dated January 28, 2020, due in annual installments of \$25.5 million beginning in July 1, 2022 through July 1, 2024, plus interest ranging from 0.05% to 2.50%	76,500
\$19.5 million general obligation bonds of 2021, dated January 28, 2021, due in annual installments of \$6.5 million beginning in July 1, 2023 through July 1, 2025, plus interest of 1.00%	19,500
\$8.0 million general obligation bonds of 2022, dated January 27, 2022, due in one installment of \$8.0 million due on July 1, 2024, plus interest of 1.00%	8,000
Total general obligation bonds outstanding—at face value	149,420
Premium on bonds outstanding	1,431
Total general obligation bonds outstanding	150,851
Compensated absences and related taxes	6,638
Net pension liability	268,126
Total long-term liabilities for governmental activities	\$ 425,615

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

Note 6. Long-Term Liabilities (Continued)

During the year ended June 30, 2022, long-term liability transactions were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	One Year
Governmental Activities:					
General obligation bonds:					
2016 general	\$ 2,500	\$ -	\$ 2,500	\$ -	\$ -
2017 general	4,500	-	2,250	2,250	2,250
2017 general	14,825	-	3,655	11,170	3,685
2018 general	33,000	-	11,000	22,000	11,000
2019 general	15,000	-	5,000	10,000	5,000
2020 general	76,500	-	-	76,500	25,500
2021 general	19,500	-	-	19,500	-
2022 general	-	8,000	-	8,000	-
Total general obligation bonds	165,825	8,000	24,405	149,420	47,435
Premium on bonds	1,797	87	453	1,431	-
Total Governmental Activities	\$ 167,622	\$ 8,087	\$ 24,858	150,851	47,435

**Reconciliation to Statement
of Net Position:**

Plus: Net pension liability	268,126	-
Plus: Compensated absences	6,638	1,991
	<u>\$ 425,615</u>	<u>\$ 49,426</u>

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

Year ending June 30:	General Obligation Bonds	
	Principal	Interest
2023	\$ 47,435	\$ 2,518
2024	51,710	1,444
2025	43,775	372
2026	6,500	33
Total long-term liabilities	<u>\$ 149,420</u>	<u>\$ 4,367</u>

Interest expense on general obligation bonds during the year ended June 30, 2022, totaling approximately \$3.6 million is recorded in the debt service fund.

Bonds sold at discounts decrease the carrying value of the bond, and bonds sold at a premium increase the carrying value. The discount or premium is then amortized, using the effective interest method, as an increase or decrease, respectively, to the coupon interest payment in reporting interest expense. Amortization expense on bond premiums for the year ended June 30, 2022, is approximately \$0.5 million. The net amount of unamortized premium at June 30, 2022, is approximately \$1.4 million.

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

Note 7. Risk Management

The District purchases commercial insurance for all types of risk including, but not limited to, property, casualty, worker's compensation, auto, crime, malicious acts, and surety bonds. The deductibles for property claims are \$1,000 per occurrence. The deductible for vehicle and general/professional liability claims is \$1,000 per occurrence. Settlements have not exceeded insurance coverage for each of the past three fiscal years.

Note 8. Employee Retirement Plans

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

Oklahoma Teachers Retirement System

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

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

Benefit provisions include:

- Members who join TRS after July 1, 1991 become fully vested in retirement benefits earned to date after five years of credited service. Members who join TRS on or after November 1, 2017 become fully vested after seven years of credited service. Any member who has attained age fifty-five (55) or who has completed thirty (30) years of creditable service, or for any person who initially became a member prior to July 1, 1992, whose age and number of years of creditable service total eighty (80) may be retired upon proper application for retirement on forms established by the System and executing a retirement contract. Any person who became a member after June 30, 1992, but prior to November 1, 2011, whose age and number of years of creditable service total ninety (90) may be retired upon proper application for retirement and executing a retirement contract. Any person who becomes a member on or after November 1, 2011, who attains the age of sixty-five (65) years or who reaches a normal retirement date having attained a minimum age of sixty (60) years may be retired upon proper application for retirement and executing a retirement contract.

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

Note 8. Employee Retirement Plans (Continued)

- Final compensation for members who joined the System prior to July 1, 1992 is defined as the average salary for the three highest years of compensation. Final compensation for members joining the System after June 30, 1992 is defined as the average of the highest five consecutive years of annual compensation in which contributions have been made. The final average compensation is limited for service credit accumulated prior to July 1, 1995 to \$40,000 (not in thousands) or \$25,000(not in thousands), depending on the member's election. Monthly benefits are 1/12 of this amount. Service credits accumulated after June 30, 1995 are calculated based on each member's final average compensation, except for certain employees of the two comprehensive universities. Upon the death of a member who has not yet retired, the designated beneficiary shall receive the member's total contributions plus 100% of interest earned through the end of the fiscal year, with interest rates varying based on time of service. A surviving spouse of a qualified member may elect to receive, in lieu of the aforementioned benefits, the retirement benefit the member was entitled to at the time of death as provided under the Joint Survivor Benefit Option.
- Upon the death of a retired member, OTRS will pay \$5,000 (not in thousands) to the designated beneficiary, in addition to the benefits provided for the retirement option selected by the member.
- A member is eligible for disability benefits after ten years of credited Oklahoma service. The disability benefit is equal to 2% of final average compensation for the applicable years of credited service.
- Upon separation from OTRS, members' contributions are refundable with interest based on certain restrictions provided in the plan, or by the Internal Revenue Code (IRC).
- Members may elect to make additional contributions to a tax-sheltered annuity program up to the exclusion allowance provided under the IRC under Code Section 403(b).

Contributions: The contribution requirements of OTRS are at an established rate determined by Oklahoma Statute and are not based on actuarial calculations. Employees who are non-retired members of OTRS are required to contribute 7% of their annual compensation. Annual compensation is defined as the salary plus fringe benefits (excluding flexible benefit allowance). For employees who are covered by the American Federation of Teachers (AFT) Certified Collective Bargaining Agreement (CBA), the District paid 7% of the employee's Annual Compensation minus the OTRS service credit. For building administrators who are covered by the Oklahoma City Business Administrator (OCBA) CBA and Central Office/professional and technical staff, the District paid 100% of the 7% up to \$60,000 (not in thousands) of Annual Compensation, then the District paid 90% and the employee paid 10% of the 7% of Annual Compensation for the remaining fiscal year. For support employees who are covered by the Oklahoma City Federation of Classified Employees (OCFCE) CBA, the District paid 90% of the 7% and the employee paid 10% of the 7% up to \$40,000 (not in thousands) of Annual Compensation, then the employee contributed the full 7% of annual compensation for the remaining fiscal year. For all retired OTRS members employed by the District, the District paid 16.5% (the employee and District/employer portions) of the employee's annual compensation. If a member's salary is paid from federal funds or certain grant money, an additional contribution (the grant matching contribution) is required. The matching contribution rate is set by the Board of Trustees annually and is expressed as a percentage of federal/grant salaries. This is currently set to 7.9%. The amount paid by the District for employees totaled approximately \$15.27 million for the year ended June 30, 2022.

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

Note 8. Employee Retirement Plans (Continued)

The District's statutory contribution rate is 9.5% and 3.95% for summer school for the year ended June 30, 2022. In addition, the District is required to match the State of Oklahoma's contribution rate on salaries that are paid with grant funds. The District's contributions to OTRS in 2022 was \$23.77 million, equal to the annual required contributions. The District's matching contributions to OTRS in 2022 was \$4.93 million.

The State of Oklahoma makes a contribution on behalf of each teacher meeting minimum salary requirements (known as the OTRS years of service credit). The credit amount is determined based on years of service recognized by the District and ranges from \$60.15 actual dollars per year for zero years of service to \$1,410.53 actual dollars per year for 25 years or more of service. For the fiscal year ended June 30, 2022, the State paid approximately \$1.64 million on behalf of teachers employed at the District. In accordance with generally accepted accounting principles, the District recognized the on-behalf-of payments as revenue and expense/expenditure in the district-wide and fund financial statements.

The State of Oklahoma is also required to contribute to the System on behalf of the participating employers. For 2022, the State of Oklahoma contributed 5.0% of state revenues from sales and use taxes and individual income taxes, to the System on behalf of participating employers. The District has estimated the amounts contributed to the System by the State of Oklahoma on its behalf based on a contribution rate provided to the District. For the year ended June 30, 2022, the total amount contributed to the System by the State of Oklahoma on behalf of the District was approximately \$14.01 million. In accordance with generally accepted accounting principles, District recognized the on-behalf-of payments as revenue and expenditure in the governmental fund financial statements. In the government-wide statement of activities, revenue is recognized for the State's on-behalf contributions on an accrual basis of approximately \$14.53 million.

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

Pension liabilities, pension expense, and deferred inflows/outflows of resources related to pensions: At June 30, 2022, the District reported a liability of \$268.13 million for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. 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, 2021. Based upon this information, the District's proportion was 5.24829500%. The change in proportion from June 30, 2020, was an increase of .52078800%.

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

Note 8. Employee Retirement Plans (Continued)

For the year ended June 30, 2022, the District recognized pension expense of \$15.58 million. At June 30, 2022, 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	\$ 17,679	\$ 9,971
Changes of assumptions	41,710	2,670
Net difference between projected and actual earnings on pension plan investments	-	139,262
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
	37,362	2,386
Total deferred amounts to be recognized in pension expense in future periods	96,751	154,289
District contributions subsequent to the measurement date	28,693	-
Total deferred amounts related to pension	<u>\$ 125,444</u>	<u>\$ 154,289</u>

Deferred pension outflows totaling \$28.69 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, 2023. 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.

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

Year ended June 30:	
2023	\$ (13,525)
2024	(2,378)
2025	(9,073)
2026	(34,107)
2027	1,545
	<u>\$ (57,538)</u>

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

Note 8. Employee Retirement Plans (Continued)

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

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

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

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

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

Note 8. Employee Retirement Plans (Continued)

The target asset allocation and best estimates of arithmetic expected real rates of return for each major asset class as of June 30, 2021, are summarized in the following table:

Asset Class	Target Allocation	Expected Real Rate of Return
Domestic equity	43.50%	4.30%
International equity	19.00	5.20
Fixed income	22.00	0.40
Real estate*	9.00	4.30
Alternative assets	6.50	6.50
Total	100.00%	

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

Discount rate: For the valuation period ending June 30, 2021, a single discount rate of 7.00% was used to measure the total pension liability. Based on the stated assumptions and the projection of cash flows, the pension plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members.

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

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

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

Sensitivity of the net pension liability to changes in the discount rate: The following table provides the sensitivity of the net pension liability and net OPEB asset to changes in the discount rate as of June 30, 2020. In particular, the table presents the plan's net pension liability and net OPEB asset, if they were calculated using a single discount rate that is one-percentage-point lower or one-percentage-point higher than the single discount rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District's net pension liability	\$ 438,257	\$ 268,126	\$ 127,281

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

Note 9. Other Postemployment Insurance Benefits

Defined Contribution Plan

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

Funding policy: Eligible administrators, professional/technical staff members, and building administrators receive a contribution of \$700 actual dollars per year. Upon termination or retirement, each of these employees can receive the money paid for them in either a lump sum or in any other benefit option available. This plan is administered by Variable Annuity Life Insurance Company (VALIC). The District contributed \$323 to the plan during the year ended June 30, 2022.

Oklahoma Teachers Retirement System—OPEB Subsidy

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

Benefits provided: OTRS pays a medical insurance supplement to eligible members who elect to continue their employer provided health insurance. The supplement payment is between \$100 and \$105 (not in thousands) per month, provided the member has 10 years of Oklahoma service prior to retirement.

Contributions: Employer and employee contributions are made based upon the TRS Plan provisions contained in Title 70, as amended. However, the statutes do not specify or identify any particular contribution source to pay the health insurance subsidy. Based on the contribution requirements of Title 70 employers and employees contribute a single amount based on a single contribution rate as described in Note 8; from this amount OTRS allocates a portion of the contributions to the supplemental health insurance program. The cost of the supplemental health insurance program averages 0.15% of normal cost, as determined by an actuarial valuation. Contributions allocated to the OPEB plan from the System were \$320.

OPEB liabilities (assets), OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEB: At June 30, 2022, the District reported an asset of \$6,685 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of June 30, 2021. 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, 2021. Based upon this information, the District proportion was 5.24829503%. The change in proportion from June 30, 2020 was an increase of .52078803%.

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

Note 9. Other Postemployment Insurance Benefits (Continued)

For the year ended June 30, 2022, the District recognized OPEB benefit of \$1,004. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,047
Net difference between projected and actual earnings on plan investments	-	3,585
Changes of assumptions	909	-
Change in proportion	-	169
District contributions subsequent to the measurement date	320	-
Total	<u>\$ 1,229</u>	<u>\$ 4,801</u>

The \$320 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended June 30, 2023. Net deferred outflows resulting from the difference between projected and actual earnings on OPEB plan investments will be recognized in pension expense over five years as of the beginning of each measurement period. Other deferred inflows are being amortized over a closed period equal to the average of the expected service lives of all employees as of the beginning of the measurement period.

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

Year ended June 30:	
2023	\$ (1,023)
2024	(843)
2025	(866)
2026	(1,108)
2027	(38)
Thereafter	(14)
Total	<u>\$ (3,892)</u>

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

Note 9. Other Postemployment Insurance Benefits (Continued)

Actuarial assumptions: The total OPEB liability as of June 30, 2022, was determined based on an actuarial valuation prepared as of June 30, 2021, using the following actuarial assumptions:

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

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

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	43.50%	4.30%
International equity	19.00	5.20
Fixed income	22.00	0.40
Real estate*	9.00	4.30
Alternative assets	6.50	6.50
Total	<u>100.00%</u>	

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

Discount rate: For the valuation period ending June 30, 2021, a single discount rate of 7.00% was used to measure the total pension liability. Based on the stated assumptions and the projection of cash flows, the pension plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members.

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

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

Note 9. Other Postemployment Insurance Benefits (Continued)

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

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

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

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District's net OPEB liability (asset)	\$ (4,295)	\$ (6,685)	\$ (8,710)

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

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

Note 10. Commitments and Contingencies

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

2016 Bond Funds	\$ 17,301
Other governmental funds	6,125
	<u>\$ 23,426</u>

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

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

Note 10. Commitments and Contingencies (Continued)

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

Note 11. Charter Schools

The District is not a pass-through agency of state funds for five Charter Schools, which are considered to be operationally independent of the District. However, certain payments are made and costs incurred by the District to benefit various charter schools through such programs as the School Nutrition Services program, alternative education, at risk sites for adequate yearly progress, and certain contractually obligated costs for custodial care and supplies. During this fiscal year, the District charged each charter school an administrative fee of 3.0% of state funding sources, and will begin charging 1.0% after this fiscal year.

Note 12. Enterprise Schools

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

Note 13. Tax Abatements

The Oklahoma City Economic Development Trust (Trust) was established by Oklahoma City Council resolution on October 9, 2007, to support the City's economic and community development goals. The City has designated the Trust to manage economic development, including incentives. The Trust provides economic development incentives in the form of development financing or performance-based incentives that reduce ad valorem increment allocated to the City, and therefore, the District. These economic development project plans have been adopted by the Trust pursuant to the Local Development Act, Title 60 of the Oklahoma Statutes, Sections 850, et. seq. It is noted that the incentives do not meet the criteria of tax abatement defined in the Oklahoma Local Development Act. The City of Oklahoma City's active TIF agreements resulted in a reduction of reported property tax revenues of approximately \$3,127. The District's share of that tax revenue abatement is 55.03%, for a reduction of \$1,721 of property tax revenues to the District. In all cases of the active agreements, the District receives ad valorem taxes at the assessed valuation of the property prior to the TIF agreement.

The state of Oklahoma grants a 5-year exemption of Ad Valorem taxes for certain new manufacturing or research and development equipment and facilities. Pursuant to Section 193 of Title 62 of the Oklahoma Statutes, the state will reimburse the District for foregone property taxes as a result of this exemption. During the year ended June 30, 2022, the amount of foregone tax revenues as a result of this exemption was \$2,755, all of which was reimbursed by the State during the year ended June 30, 2022, in connection with the abated tax revenues.

**REQUIRED SUPPLEMENTARY
INFORMATION**

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

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

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

* NOTE—GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

**Independent School District No. 89 of Oklahoma County, Oklahoma,
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**Required Supplementary Information
Notes to Schedule of the District's Proportionate Share of the Net Pension Liability**

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

Note 2. Changes of assumptions:

The following information is as of the measurement date:

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

- June 30, 2021 No changes from prior year.
- June 30, 2020 Increases are composed of 2.25% inflation, plus .75% productivity increase rate, plus step-rate promotional increases for members with less than 25 years of service.
- June 30, 2019 No changes from prior year.
- June 30, 2018 No changes from prior year.
- June 30, 2017 No changes from prior year.
- June 30, 2016 Increases are composed of 3.25% wage inflation, including 2.50% price inflation, plus a service-related component ranging from 0.00% to 8.00% based on years of service.
- June 30, 2015 Increases are composed of 3.75% wage inflation, including 3.00% price inflation, plus a service-related component ranging from 0.00% to 8.00% based on years of service.
- June 30, 2014 Increases were composed of 3.00% inflation, plus 1.00% productivity increase rate, plus step-rate promotional increases for members with less than 25 years of service.

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

- June 30, 2021 No changes from prior year.
- June 30, 2020 The retirement age was determined using the experience-based table of rates based on age, service, and gender. Adopted by the Board in July 2020 in conjunction with the five-year experience study for the period ended June 30, 2019.
- June 30, 2019 No changes from prior year.
- June 30, 2018 No changes from prior year.
- June 30, 2017 No changes from prior year.
- June 30, 2016 No changes from prior year.
- June 30, 2015 The retirement age was determined using the experience-based table developed from a five-year experience study for the period ended June 30, 2014. This table was adopted by the OTRS Board in May 2015.

(Continued)

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

Required Supplementary Information

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

June 30, 2014 Determined using the experience-based table developed from a five-year experience study for the period ended June 30, 2009. This table was adopted by the OTRS Board in September 2010.

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

June 30, 2021 No changes from prior year.

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

June 30, 2019 No changes from prior year.

June 30, 2018 No changes from prior year.

June 30, 2017 No changes from prior year.

June 30, 2016 No changes from prior year.

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

June 30, 2014 Rates were determined using the RP-2000 Combined Mortality Table, projected to 2016 using Scale AA, multiplied by 90% for males and 80% for females.

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

June 30, 2021 No changes from prior year.

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

June 30, 2019 No changes from prior year.

June 30, 2018 No changes from prior year.

(Continued)

**Independent School District No. 89 of Oklahoma County, Oklahoma,
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Required Supplementary Information

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

June 30, 2017 No changes from prior year.

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

June 30, 2015 No changes from prior year.

June 30, 2014 Return was 8.00% per year, net of investment-related expenses and compounded annually, composed of an assumed 3.00% inflation rate and a 5.00% net real rate of return.

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

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

Fiscal year ending:	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contributions Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	\$ 23,765	\$ 23,765	\$ -	\$ 246,504	9.64%
2021	22,135	22,135	-	229,551	9.64
2020	21,078	21,078	-	217,262	9.70
2019	19,750	19,750	-	203,999	9.68
2018	17,714	17,714	-	183,373	9.66
2017	19,156	19,156	-	181,767	10.54
2016	20,764	20,764	-	195,534	10.62
2015	20,780	20,780	-	195,499	10.63
2014	19,677	19,677	-	184,945	10.64
2013	18,914	18,914	-	177,916	10.63

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

1. July 1, 2013 to present 9.50%

**Independent School District No. 89 of Oklahoma County, Oklahoma,
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**Required Supplementary Information
Schedule of the District's Proportionate Share of the Net OPEB Liability (Asset)
Oklahoma Teachers Retirement System
Last Ten Fiscal Years*
(in thousands)**

	As of June 30, 2022	As of June 30, 2021	As of June 30, 2020	As of June 30, 2019	As of June 30, 2018
Measurement date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
District's proportion of the net OPEB liability (asset)	5.24829503%	4.72750700%	4.57101307%	4.56584132%	4.58531210%
District's proportionate share of the net OPEB liability (asset)	\$ (6,685)	\$ (468)	\$ (2,826)	\$ (2,951)	\$ (2,048)
District's covered payroll	\$ 253,111	\$ 229,551	\$ 217,262	\$ 203,999	\$ 183,373
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-2.64%	-0.20%	-1.30%	-1.45%	-1.12%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	129.91%	102.30%	115.07%	115.41%	110.40%

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

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

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

Fiscal year ending:	Statorily Required Contribution	Contributions in Relation to the Statorily Required Contribution	Contributions Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	\$ 320	\$ 320	\$ -	\$ 253,111	0.13%
2021	43	43	-	229,551	0.02%
2020	299	299	-	217,262	0.14%
2019	299	299	-	203,999	0.15%
2018	299	299	-	183,373	0.16%
2017	299	299	-	181,767	0.16%

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

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

**Budgetary Comparison Schedule (Budgetary Basis)—General Fund
Year Ended June 30, 2022
(in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
Revenues:				
Local sources	\$ 91,728	\$ 91,728	\$ 90,515	\$ (1,213)
Intermediate sources	16,910	16,910	12,550	(4,360)
State sources	169,707	169,707	149,710	(19,997)
Federal sources	273,464	273,464	144,437	(129,027)
Nonrevenue receipts	222	222	174	(48)
Total revenues	552,031	552,031	397,386	(154,645)
Expenditures:				
Instruction	313,411	313,411	208,614	(104,797)
Support services	220,200	220,200	171,615	(48,585)
Operation of noninstruction services	728	728	1,852	1,124
Facilities acquisition and construction services	123	123	210	87
Other	14,165	14,165	689	(13,476)
Total expenditures	548,627	548,627	382,980	(165,647)
Excess (deficiency) of revenues over (under) expenditures	3,404	3,404	14,406	11,002
Other financing sources:				
Lapsed appropriations	826	826	3,194	2,368
Total other financing sources	826	826	3,194	2,368
Net change in fund balances	4,230	4,230	17,600	13,370
Fund balances, beginning of year	27,726	27,726	20,785	(6,941)
Fund balances, end of year	\$ 31,956	\$ 31,956	\$ 38,385	\$ 6,429

See notes to required supplementary information.

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

Notes to Budgetary Comparison Schedule

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

Budgetary reconciliation—general fund: Item required to adjust actual revenues, expenditures and fund balance reported on the budgetary basis to those reported within the fund financial statements as of and for the year ended June 30, 2022, are as follows (in thousands):

Fund balance - budgetary basis	\$ 38,385
Current year revenue accrual less portion deferred in fund statements	17,383
Inventory	288
Encumbrances outstanding	995
Compensated absences	5,646
	<hr/>
Fund balance - fund financial statements	<u>\$ 62,697</u>
Revenues - budgetary basis	\$ 397,386
Current year revenue accrual	117,362
Prior year revenue accrual	(117,615)
Current year revenue deferred in fund statements	(101,075)
Prior year deferred revenue recognized in fund statements in current year	91,990
Insurance recoveries reported in other financing sources in the fund statements	(32)
Other	3,457
Prior year grant revenue recognized in the current year	(3,648)
On-behalf payments	14,666
	<hr/>
Revenues - fund financial statements	<u>\$ 402,491</u>
Expenditures - budgetary basis	\$ 382,980
Change in encumbrance payable	(1,464)
Change in compensated absences	285
Change in inventory	6
Other	3,460
On-behalf payments	14,666
	<hr/>
Expenditures - fund financial statements	<u>\$ 399,933</u>

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

Notes to Budgetary Comparison Schedule

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

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

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

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

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

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

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

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

OTHER SUPPLEMENTARY INFORMATION

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

**Combining Balance Sheet—Nonmajor Governmental Funds
June 30, 2022
(in thousands)**

	Special Revenue Funds				Capital Projects Funds		Total
	Building Fund	School Nutrition Services	Student Activity Fund	Gifts and Endowments Fund	2007 Bond Funds	Casualty Flood Insurance Recovery Fund	
Assets							
Cash and cash equivalents	\$ 7,427	\$ 12,472	\$ 2,841	\$ 26	\$ 5,944	\$ 4,992	\$ 33,702
Investments	-	-	-	-	5,002	-	5,002
Receivables:							
Delinquent/protested property taxes, net of allowance	782	-	-	-	-	-	782
Property taxes receivable—succeeding year net of allowance	12,804	-	-	-	-	-	12,804
Due from other governments	115	286	-	-	-	-	401
Other, net of allowance	165	6	-	-	-	-	171
Inventories	-	212	-	-	-	-	212
Total assets	\$ 21,293	\$ 12,976	\$ 2,841	\$ 26	\$ 10,946	\$ 4,992	\$ 53,074
Liabilities							
Warrants payable	\$ 178	\$ 73	\$ 64	\$ -	\$ -	\$ -	\$ 315
Accounts payable and accrued liabilities	545	1,711	30	-	304	-	2,590
Total liabilities	723	1,784	94	-	304	-	2,905
Deferred inflows of resources							
Unavailable revenue—delinquent/protested property taxes	782	-	-	-	-	-	782
Unavailable revenue—property taxes— succeeding year	12,804	-	-	-	-	-	12,804
Unavailable revenue—due from other governments	31	286	-	-	-	-	317
Total deferred inflows of resources	13,617	286	-	-	-	-	13,903
Fund balances							
Nonspendable	-	212	-	26	-	-	238
Restricted	6,953	10,694	2,747	-	10,642	-	31,036
Committed	-	-	-	-	-	4,634	4,634
Assigned	-	-	-	-	-	358	358
Total fund balances	6,953	10,906	2,747	26	10,642	4,992	36,266
Total liabilities, deferred inflows of resources, and fund balances	\$ 21,293	\$ 12,976	\$ 2,841	\$ 26	\$ 10,946	\$ 4,992	\$ 53,074

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

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances—
Nonmajor Governmental Funds
Year Ended June 30, 2022
(in thousands)**

	Special Revenue Funds				Capital Projects Funds		Total
	Building Fund	School Nutrition Services	Student Activity Fund	Gifts and Endowments Fund	2007 Bond Funds	Casualty Flood Insurance Recovery Fund	
Revenues:							
Local sources	\$ 13,364	\$ 230	\$ 2,206	\$ -	\$ 11	\$ -	\$ 15,811
State sources	1,286	3,118	-	-	-	-	4,404
Federal sources	-	25,101	-	-	-	-	25,101
Other sources	-	-	21	-	-	-	21
Total revenues	14,650	28,449	2,227	-	11	-	45,337
Expenditures:							
Current:							
Instruction	-	-	23	-	-	-	23
Support services	13,173	-	1,146	-	58	-	14,377
Noninstructional	-	23,681	428	-	-	-	24,109
Other outlays	-	-	186	-	-	-	186
Capital outlay							
Instruction	-	-	4	-	-	-	4
Support services	157	-	144	-	179	-	480
Noninstructional	-	304	-	-	-	-	304
Facilities acquisition and constructions	1,097	147	-	-	2,542	-	3,786
Total expenditures	14,427	24,132	1,931	-	2,779	-	43,269
Excess (deficiency) of revenues over (under) expenditures	223	4,317	296	-	(2,768)	-	2,068
Other financing sources:							
Insurance recoveries	-	-	6	-	-	93	99
Total other financing sources	-	-	6	-	-	93	99
Net change in fund balances	223	4,317	302	-	(2,768)	93	2,167
Fund balances, beginning of year	6,730	6,589	2,445	26	13,410	4,899	34,099
Fund balances, end of year	\$ 6,953	\$ 10,906	\$ 2,747	\$ 26	\$ 10,642	\$ 4,992	\$ 36,266

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

**Budgetary Comparison Schedule (Budgetary Basis)—2007 Bond Funds
Year Ended June 30, 2022
(in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
Revenues:				
Local sources	\$ 6	\$ 6	\$ 11	\$ 5
Total revenues	6	6	11	5
Expenditures:				
Instruction	402	402	112	(290)
Facilities, acquisition, and construction services	11,785	11,785	4,705	(7,080)
	12,187	12,187	4,817	(7,370)
Excess (deficiency) of revenues over (under) expenditures	(12,181)	(12,181)	(4,806)	7,375
Other financing sources, prior year lapsed appropriations	300	300	57	(243)
Net change in fund balances	(11,881)	(11,881)	(4,749)	7,132
Fund balances, beginning of year	11,881	11,881	12,024	143
Fund balances, end of year	\$ -	\$ -	\$ 7,275	\$ 7,275

**Independent School District No. 89 of Oklahoma County, Oklahoma,
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**Budgetary Comparison Schedule (Budgetary Basis)—Debt Service Fund
Year Ended June 30, 2022
(in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
Revenues:				
Local sources	\$ 43,779	\$ 43,779	\$ 43,772	\$ (7)
Nonrevenue receipts	390	390	87	(303)
Total revenues	44,169	44,169	43,859	(310)
Expenditures:				
Other	49,917	49,917	28,173	(21,744)
	49,917	49,917	28,173	(21,744)
Excess (deficiency) of revenues over (under) expenditures	(5,748)	(5,748)	15,686	21,434
Net change in fund balances	(5,748)	(5,748)	15,686	21,434
Fund balances, beginning of year	72,716	72,716	57,076	(15,640)
Fund balances, end of year	\$ 66,968	\$ 66,968	\$ 72,762	\$ 5,794

**Independent School District No. 89 of Oklahoma County, Oklahoma,
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**Budgetary Comparison Schedule (Budgetary Basis)—Building Fund
Year Ended June 30, 2022
(in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
Revenues:				
Local sources	\$ 13,290	\$ 13,290	\$ 12,931	\$ (359)
State sources	727	727	866	139
Total revenues	14,017	14,017	13,797	(220)
Expenditures:				
Support services	14,031	14,031	13,317	(714)
Facilities, acquisition, and construction services	3,000	3,000	2,964	(36)
Total expenditures	17,031	17,031	16,281	(750)
Excess (deficiency) of revenues over (under) expenditures	(3,014)	(3,014)	(2,484)	530
Other financing sources, prior year lapsed appropriations	966	966	368	(598)
Net change in fund balances	(2,048)	(2,048)	(2,116)	(68)
Fund balances, beginning of year	4,195	4,195	4,953	758
Fund balances, end of year	\$ 2,147	\$ 2,147	\$ 2,837	\$ 690

**Independent School District No. 89 of Oklahoma County, Oklahoma,
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**Budgetary Comparison Schedule (Budgetary Basis)—School Nutrition Services Fund
Year Ended June 30, 2022
(in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
Revenues:				
Local sources	\$ 1,056	\$ 1,056	\$ 267	\$ (789)
State sources	2,304	2,304	2,557	253
Federal sources	19,506	19,506	23,077	3,571
Total revenues	22,866	22,866	25,901	3,035
Expenditures:				
Noninstructional	22,875	22,875	23,723	848
Facilities, acquisition, and construction services	413	413	227	(186)
	23,288	23,288	23,950	662
Excess (deficiency) of revenues over (under) expenditures	(422)	(422)	1,951	2,373
Other financing sources, prior year lapsed appropriations	1,356	1,356	774	(582)
Net change in fund balances	934	934	2,725	1,791
Fund balances, beginning of year	1,700	1,700	4,835	3,135
Fund balances, end of year	\$ 2,634	\$ 2,634	\$ 7,560	\$ 4,926

**Independent School District No. 89 of Oklahoma County, Oklahoma,
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**Budgetary Comparison Schedule (Budgetary Basis)—Casualty Flood Insurance Recovery Fund
Year Ended June 30, 2022
(in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
Revenues:				
Local sources	\$ -	\$ -	\$ 93	\$ 93
Total revenues	-	-	93	93
Expenditures:				
Support services	2,277	2,277	-	(2,277)
Facilities, acquisition, and construction services	2,622	2,622	-	(2,622)
	4,899	4,899	-	(4,899)
Excess (deficiency) of revenues over (under) expenditures	(4,899)	(4,899)	93	4,992
Net change in fund balances	(4,899)	(4,899)	93	4,992
Fund balances, beginning of year	4,899	4,899	4,899	-
Fund balances, end of year	\$ -	\$ -	\$ 4,992	\$ 4,992

**Independent School District No. 89 of Oklahoma County, Oklahoma,
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**Budgetary Comparison Schedule (Budgetary Basis)—2016 Bond Funds
Year Ended June 30, 2022
(in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
Revenues:				
Local sources	\$ 90	\$ 90	\$ 65	\$ (25)
Nonrevenue receipts	16,000	16,000	8,000	(8,000)
Total revenues	16,090	16,090	8,065	(8,025)
Expenditures:				
Instruction	6,261	6,261	134	(6,127)
Support services	42,764	42,764	13,243	(29,521)
Facilities, acquisition, and construction services	53,303	53,303	20,397	(32,906)
	102,328	102,328	33,774	(68,554)
Excess (deficiency) of revenues over (under) expenditures	(86,238)	(86,238)	(25,709)	60,529
Other financing sources, prior year lapsed appropriations	1,000	1,000	409	(591)
Net change in fund balances	(85,238)	(85,238)	(25,300)	59,938
Fund balances, beginning of year	85,238	85,238	75,624	(9,614)
Fund balances, end of year	\$ -	\$ -	\$ 50,324	\$ 50,324

OTHER INFORMATION

**Independent School District No. 89 of Oklahoma County, Oklahoma,
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**Schedule of Surety Bonds
Year Ended June 30, 2022**

The District provides the following surety bonds, compliant with 70 Oklahoma Statute §5-116a and §5-129 (E) requirements for any Superintendent or financial officer or other relevant employee of the school district who has supervision of or authority to expend school district funds. The District had the following Surety Bonds for fiscal year 2022:

Effective July 1, 2021 through June 30, 2022
Insurance Carrier: Ohio Casualty

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

**Independent School District No. 89 of Oklahoma County, Oklahoma,
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**Charter School Membership
Year Ended June 30, 2022**

Charter school membership for the year ended June 30, 2022 was as follows:

	Membership
Harding Charter Preparatory High School	811
John W. Rex Charter Elementary School	699
KIPP Reach College Preparatory	415
Santa Fe South	330
Stanley Hupfeld Academy at Western Village	160
Total	<u><u>2,415</u></u>

**Independent School District No. 89 of Oklahoma County, Oklahoma,
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**Enterprise School Membership
Year Ended June 30, 2022**

Enterprise school membership for the year ended June 30, 2022 was as follows:

Enterprise School	Membership
Belle Isle Enterprise Middle School	511
Mary Golda Ross Enterprise Elementary School	782
John Marshall Enterprise Middle School	629
John Marshall Enterprise High School	709
Total	<u><u>2,631</u></u>

**Independent School District No. 89 of Oklahoma County, Oklahoma,
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**Schedule of MAPS Sales Tax Funded Transfers and Classification
Year Ended June 30, 2022**

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

Description	Value
Total Transferred FY 2022	\$ 4,531
Total Retirements FY 2022	(64)
Total Transferred FY 2005 - FY 2021	367,768
Total Transferred through June 30, 2022	<u>\$ 372,235</u>
Total Technology	\$ 23,852
Total Other Construction/FFE etc.	348,271
Total Transportation	<u>112</u>
	<u>\$ 372,235</u>

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

**School Activity Fund—State Regulatory Basis
Year Ended June 30, 2022
(in thousands)**

Revenues:	
Local sources	\$ 2,212
Nonrevenue receipts	21
Total revenues	<u>2,233</u>
Expenditures:	
Instruction	26
Support services	1,340
Noninstructional	431
Other	190
Total expenditures	<u>1,987</u>
Excess (deficiency) of revenues over (under) expenditures	246
Other financing sources, prior year lapsed appropriations	<u>4</u>
Net change in fund balances	250
Fund balances, beginning of year	<u>2,438</u>
Fund balances, end of year	<u>\$ 2,688</u>