# AUDITED FINANCIAL STATEMENTS
# AND REPORTS OF INDEPENDENT AUDITOR

# MIDWEST CITY-DEL CITY SCHOOL DISTRICT NO. I-52,
# OKLAHOMA COUNTY, OKLAHOMA

## JUNE 30, 2025



JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

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**INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY**
**SCHOOL DISTRICT OFFICIALS**
**FOR THE YEAR ENDED JUNE 30, 2025**

BOARD OF EDUCATION

| | |
|---|---|
| President | Ms. Gina Standridge |
| Vice-President | Dr. Silvya Kirk |
| Clerk | Ms. Shelly Schultz |
| Member | Ms. Jonna Grant |
| Member | Dr. Ed Daniel |

SUPERINTENDENT OF SCHOOLS

Dr. Rick Cobb

SCHOOL DISTRICT TREASURER
and CHIEF FINANCIAL OFFICER

Mrs. Jacqueline Woodard

JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

JACK JENKINS, CPA
MICHAEL KEMPER, CPA

# INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education
Midwest City-Del City School District No. I-52
Midwest City, Oklahoma 73110

**Opinions**
We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Midwest City-Del City School District No. I-52, Midwest City, Oklahoma (the "School District") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Midwest City-Del City School District No. I-52, Oklahoma County, Oklahoma as of June 30, 2025, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Midwest City-Del City School District No. I-52, Midwest City, Oklahoma and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

**Auditor's Responsibilities for the Audit of the Financial Statements**
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards*


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will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7-11, Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual on pages 58 and 59, Schedule of Proportionate Share of the Net Pension Liability on page 56, Schedule of Contributions on page 57, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the method of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The combining fund statements, regulatory basis, listed in the accompanying table of contents are presented for purpose of additional analysis, and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated January 7, 2026, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Jenkins & Kemper, CPAs P.C.

Jenkins & Kemper
Certified Public Accountants, P.C.

January 7, 2026

# Management's Discussion & Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

MIDWEST CITY - DEL CITY INDEPENDENT SCHOOL DISTRICT NO. I-52

June 30, 2025

This section of Midwest City-Del City Independent School District #52's annual financial report presents the District's discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2025. Please read it in conjunction with the District's financial statements, which immediately follow this section.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts - Management's Discussion and Analysis (this section), the basic financial statements, and supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operation in more detail than the district-wide statements.
- The governmental funds statements tell how basic services like regular and special education were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

TABLE A-1
Major Features of District-Wide and Fund Financial Statements

| | District-Wide Statements | Fund Financial Statements - Governmental Funds |
|---|---|---|
| Scope | Entire district (*except fiduciary funds*) | The activities of the district that are not proprietary or fiduciary such as special education and building maintenance |
| Required Financial Statements | 1) Statement of Net Position<br>2) Statement of Activities | 1) Balance Sheet<br>2) Statement of Revenue, Expenditures, and Changes in Fund Balances |
| Accounting Basis and Measurement Focus | Accrual accounting and economic resources focus | Modified accrual accounting and current financial resources focus. |
| Type of Asset/ Liability Information | All assets and liabilities, both financial and capital, short-term and long-term | Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included |
| Type of Inflow/ Outflow Information | All revenues and expenses during the year, regardless of when cash is received or paid | Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and the related liability is due and payable |

Table A-1 summarizes the major features of the District's financial statements. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

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

The two district-wide statements report the District's net position. Net position - the difference between the District's assets and liabilities is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district wide financial statements, the District's activities are categorized as governmental activities.

- *Governmental Activities* - Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state aid formula finance most of these activities.

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

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

Most of the District's basic services are included in governmental funds, which generally focus on 1) how cash and other financial assets that can readily be converted to cash flow in and out; and 2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, the District provides additional information with the governmental funds statements that explain the relationship (or differences) between them.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

TABLE A2
Net Position

| | | | |
|---|---|---|---|
| ASSETS | | | |
| Current and other assets | $ | 335.4 | $ 354.0 |
| Capital assets | | 234.7 | 221.6 |
| TOTAL ASSETS | $ | 570.1 | $ 575.6 |
| Deferred Outflows of Resources | $ | 16.5 | $ 21.6 |
| LIABILITIES | | | |
| Long-term liabilities | $ | 434.3 | $ 454.0 |
| Other liabilities | | 15.7 | 11.6 |
| TOTAL LIABILITIES | $ | 450.0 | $ 465.6 |
| Deferred Inflows of Resources | $ | 9.0 | $ 2.0 |
| NET POSITION | | | |
| Net investment in capital assets | $ | 136.8 | $ 130.5 |
| Restricted | | 31.9 | 26.6 |
| Unrestricted | | (41.2) | (27.5) |
| TOTAL NET POSITION | $ | 127.5 | $ 129.6 |

TABLE A3
Changes in Net Position

| | 2025 | 2024 (*in Millions*) | Difference |
|---|---|---|---|
| REVENUES | | | |
| Program revenues: | | | |
| Charges for services | $ 8.1 | $ 8.8 | $ (0.7) |
| Federal and State grants | 22.1 | 25.3 | $ (3.2) |
| General revenues: | | | |
| Property taxes | 51.0 | 44.6 | $ 6.4 |
| Other taxes | 12.4 | 12.3 | $ 0.1 |
| State entitlement | 77.8 | 76.5 | $ 1.3 |
| Other general revenues | 15.2 | 9.0 | $ 6.2 |
| TOTAL REVENUES | 186.6 | 176.5 | $ 10.1 |
| EXPENSES | | | |
| Instruction | 85.8 | 78.7 | $ 7.1 |
| Support services | 80.4 | 64.8 | $ 15.6 |
| Non-instruction | 7.0 | 6.4 | $ 0.6 |
| Interest on long-term debt | 13.8 | 1.6 | $ 12.2 |
| Other outlays/uses | 1.8 | 4.0 | $ (2.2) |
| TOTAL EXPENSES | 188.8 | 155.5 | $ 33.3 |
| CHANGE IN NET POSITION | $ (2.2) | $ 21.0 | $ (23.2) |

Changes in Net Position: The ending net position decreased by approximately $23.2 million from the prior fiscal year. All categories of revenue saw an increase except for charges for services and federal grants. This was the first year for district-wide CEP and local lunch collections were down significantly, as expected. As COVID-Relief federal funds sunset, federal revenue is dropping to pre-COVID levels. Property valuations grew 5.79% increasing overall property tax collections. The Sinking Fund levy increased by 5.45 mills representing the majority of the $6.4M increase for property taxes.

The most significant contributors to the fluctuation in the net position were the beginning of construction projects from the most recent lease revenue bond to purchase or build capital assets, and also funds necessary for the repayment of principal of long-term debt issues. Repayments on long-term debt this year were more than debt issued in FY24. The other contributor was the large fluctuation in the net pension liability. Expenses for personnel that directly educate or care for more than 12,000 students make up 80-90 of the district's resources.

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds reported combined fund balances of $84.8 million, compared to $82.5 million in FY24. General fund's fund balance went from 17.12% in FY24, to 18.21% in FY25 (cash basis). The district continues to make budget modifications to keep the general fund's fund balance stable and prepare for the expiration of COVID-relief funds. In FY25 the district went full Community Eligibility Provision (CEP) and increased student meals served which lead to an increase of fund balance. A plan is being put into place to reduce Child Nutrition fund balance to allowable levels by replacing outdated equipment.

The only limitations that affect the availability of fund resources for future use would be that the Bond funds are only restricted in the sense that they must meet the 85% rule of what was voted on by the patrons of the District and then used for like purposes. The Building Fund, Child Nutrition Fund and Debt Service Fund are restricted only in regards to what is required by law to be used in those respected funds.

General Fund Budgetary Highlights: The General Fund Budget continues to display a strong fund balance. A budget amendment was presented to the board on November 11, 2024, approving an estimated fund balance of 11.5%. Final fund balance for FY25 was 18.21%. An increase in the state aid factor at mid-term accounted for a large increase in state aid. Interest rates also continued to remain high through out FY25 rather than decreasing as previously had been budgeted based on economic reports.

Actual expenditures were below budget, due primarily to underspending in positions that were budgeted for but were unable to be filled. Another factor of underspending that is typical in every fiscal year, is federal programs underspending allocations which becomes carryover into the next fiscal year.

## CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: By the end of 2025 the district expended $7.4 million on AV equipment, appliances, playgroup equipment, construction, athletic equipment, vehicles, buses, and musical equipment.

Long-Term Debt: At year end the district had $18 million in total long-term debt. This is an increase from last year's amount of $12.8 million. (More detailed information about the District's long-term liabilities is presented in Note 5 to the financial statements.)

## FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was not aware of any existing circumstances that would adversely impact the finances of the district that have not already been presented in the audit.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designated to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Superintendent, Mid-Del Schools, 7217 S.E. 15th, Midwest City, OK 73110.

# BASIC FINANCIAL STATEMENTS

**INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY**
**STATEMENT OF NET POSITION**
**JUNE 30, 2025**

| | Governmental Activities |
|---|---|
| **Assets** | |
| Current assets | |
| Cash and cash equivalents | $ 88,799,384 |
| Property taxes receivable | 2,319,272 |
| Due from other governments | 4,352,011 |
| Other receivables | 239,071,768 |
| Inventory | 857,638 |
| Total current assets | 335,400,073 |
| Noncurrent assets | |
| Land and construction-in-process | 32,604,239 |
| Net investment in capital assets | 202,060,409 |
| Total noncurrent assets | 234,664,648 |
| **Total assets** | 570,064,721 |
| **Deferred outflows of resources** | |
| Pension related deferred outflows | 16,490,804 |
| **Liabilities** | |
| Current liabilities | |
| Accounts payable | 4,231,784 |
| Wages payable | 7,811,213 |
| Liabilities for incurred claims | 81,309 |
| Bond proceeds good faith deposit | 374,600 |
| Current portion of long-term debt | 18,000,812 |
| Accrued interest | 3,216,538 |
| Total current liabilities | 33,716,256 |
| Noncurrent liabilities | |
| Noncurrent portion of long-term debt | 318,433,541 |
| Net pension obligation | 97,884,530 |
| Total noncurrent liabilities | 416,318,071 |
| **Total liabilities** | 450,034,327 |
| **Deferred inflows of resources** | |
| Pension related deferred inflows | 9,057,965 |
| **Net Position** | |
| Investment in capital assets | 136,779,049 |
| Restricted for: | |
| Debt service | 4,093,980 |
| Child nutrition | 4,804,229 |
| Building | 23,003,226 |
| Unrestricted (deficit) | (41,217,251) |
| **Total net position** | $ 127,463,233 |

See Notes to Basic Financial Statements

**INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY**
**STATEMENT OF ACTIVITIES**
**FOR THE YEAR ENDED JUNE 30, 2025**

| Programs/Functions | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Net (Expenses) Revenue and Changes in Net Position: Governmental Activities |
|---|---|---|---|---|
| Governmental Activities: | | | | |
| Instruction | $ 85,765,136 | 7,974,461 | 19,541,951 | (58,248,724) |
| Support services | 80,446,650 | | | (80,446,650) |
| Non-instruction services | 7,000,727 | 154,579 | 2,538,203 | (4,307,945) |
| Other outlays | 1,826,608 | | | (1,826,608) |
| Interest on long-term debt | 13,755,612 | | | (13,755,612) |
| **Total primary government** | $ 188,794,733 | 8,129,040 | 22,080,154 | (158,585,539) |
| **General Revenues** | | | | |
| Taxes: | | | | |
| Property taxes, levied for general purposes | | | | $ 25,271,398 |
| Property taxes, levied for building purposes | | | | 3,607,863 |
| Property taxes, levied for debt service | | | | 22,094,056 |
| General taxes | | | | 7,277,368 |
| State aid not restricted for specific purposes | | | | 77,815,510 |
| Support from other local governments | | | | 5,183,071 |
| Interest, dividends, and investment earnings | | | | 12,701,497 |
| Other general revenues | | | | 2,471,944 |
| **Total general revenues** | | | | 156,422,707 |
| **Changes in net position** | | | | (2,162,832) |
| Net position, beginning of year | | | | 129,626,065 |
| Net position, end of year | | | | $ 127,463,233 |

See Notes to Basic Financial Statements

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# GOVERNMENTAL FUND FINANCIAL STATEMENTS

**INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY**
**BALANCE SHEET - GOVERNMENTAL FUNDS**
**JUNE 30, 2025**

| | General Fund | Tech Center Fund | Building Fund | Tech Center Building Fund | Bond Fund |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Cash and cash equivalents | $ 28,762,804 | 11,283,494 | 9,642,523 | 13,189,117 | 12,092,471 |
| Property taxes receivable | 1,148,962 | | 165,048 | | |
| Receivables net of allowance for uncollectibles | 3,486,159 | 644,793 | | 219,725 | |
| Inventory | 286,295 | | 239,919 | | |
| **Total assets** | 33,684,220 | 11,928,287 | 10,047,490 | 13,408,842 | 12,092,471 |
| **Liabilities, Deferred Inflows of Resources, and Fund Balances** | | | | | |
| **Liabilities** | | | | | |
| Accounts payable | 233,548 | 29,226 | 318,972 | | 429,243 |
| Accrued wages | 7,432,616 | 160,583 | | | |
| **Total liabilities** | 7,666,164 | 189,809 | 318,972 | - | 429,243 |
| **Deferred Inflows of Resources** | | | | | |
| Unavailable revenue - property taxes | 940,889 | | 134,134 | | |
| **Total deferred inflows of resources** | 940,889 | - | 134,134 | - | - |
| **Fund Balances** | | | | | |
| Nonspendable inventory | 286,295 | | 239,919 | | |
| Restricted fund balances: | | | | | |
| School construction | | | | | 11,663,228 |
| Retirement of long-term debt | | | | | |
| Buildings | | | 9,354,465 | 13,408,842 | |
| Custodial funds | | | | | |
| Child nutrition | | | | | |
| Assigned | | 11,738,478 | | | |
| Unassigned | 24,790,872 | | | | |
| **Total fund balances** | 25,077,167 | 11,738,478 | 9,594,384 | 13,408,842 | 11,663,228 |
| **Total liabilities, deferred inflows of resources, and fund balances** | $ 33,684,220 | 11,928,287 | 10,047,490 | 13,408,842 | 12,092,471 |

See Notes to Basic Financial Statements

| Sinking Fund | Other Governmental Funds | Total Governmental Funds |
|---|---|---|
| 3,910,878 | 9,693,182 | 88,574,469 |
| 1,005,262 | | 2,319,272 |
| | 1,334 | 4,352,011 |
| | 331,424 | 857,638 |
| 4,916,140 | 10,025,940 | 96,103,390 |
| | | |
| | 562,188 | 1,573,177 |
| | 218,014 | 7,811,213 |
| - | 780,202 | 9,384,390 |
| | | |
| 822,160 | | 1,897,183 |
| 822,160 | - | 1,897,183 |
| | | |
| | 331,424 | 857,638 |
| | | 11,663,228 |
| 4,093,980 | | 4,093,980 |
| | | 22,763,307 |
| | 2,524,584 | 2,524,584 |
| | 4,472,805 | 4,472,805 |
| | 1,916,925 | 13,655,403 |
| | | 24,790,872 |
| 4,093,980 | 9,245,738 | 84,821,817 |
| | | |
| 4,916,140 | 10,025,940 | 96,103,390 |

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**INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY**
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**
**TO THE STATEMENT OF NET POSITION**
**JUNE 30, 2025**

| | | |
|---|---|---|
| Total governmental fund balances | | $ 84,821,817 |
| Amounts reported for governmental activities in the statement of net position are different because: | | |
| Capital assets used in governmental activities are not financial resources and; therefore, are not reported as assets in governmental funds. | | 232,006,040 |
| Capitalized bond issuance costs are not reported in governmental funds. | | 2,911,723 |
| Revenues receivable are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds. | | |
| Property taxes | | 1,897,184 |
| An internal service fund is used by the District to charge the costs of workers' compensation insurance to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities. | | 143,607 |
| Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows: | | |
| Deferred outflows of resources | 16,490,804 | |
| Deferred inflows of resources | (9,057,965) | 7,432,839 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and; therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of: | | |
| Bonds | (49,690,000) | |
| Premium on bonds | (2,355,885) | |
| Leases payable | (258,561,650) | |
| Premium on leases | (26,349,833) | |
| Accrued interest | (3,216,538) | |
| Compensated absences | (2,388,709) | |
| Bond proceeds good faith deposit | (374,600) | |
| Net pension liability | (97,884,530) | (440,821,745) |
| Funds available for drawdown under the capital lease are reported as a receivable and related construction-in-progress as an accounts payable in the governmental activities, but not reported in governmental funds. | | 239,071,768 |
| **Net position of governmental activities** | | $ 127,463,233 |

See Notes to Basic Financial Statements

**INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY**
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**
**IN FUND BALANCES - GOVERNMENTAL FUNDS**
**JUNE 30, 2025**

| | General Fund | Tech Center Fund | Building Fund | Tech Center Building Fund |
|---|---|---|---|---|
| Revenues: | | | | |
| Property tax | $ 25,252,007 | | 3,603,250 | |
| Interest | 1,903,896 | 652,375 | | |
| County | 5,183,071 | | | |
| State | 71,410,928 | 2,949,886 | 2,703,036 | |
| Federal | 12,823,453 | 571,104 | 88,156 | |
| Local | 336,546 | 5,628,754 | 22,092 | 2,273,754 |
| Other | 218,019 | 136 | | |
| **Total revenues** | 117,127,920 | 9,802,255 | 6,416,534 | 2,273,754 |
| Expenditures: | | | | |
| Instruction | 65,585,742 | 3,324,671 | | |
| Support services | 50,682,490 | 4,388,458 | 5,691,129 | 4,200 |
| Non-instruction services | 113,646 | | | |
| Capital outlays | | | 141,454 | 872,857 |
| Other outlays | 135,378 | 3,150 | | |
| Debt service: | | | | |
| Principal paid | | | | |
| Interest paid | | | | |
| **Total expenditures** | 116,517,256 | 7,716,279 | 5,832,583 | 877,057 |
| **Excess (deficiency) of revenues over expenditures** | 610,664 | 2,085,976 | 583,951 | 1,396,697 |
| Other financing sources (uses) | | | | |
| Premium on bonds sold | | | | |
| Proceeds of bonds | | | | |
| **Total other financing sources (uses)** | - | - | - | - |
| **Net change in fund balances** | 610,664 | 2,085,976 | 583,951 | 1,396,697 |
| Fund balance, beginning of year | 24,466,503 | 9,652,502 | 9,010,433 | 12,012,145 |
| Fund balance, end of year | $ 25,077,167 | 11,738,478 | 9,594,384 | 13,408,842 |

See Notes to Basic Financial Statements

| Bond Fund | Sinking Fund | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|
| | 21,926,825 | | 50,782,082 |
| 1,172,501 | 13,286 | 319,815 | 4,061,873 |
| | | | 5,183,071 |
| | 670 | 454,539 | 77,519,059 |
| | | 6,059,237 | 19,541,950 |
| 3,534 | | 4,251,717 | 12,516,397 |
| | | 376,795 | 594,950 |
| 1,176,035 | 21,940,781 | 11,462,103 | 170,199,382 |
| 1,589,346 | | 743,346 | 71,243,105 |
| 11,371,235 | | 2,005,604 | 74,143,116 |
| | | 6,258,100 | 6,371,746 |
| 9,182,574 | | 294,920 | 10,491,805 |
| | | 597,295 | 735,823 |
| | 17,110,000 | | 17,110,000 |
| | 2,643,530 | | 2,643,530 |
| 22,143,155 | 19,753,530 | 9,899,265 | 182,739,125 |
| (20,967,120) | 2,187,251 | 1,562,838 | (12,539,743) |
| | 296,941 | | 296,941 |
| 14,525,800 | | | 14,525,800 |
| 14,525,800 | 296,941 | - | 14,822,741 |
| (6,441,320) | 2,484,192 | 1,562,838 | 2,282,998 |
| 18,104,548 | 1,609,788 | 7,682,900 | 82,538,819 |
| 11,663,228 | 4,093,980 | 9,245,738 | 84,821,817 |

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**INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY**
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**
**JUNE 30, 2025**

| | | |
|---|---|---|
| Net change in fund balance - total governmental funds | | $ 2,282,998 |
| Amounts reported for governmental activities and the statement of activities are different because: | | |
| Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which the capital outlays exceeded depreciation and retirements in the period. | | |
| Capital outlays | $ 28,950,535 | |
| Depreciation expense | (8,535,667) | 20,414,868 |
| Capital lease funds held in escrow for construction and debt service are not reported in governmental funds, but are recognized on the statement of activities. | | |
| Interest revenues | | 8,637,598 |
| Drawdowns to acquire capital assets and service debt | | (17,228,607) |
| Because some revenues will not be collected for several months after the District's year end, they are not considered "available" revenues in the governmental funds and are, instead counted as deferred inflows of resources. They are, however, recorded as revenues in the statement of activities. | | |
| Property taxes | | 202,987 |
| Some of the capital assets acquired this year were financed with general obligation bonds. The amount financed by the bonds and related premium is reported in the governmental funds as a source of financing, but increases long-term liabilities in the statement of net position and does not affect the statement of activities. | | (14,822,741) |
| Repayment of bond principal and repayment on capital lease purchases are an expense in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities. | | 19,753,530 |
| Amortization of bond premium is recorded in the statement of activities, but not in the governmental funds. | | (143,746) |
| In the statement of activities, certain expenses do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. | | |
| Compensated absences | | 146,982 |
| Pension expense adjustments net of state contributions | | (7,671,387) |
| An internal service fund is used by the District to charge the costs of workers compensation insurance to the individual funds. The changes in net position of the internal service fund is reported with governmental activities. | | 20,299 |
| Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus, requires the use of current financial resources. In the statement of activities, interest expense is recognized as the interest accrues, regardless of when it is due. | | (13,755,613) |
| Change in net position - statement of activities | | $ (2,162,832) |

See Notes to Basic Financial Statements

**INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY**
**STATEMENT OF NET POSITION - PROPRIETARY FUND**
**JUNE 30, 2025**

| | Internal Service Fund - Workers' Compensation |
|---|---|
| **Assets** | |
| Cash and cash equivalents | $ 224,915 |
| **Total assets** | 224,915 |
| **Liabilities** | |
| Liability for incurred claims | 81,309 |
| **Net Position** | |
| Unrestricted | $ 143,606 |

See Notes to Basic Financial Statements

**INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY**
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION - PROPRIETARY FUND**
**JUNE 30, 2025**

| | Internal Service Fund - Workers' Compensation |
|---|---|
| Operating revenues: | |
| Local | $ 27,841 |
| **Total operating revenues** | 27,841 |
| Operating expenses: | |
| Management fees | 9,569 |
| **Total operating expenses** | 9,569 |
| **Operating income** | 18,272 |
| Nonoperating revenues, interest income | 2,026 |
| **Changes in net position** | 20,298 |
| Net position, beginning of year | 123,308 |
| Net position, end of year | $ 143,606 |

See Notes to Basic Financial Statements

**INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY**
**STATEMENT OF CASH FLOWS**
**PROPRIETARY FUND**
**FOR THE YEAR ENDED JUNE 30, 2025**

| | Internal Service Fund - Workers' Compensation |
|---|---|
| Cash flows from operating activities: | |
| Refunds received | $ 27,841 |
| Payments for workers' compensation claims and management fees | (39,572) |
| **Net cash (used in) operating activities** | (11,731) |
| Cash flows from investing activities, interest earnings | 2,026 |
| **Net decrease in cash and cash equivalents** | (9,705) |
| Cash and cash equivalents, beginning of year | 234,620 |
| Cash and cash equivalents, end of year | $ 224,915 |
| Reconciliation of operating income to net cash (used in) operating activities: | |
| Operating income | $ 18,272 |
| Adjustments to reconcile operating income to net cash (used in) operating activities: | |
| Change in liability for incurred claims | (30,003) |
| **Net cash (used in) operating activities** | $ (11,731) |

See Notes to Basic Financial Statements

# NOTES TO THE FINANCIAL STATEMENTS

**INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY**
**NOTES TO THE BASIC FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED JUNE 30, 2025**

## 1. Summary of Significant Accounting Policies

The financial statements of the Midwest City-Del City Public Schools Independent District No. 52 (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units as promulgated by the Governmental Accounting Standards Board ("GASB"), the standard-setting body for governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

### *A. Reporting Entity*

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

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

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

The Midwest City-Del City Lewis Eubanks Technical Center (formerly the Mid-Del Area Vo-Tech) became a designated Area Vocational-Technical School in 1977 by action of the Oklahoma State Board of Vocational and Technical Education with no ad valorem millage devoted specifically for its support. It is the only designated technology center in the State of Oklahoma that shares a school board with a public school district. The Mid-Del School District No. I-52 board of education serves as the Tech Center's board of education. The Technical Center is reported as a blended component unit as a special revenue fund of the primary government.

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

*A. Reporting Entity – contd.*

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

*B. Fund Accounting*

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

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

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

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

**Governmental Fund Types**

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

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

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

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

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

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

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

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

Technology Center Fund – The technology center fund is used to account for financial resources to be used for the operation of vocational and technical education programs.

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

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

Capital Projects Bond Funds – The bond funds are capital project funds used to account for the proceeds of bond sales to be used exclusively for acquiring school sites,

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

*B. Fund Accounting* - contd.

constructing and equipping new school facilities, renovating existing facilities, and acquiring transportation equipment.

Tech Center Building Fund – The tech center building fund is used to account for financial resources restricted to the Technology Center's remodeling or repairing buildings and purchasing furniture and equipment.

Casualty/Insurance Funds – The insurance fund was established to account for revenues and expenditures for all types of insurance coverage and major reimbursements and reserves for property.

**Proprietary Fund Types**

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the District (internal service funds). Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The District reports the following non-major propriety fund:

Internal Service Fund – Worker's Compensation – The workers' compensation insurance fund is an internal service fund used to account for the accumulation, recording and disbursing of District contributions to the District's self-insured Workers' Compensation Account.

**Fiduciary Fund Types**

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District. When these assets are held under the terms of a formula trust agreement, either a private purpose trust fund or a permanent fund is used. The terms "permanent" and "private purpose" refer to whether or

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

not the District is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the District holds on behalf of others as their agent and do not involve measurement of results of operations.

The District reports the following non-major fiduciary funds:

Private Purpose Trust Funds – Gifts Fund – The gifts fund is a private-purpose trust fund to account for donations received for the benefit of specified individuals associated with the District. This fund was not active during the current fiscal year.

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

**Account Group**
Account groups are not funds and consist of a self-balancing set of accounts used only to establish accounting control over long-term debt and fixed assets.

General Long-Term Debt Account Group - This account group was established to account for all long-term debt of the District, which is offset by the amount available in the debt service fund and the amount to be provided in future years to complete retirement of the debt principal. It is also used to account for other liabilities (judgments and lease purchases), which are to be paid from funds provided in future years.

*C. Basis of Accounting and Measurement Focus*

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

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

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

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

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

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

*D. Budget and Budgetary Accounting*

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

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable fund balance is utilized in all governmental funds of the District. Appropriations which are not spent lapse at the end of the fiscal year and encumbrances are reversed. On the first day of the following fiscal year, the encumbrances are reinstated and the expenditures are applied against the year's budget. At the beginning of the next year, prior year encumbrances are reviewed and some are reestablished. There were no material encumbrances which lapsed at June 30, 2024 and were reinstated during fiscal year 2025.

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

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

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

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

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

The capitalization threshold is $5,000. All purchased capital assets are valued at cost when historical records exist and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their fair market value on the date donated.

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

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

| Type of Asset | Years |
|---|---|
| Buildings and renovations | 45 |
| Furniture and accessories | 5-20 |
| Equipment and appliances | 7-15 |
| Computer software/hardware | 5 |
| Vehicles/buses | 6 |

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

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

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

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

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

Compensated Absences – The District's policy allows employees to accumulate unused sick leave from year to year as long as employees remain continuously in the Midwest City-Del City School system. Maximum number of days that can be accumulated for purposes of sick leave cannot exceed one hundred twenty (120) days at the beginning of the school year. For the purposes of sick leave reimbursement upon retirement or resignation, the district pays for all sick leave accrued during employment not previously paid for by the Midwest City-Del City School District.

A twelve-month salaried employee is eligible for twelve (12) days paid vacation each year accrued at the rate of one (1) day per month. Twelve-month employees may carry over vacation days up to a maximum of twenty-four (24) days. Upon retirement or resignation, the District will reimburse an employee for accrued vacation at the employee's regular daily rate of pay.

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

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

The liability for compensated absences attributable to the District's governmental funds is recorded in the government-wide financial statements. A liability for those amounts is recorded in governmental funds only if the liability has matured as a result of employee resignations or retirements.

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

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

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

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

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

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

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

Restricted Net Position – This component of net position reports the difference between assets, deferred inflows/outflows of resources and liabilities of certain programs or funds that consist of assets with constraints placed on their use by either external parties and/or enabling legislation. Net position restricted by enabling legislation consists of $4,093,980 for debt service, $4,804,229 for child nutrition and $23,003,226 for buildings.

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.

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

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

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

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

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

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

Committed Fund Balance – contd.
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 the Superintendent and Deputy Superintendent of Fiscal Services to assign funds for specific purposes.

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

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

*F. Revenue and Expenditures*

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

1. **Summary of Significant Accounting Policies-** contd.
   F. *Revenue and Expenditures – contd.*

Local Revenues – contd.

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

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

Other Local sources of revenues include tuition, fees, rentals, disposals, commissions and reimbursements. The District also enters into agreements each year between the Board of Education for the Midwest City-Del City Lewis Eubanks Technical Center and the Board of Trustees for the Rose State College Technical Area Education District. Under these agreements, the Mid-Del School District receives 50 percent of total collections for the fiscal year.

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

After review and verification of reports and supporting documentation, the State Department of Education may adjust subsequent fiscal period allocations of money for prior year errors disclosed by review. Normally such adjustments are treated as reductions or additions of revenue of the year when the adjustment is made. The District receives revenue from the state to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for these programs be expended only for the program which the money is provided and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical programs. The State Department of Education requires that categorical education program revenues be accounted for in the general fund. The aforementioned state revenues are apportioned to the District's General Fund.

1. **Summary of Significant Accounting Policies**- contd.
   F. *Revenue and Expenditures*- contd.

Federal Revenues – Federal revenues consist of revenues from the federal government in the form of operating grants or entitlements. An operating grant is a contribution to be used for a specific purpose, activity or facility. A grant may be received either directly from the federal government or indirectly as a pass-through from another government, such as the state. An entitlement is the amount of payment to which the District is entitled pursuant to an allocation formula contained in applicable statutes. The majority of the federal revenues are apportioned to the General and Technology Center Funds. The District maintains a separate Child Nutrition Fund and the federal revenues received for the child nutrition programs are apportioned there.

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

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

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

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

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

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

1. **Summary of Significant Accounting Policies-** contd.
F. *Revenue and Expenditures-* contd.

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

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

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

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

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

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

2. **Deposits**

Custodial Credit Risk – Deposits

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

2. **Deposits** – contd.

The District had cash deposits at financial institutions with a book balance of approximately $88,799,384 at June 30, 2025. The bank balance of these deposits was approximately $93,308,145. The difference between the bank balance and book balance are the outstanding checks and deposits.

Custodial Credit Risk – Investments

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

Concentration of Credit Risk:

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

a. Direct obligations of the United State Government to the payment of which the full faith and credit of the government is pledged.

b. Obligations to the payment of which the full faith and credit of the state is pledged.

c. Certificates of deposits of banks when such certificates of deposits are secured by acceptable collateral as in the deposit of other public monies.

d. Savings accounts or savings certificates of saving and loan associations to the extent that such accounts or certificates are fully insured by the Federal Saving and Loan Insurance Corporation.

e. Repurchase agreements that have underlying collateral consisting of those items specified in paragraphs 1 and 2 of this section including obligations of the United States, its agencies and instrumentalities, and where collateral has been deposited with a trustee of custodian bank in an irrevocable trust or escrow account established for such purposes.

2. **Deposits –** contd.

f. County, municipal or school district direct debt obligations for which an ad valorem tax may be levied or bond and revenue anticipation notes, money judgments against such county, municipality or school district ordered by a court of record or bonds or bond and revenue anticipation notes issued by a public trust for which such county, municipality or school district is a beneficiary thereof. All collateral pledged to secure public funds shall be valued at no more than market value.

g. Money market mutual funds regulated by the Securities and Exchange Commission and which investments consist of obligations of the United States, its agencies and instrumentalities, and investments in those items listed above.

h. Warrants, bonds, or judgments of the school district.

i. Qualified pooled investment programs, the investments of which consist of those items specified above, as well as obligations of the United States agencies and instrumentalities, regardless of the size of the district's budget. To be qualified, a pooled investment program for the school funds must be governed through an Interlocal cooperative agreement formed pursuant to Title 70 Section 5-117b, and the program must competitively select its investment advisors and other professional. Any pooled investment program must be approved by the Board of Education.

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

Interest Rate Risk:

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

## 3. Receivables

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

| | | | | | | Other Governmental Funds | |
|---|---|---|---|---|---|---|---|
| | General | Debt Service | Building | Tech Center | Tech Building | Child Nutrition | Internal Service |
| Receivables | | | | | | | |
| Ad valorem | $ 1,148,962 | 1,005,262 | 165,048 | | | | |
| Federal grants | 3,247,186 | | | 162,026 | | | |
| Local & intermediate | 61,559 | | | 429,507 | 219,725 | 1,334 | - |
| State dedicated revenue | 177,414 | | | 53,260 | | | |
| **Total receivables** | $ 4,635,121 | 1,005,262 | 165,048 | 644,793 | 219,725 | 1,334 | - |

The government-wide financial statements also include other receivables of approximately $239 million for amounts available to draw down on the capital lease (see Note 5).

## 4. Capital Assets

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

| | Balance June 30, 2024 | Additions | Transfers | Disposals | Balance June 30, 2025 |
|---|---|---|---|---|---|
| **Governmental activities:** | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land | $ 16,372,412 | | | | 16,372,412 |
| Construction in progress | 1,990,821 | 18,604,226 | (4,363,220) | | 16,231,827 |
| **Total capital assets not being depreciated** | 18,363,233 | 18,604,226 | (4,363,220) | - | 32,604,239 |
| Capital assets being depreciated: | | | | | |
| Buildings and renovations | 319,751,136 | | 4,363,220 | | 324,114,356 |
| Furniture and assessories | 529,410 | | | | 529,410 |
| Equipment and appliances | 20,054,296 | 2,994,094 | | | 23,048,390 |
| Computer software/hardware | 9,806,544 | | | | 9,806,544 |
| Vehicles/buses | 14,252,257 | | | | 14,252,257 |
| **Total capital assets being depreciated** | 364,393,643 | 2,994,094 | 4,363,220 | - | 371,750,957 |
| Less: accumulated depreciation | 161,154,880 | 8,535,668 | | | 169,690,548 |
| **Total capital assets being depreciated, net** | 203,238,763 | (5,541,574) | 4,363,220 | - | 202,060,409 |
| **Total Capital assets, net** | $ 221,601,996 | 13,062,652 | - | - | 234,664,648 |

Depreciation expense on the government-wide statement of activities includes $7,522,517 in expense under instruction and $1,013,151 in expense under support services.

## 5. General Long-Term Debt

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

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

| | Balance June 30, 2024 | Additions | Retirements | Balance June 30, 2025 | Due within one year |
|---|---|---|---|---|---|
| Bonds payable | $ 52,360,000 | 14,440,000 | 17,110,000 | 49,690,000 | 2,870,000 |
| Premium on bonds | 3,585,706 | 296,941 | 1,526,763 | 2,355,884 | 1,523,387 |
| Leases payable | 268,572,475 | | 10,010,825 | 258,561,650 | 12,305,825 |
| Premium on leases | 27,651,433 | | 1,301,600 | 26,349,833 | 1,301,600 |
| Debt issuance costs | (3,055,468) | | (143,745) | (2,911,723) | |
| Compensated absences | 2,535,691 | | 146,982 | 2,388,709 | |
| Net pension liability | 102,377,120 | | 4,492,590 | 97,884,530 | |
| Total | $ 454,026,957 | 14,736,941 | 34,445,015 | 434,318,883 | 18,000,812 |

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

| | Amount outstanding |
|---|---|
| General Obligation Bonds, Series 2020B, original issue $1,400,000, interest rate of 0.75%, due in annual installments of $350,000 beginning on 9-1-21; | $ 350,000 |
| General Obligation Bonds, Series 2021, original issue $1,500,000, interest rate of 0.7-2.0%, due in annual installments of $375,000 beginning on 7-1-23; | 375,000 |
| Combined Purpose Bonds, Series 2021, original issue $14,620,000, interest rate of 1.0-2.0%, due in annual installments of $3,655,000 beginning on 7-1-23; | $ 3,655,000 |

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

| | Amount outstanding |
|---|---|
| Combined Purpose Bonds, Series 2022, original issue $19,875,000, interest rate of 4.0%, due in an initial installment of $3,540,000 on 7-1-24, annual installments thereafter of $5,445,000 beginning on 7-1-25; | $ 10,890,000 |
| Building Bonds, Series 2023B, original issue $7,560,000, interest rate of 4.0%, due in installments of $2,520,000 beginning 12-1-25, final payment due on 12-1-27; | 7,560,000 |
| Combined Purpose Bonds, Series 2023, original issue $14,960,000, interest rate of 4.0%, due in an initial installment of $2,540,000 on 7-1-25, annual installments thereafter of $4,140,000 beginning on 7-1-26; | 12,420,000 |
| Building Bonds, Series 2024B, original issue $1,350,000, interest rate of 5.5%, due in one installment on 7-1-26; | 1,350,000 |
| Combined Purpose Bonds, Series 2024, original issue $13,090,000, interest rate of 4.0%, due in an initial installment of $2,260,000 on 7-1-26, annual installments thereafter of $3,610,000 beginning on 7-1-27; | 13,090,000 |
| Totals | $ 49,690,000 |

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

| Year ending June 30 | Principal | Interest | Total |
|---|---|---|---|
| 2026 | $ 2,870,000 | 852,475 | 3,722,475 |
| 2027 | 19,745,000 | 1,528,269 | 21,273,269 |
| 2028 | 15,715,000 | 840,900 | 16,555,900 |
| 2029 | 7,750,000 | 371,600 | 8,121,600 |
| 2030 | 3,610,000 | 144,400 | 3,754,400 |
| Total | $ 49,690,000 | 3,737,644 | 53,427,644 |

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

Lease-purchase agreements

The District entered into a lease-purchase agreement dated 1-10-2024 for 700 Apple Macbook Air computers totaling $1,063,300, due in annual principal and interest installments of $265,825, beginning 1-10-24, final payment due 7-10-26. The outstanding balance as of June 30, 2025 was $531,650.

Annual principal and interest payments for lease purchase agreements are as follows:

| Year ending June 30 | Payment |
|---|---|
| 2026 | $265,825 |
| 2027 | 265,825 |
| Total | $531,650 |

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

Compensated Absences:

Compensating absences represent the estimated liability for employees accrued vacation and sick leave for which employees are entitled to be paid upon termination or resignation. The liability at June 30, 2025 totaled $2,388,709 and is recorded as long-term debt of the District in the government-wide financial statements. The retirement of this liability is liquidated by the general fund or special revenue funds based on the assignment of the employee at termination or resignation. Below is the liquidation by fund:

| | |
|---|---|
| General Fund | $ 2,056,143 |
| Tech Center | 203,002 |
| Child Nutrition | 129,564 |
| Total | $ 2,388,709 |

Capital Leases:

In February 2019, the school district entered into a Ground Lease Agreement with the Oklahoma County Finance Authority (the "Authority") under which the district is leasing certain land upon which the Authority will construct improvements from the proceeds of $77,060,000 in revenue bonds sold for that purpose. Improvements are to be constructed for so long as there are obligations outstanding, which are secured by the Ground Lease Agreement. The improvements to be constructed by the Authority consist of stadium renovations to Carl Albert Harris, Del City Kalsu, and Midwest City Darnell Stadiums, improvements to Kerr Middle School, Carl Albert Middle School, Monroney Middle School and Schwartz Elementary, Del City and Midwest City High School Performing Arts Centers renovations and various reoccurring District-wide projects. These facilities will be leased by the Authority to the school district pursuant to a sublease agreement enter into as of February 1, 2018. The sublease agreement between the Authority and the Mid-Del School District enables the district to lease back the property leased in the ground lease and utilized the proceeds of the revenue bonds (issued by the Authority) for the construction and improvements on the property. The sublease agreement also provides a mechanism for the district to obtain title to the improvements free and clear of security interest. The District intends to finance the sublease agreements lease payments through a periodic issuance of Building Bonds which were authorized and approved by school district voters at an election held on October 10, 2017. These bonds are scheduled to be issued on dates, and in amounts, which coincide with sublease rental payments.

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

Capital Leases:

The Oklahoma County Finance Authority issued additional Educational Facilities Lease Revenue Bonds in subsequent years as follows:

- February 1, 2024, issued $233.3 million, Series 2024

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

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

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

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

| Year ending June 30 | Amount |
|---|---|
| 2026 | $ 24,640,500 |
| 2027 | 27,494,875 |
| 2028 | 12,383,125 |
| 2029 | 12,221,875 |
| 2030 | 16,541,875 |
| 2031-2035 | 94,207,000 |
| 2036-2040 | 105,006,875 |
| 2041-2045 | 119,807,875 |
| 2046-2050 | 8,179,500 |
| Total minimum lease payments | 420,483,500 |
| Less amount representing interest | (162,453,500) |
| Present value of minimum lease payments | $ 258,030,000 |

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

Capital Leases – cont'd

Pursuant to the sublease agreement, the District is also required to make the following rental payments:

| Year ending June 30 | Rental Payments |
|---|---|
| 2026 | $ 6,000 |
| 2027 | 3,000 |
| 2028 | 3,000 |
| 2029 | 3,000 |
| 2030 | 3,000 |
| 2031-2035 | 15,000 |
| 2036-2040 | 15,000 |
| 2041-2045 | 15,000 |
| 2046-2050 | 1,500 |
| Total | $ 64,500 |

6. **Operating Leases**

The District leases various business machines under operating lease agreements. The lease agreements are generally for one-year terms and subject to annual ratification. Management expects that in the normal course of business, leases that expire for the business machines will be renewed or replaced by other leases. The total rent expenditures were approximately $348,237 for the year ended June 30, 2025.

Minimum future lease commitments under leases payable are as follows:

| June 30 | Amount |
|---|---|
| 2026 | $ 81,168 |
| 2027 | 81,168 |
| 2028 | 54,112 |
| Total | $ 216,448 |

## 7. Employee Retirement System

### Oklahoma Teachers Retirement System

Plan Description:

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

Benefits Provided:

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

*Benefit Provisions Include*:

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

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

service credit accumulated prior to July 1, 1995 to $40,000 or $25,000, depending on the member's election. Monthly benefits are 1/12 of the amount. Service credits accumulated after June 30, 1995 are calculated based on each member's final average compensation, except for certain employees of the two comprehensive universities. Upon the death of a member who has not yet retired, the designated beneficiary shall receive the member's total contributions plus 100 percent of interest earned through the end of the fiscal year, with interest rates varying based on time of service. A surviving spouse of a qualified member was entitled to at the time of death as provided under the Joint Survivor Benefit Option.

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

Contributions:

The contribution requirements of OTRS are at an established rate determined by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 7 percent of their annual compensation. The District paid the employees' required contribution. The amount paid by the District for employees totaled approximately $5.2 million for the year ended June 30, 2025. The District's contribution rate is 9.5 percent for the year ended June 30, 2025. In addition, the District is required to match the State's contribution rate on salaries that are paid with federal funds. The District's contributions to OTRS in 2025 were $8.5 million, equal to the annual required contributions each year. The District's matching contributions to OTRS in 2025 were $0.7 million.

The State makes a contribution on behalf of each teacher meeting minimum salary requirements (known as the OTRS years of services credit). The credit amount is determined based on years of services and ranges from $60.15 per year for 0 years of service to $1,410.53 per year for 25 years or more of service. For the fiscal year ended June 30, 2025, the State paid approximately $654,228 on behalf of teachers employed at the District. In accordance with generally accepted accounting practices, the District recognized the on-behalf-of payments as revenue and expense/expenditure in the government wide and fund financial statements. These on behalf payments do not meet the definition of a special funding situation.

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

The State of Oklahoma is also required to contribute to the System on behalf of the participating employers. For 2025, the State of Oklahoma contributed 5 percent of state revenues from sales and use taxes and individual income taxes, to the System on behalf of participating employers. The District has estimated the amounts contributed to the System by the State of Oklahoma on its behalf based on a contribution rate provided to the District. For the year ended June 30, 2025, the total amount contributed to the System by the State of Oklahoma on behalf of the District was approximately $7.56 million. In accordance with generally accepted accounting practices, District recognized the on-behalf-of payments as revenue and expense/expenditure in the government fund financial statements. These on-behalf payments do not meet the definition of a special funding situation.

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

At June 30, 2025, the District reported a liability of $97,884,530 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024. The District's proportion of the net pension liability was based on the District's contributions to OTRS relative to total contributions of OTRS for all participating employees for the year ended June 30, 2024. Based upon this information, the District's proportion was 1.48598206 percent.

For the year ended June 30, 2025, the District recognized pension expense of $15,233,453. June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ 6,921,089 | (1,512,494) |
| Changes in Assumptions | 1,073,591 | (4,199,027) |
| Net difference between projected and actual earnings on pension plan investments | | (3,346,444) |
| Changes in proportionate and differences between District contributions and proportionate share of contributions | - | - |
| District contributions subsequent to the measurement date | 8,496,124 | - |
| Total | $16,490,804 | (9,057,965) |

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

Deferred pension outflows totaling $8.5 million resulting from the District's contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. The net deferred pension inflows totaling approximately $9.0 million will be recognized in pension expense using the average expected remaining life of the Plan. The average expected remaining life of the Plan is determined by taking the calculated total future service years of the Plan divided by the number of people in the Plan including retirees. The total future service years of the Plan are estimated at 5.4 years at June 30, 2024 and are determined using the mortality, termination, retirement and disability assumptions associated with the Plan.

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

| Year ended June 30 | Amount |
|---|---|
| 2025 | $ (3,990,855) |
| 2026 | 7,763,856 |
| 2027 | (2,725,526) |
| 2028 | (2,276,240) |
| 2029 | 165,480 |
| Total | $ (1,063,285) |

Actuarial Assumptions:

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

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

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

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

2008 Legislative Session: a 2.00% ad hoc cost-of-living adjustment (COLA) was provided, effective July 1, 2008. All retirees who retired before July 1, 2007 were eligible, including disabled retirees, special retirees and beneficiaries receiving payments.

2020 Legislative Session: a cost-of-living (COLA) was provided ranging from 2.00% to 4.00% based on the retirement date, effective July 1, 2020. All retirees who retired before July 1, 2019 were eligible, including disabled retirees, special retirees, and beneficiaries receiving payments.

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 expecting inflation.

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

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

* - The Real Estate total expected return is a combination of Core Real Estate (25% leverage) and Non-Core Real Estate (100% leverage)

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

Discount Rate:

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

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

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

| | 1% Decrease (6.0%) | Current Discount Rate (7.0%) | 1% Increase (8.0%) |
|---|---|---|---|
| District's net pension liability | $ 149,501,018 | $ 97,884,530 | $ 54,886,759 |

## 8. Sanctioned Organizations

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

Barnes Elementary PTA
Cleveland Bailey PTSA
Country Estates Elem. PTA
Del City Elementary PTA
East Side Elementary PTA
Epperly Heights Elem. PTA
Highland Park Elementary PTA
Parkview Elementary PTA
Pleasant Hill Elementary PTA
Ridgecrest Elementary PTA
Schwartz Elementary PTA
Soldier Creek Elementary PTA
Soldier Creek Natural Notes Parents Association
Tinker Elementary PTA
Townsend Elementary PTA
Carl Albert MS Band Parents Club
CAMS Cheer Parent Assoc.
Carl Albert MS Pom
Carl Albert MS PTSA
Carl Albert MS Swim
Carl Albert MS Vocal Music
Carl Albert MS Mat Club
Del Crest MS Bank Boosters
Del Crest MS Orchestra
Del Crest MS Choral Booster
Del Crest MS PTA
Jarman MS Band Parents Assoc.
Jarman MS Cheerleaders
Jarman MS PTSA
Kerr MS Band Parent Association
Kerr MS Cheer Booster Club
Kerr MS PTSA
Monroney MS Band Boosters
Monroney MS Orchestra
Monroney MS Cheer Booster Club
Monroney MS PTA
Carl Albert HS Band Boosters
Carl Albert HS Homerun Club
Carl Albert HS Basketball Tip In Club
CAHS Cheerleader Parent Account
Carl Albert HS Cross Country
Carl Albert HS Quarterback Club
Carl Albert HS Pom Pon Booster Club
Carl Albert HS PTSA
CAHS Titans Soccer Boosters
Carl Albert HS Softball Booster Club
Carl Albert HS Swim Club
CAHS Vocal Music Booster Club
Carl Albert HS Sideout Booster Club
Carl Albert Orchestra Booster
Carl Albert HS Track
Carl Albert HS Takedown Club
Del City HS Band Boosters
Del City HS Homerun Club
DC Tip-In-Club
Del City HS Quarterback Club
Del City HS Midfielders Booster Club
MCHS Boys Basketball Tip In Club
Del City HS Fastpitch
DCHS Swim Team Parents Assc.
DCHS Aires Patrons Organization
DCHS Orchestra Boosters
Del City HS Volleyball Booster Club
Del City HS Take Down Club
MCHS Band Parents Association
Midwest City HS Homerun Club
MCHS Girls BB Booster Club
Midwest City HS Boys Basketball
MCHS Cheer Parent Booster
Midwest City HS Quarterback Club
MCHS Bomber Golf Boosters
Midwest City HS Pom Pon Squad
MCHS Soccer Booster Club
Midwest City HS Swim Club
MCHS Lady Bomber Softball Booster
Midwest City HS Volleyball
MCHS Chorus Booster Club
Midwest City HS Bomber Mat Club
Mid-Del Orchestra
Mid-Del PTA Council

## 9. Risk Management

The District administered a self-insurance workers' compensation fund for District employees until June 30, 2018. Currently, the District is now insured through Oklahoma Schools Assurance Group (OSAG). The self-insurance program was administered by an independent third-party and covers workers' compensation expenses for employees. In order to mitigate the risk associated with this program, the District has purchased individual "stop loss" insurance of $1,000,000. The District made payments to the internal service fund based on estimates of the amounts needed to pay prior and current year claims. As of the end of the fiscal year, it was determined that the liability for incurred claims approximately $81,309. Changes in the claims liability were as follows:

| Fiscal Year | Beginning Balance | Claims Incurred | Claims Paid | Ending Balance |
|---|---|---|---|---|
| 2024-2025 | $ 111,312 | - | (30,003) | $ 81,309 |

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

The full amount of the claims liability at June 30, 2025 is expected to be paid during fiscal year 2025.

## 10. Surety Bonds

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

| | | | |
|---|---|---|---|
| Superintendent | $ 100,000 | Director of Accounting | $ 25,000 |
| Treasurer | 350,000 | Child Nutrition Director | 25,000 |
| Assistant Treasurer | 350,000 | Accounts Payable Clerk | 25,000 |
| Encumbrance Clerk | 100,000 | Child Nutrition Clerk | 25,000 |
| Payroll Clerk | 100,000 | Activity Clerk | 25,000 |
| Treasurer's Clerk | 100,000 | Deputy Minutes Clerk | 25,000 |
| Minutes Clerk | 25,000 | | |

## 11. New/Adopted Pronouncements

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

*Issued Not Yet Adopted:*

- GASB issued Statement No. 103, *Financial Reporting Model Improvements, issued April 2024*. This Statement updates key components of the financial reporting model to enhance the effectiveness in providing information that is essential for decision making and assessing a government's accountability and addresses certain application issues. The requirements of this Statement are effective for periods beginning after June 15, 2025. GASB 103 will be implemented in the District's fiscal year 2026 financial statements.

- GASB issued Statement No. 104, *Disclosure of Certain Capital Assets, issued September 2024*. This Statement requires new, separate disclosures for certain capital assets in the notes to financial statements, including lease assets, intangible right to use assets, and subscription-based information technology arrangements (SBITAs), by major class of underlying asset. It also establishes new criteria for identifying and disclosing capital assets held for sale. The requirements of this Statement are effective for periods beginning after June 15, 2025. GASB 104 will be implemented in the District's fiscal year 2026 financial statements.

## 12. Subsequent Events

Management has evaluated subsequent events through the date of the audit report, which is the date the financial statements were available to be issued and have determined that no additional information needs to be added to the financial statements.

# REQUIRED SUPPLEMENTARY INFORMATION

**INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY**
**REQUIRED SUPPLEMENTARY INFORMATION**
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**
**FOR THE YEAR ENDED JUNE 30, 2025**
**LAST 10 YEARS**

| | As of June 30, | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Proportion of the net pension liability | 1.48% | 1.33% | 1.44% | 1.55% | 1.67% | 1.66% | 1.66% | 1.75% | 1.65% | 1.66% |
| Proportionate share of the net pension liability | $ 97,884,530 | $ 102,377,120 | $118,201,138 | $ 79,290,697 | $ 158,626,216 | $109,967,540 | $ 100,183,700 | $ 115,630,011 | $ 137,373,683 | $ 100,913,059 |
| Covered payroll | $ 79,205,452 | $ 80,157,620 | $ 76,167,770 | $ 75,133,999 | $ 74,862,779 | $ 79,291,499 | $ 76,626,141 | $ 64,032,397 | $ 66,932,668 | $ 66,929,860 |
| Proportionate share of the net pension liability as percentage of covered-employee payroll | 123.58% | 127.72% | 155.19% | 105.53% | 211.89% | 138.69% | 130.74% | 180.58% | 205.24% | 150.77% |
| Plan's fiduciary net position | $ 90,451,690 | $ 82,780,302 | $ 88,851,124 | $ 98,834,732 | $ 115,008,081 | $ 98,095,686 | $ 96,697,773 | $ 108,410,195 | $ 100,706,830 | $ 110,226,600 |
| Plan fiduciary net position as a percentage of the total pension liability | 92.41% | 80.86% | 75.17% | 124.65% | 72.50% | 89.20% | 96.52% | 93.76% | 73.31% | 109.23% |

**INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY**
**REQUIRED SUPPLEMENTARY INFORMATION**
**SCHEDULE OF THE DISTRICT CONTRIBUTIONS**
**FOR THE YEAR ENDED JUNE 30, 2025**

| | Statutorily Required Contribution | Contributions in Relation to the Statutorily Required Contribution | Contributions Deficiency (Excess) | District's Covered-Employee Payroll | Contributions as a Percentage of Covered Employee Payroll |
|---|---|---|---|---|---|
| 2025 | $ 8,496,124 | 8,496,124 | - | 79,205,452 | 10.73% |
| 2024 | 8,596,587 | 8,596,587 | - | 80,157,620 | 10.72% |
| 2023 | 7,813,965 | 7,813,965 | - | 76,167,770 | 10.26% |
| 2022 | 7,814,149 | 7,814,149 | - | 75,133,999 | 10.40% |
| 2021 | 7,747,150 | 7,747,150 | - | 74,862,779 | 10.35% |
| 2020 | 8,131,088 | 8,131,088 | - | 79,291,499 | 10.25% |
| 2019 | 7,892,184 | 7,892,184 | - | 76,626,141 | 10.30% |
| 2018 | 6,777,253 | 6,777,253 | - | 65,819,885 | 10.30% |
| 2017 | 6,648,486 | 6,648,486 | - | 64,032,397 | 10.38% |
| 2016 | 6,993,055 | 6,993,055 | - | 66,932,668 | 10.36% |

Notes to Required Supplementary Information:

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

| | |
|---|---|
| January 1, 2010 to present | 9.50% |

**INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY**
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**
**YEAR ENDED JUNE 30, 2025**

| | Budgeted Amounts | | Actual | Variance |
|---|---|---|---|---|
| | Original | Final | (budgetary basis) | (final budget) |
| Revenues: | | | | |
| Property tax | $ 24,203,633 | 25,144,860 | 25,311,845 | (166,985) |
| Interest | 1,000,000 | 1,800,000 | 1,903,896 | (103,896) |
| County | 4,650,000 | 5,130,554 | 5,189,998 | (59,444) |
| State | 70,143,843 | 71,374,237 | 71,407,206 | (32,969) |
| Federal | 11,584,342 | 12,404,823 | 12,987,365 | (582,542) |
| Local | 217,000 | 285,185 | 556,717 | (271,532) |
| **Total revenues** | 111,798,818 | 116,139,659 | 117,357,027 | (1,217,368) |
| Expenditures: | | | | |
| Instruction | 69,125,540 | 66,403,845 | 65,575,097 | 828,748 |
| Support services | 50,713,229 | 50,610,894 | 50,555,575 | 55,319 |
| Non-instructional services | 252,360 | 123,390 | 113,646 | 9,744 |
| Other outlays | 154,581 | 154,581 | 128,706 | 25,875 |
| **Total expenditures** | 120,245,710 | 117,292,710 | 116,373,024 | 919,686 |
| **Excess (deficiency) of revenues over (under) expenditures** | (8,446,892) | (1,153,051) | 984,003 | (2,137,054) |
| Other financing sources (uses): | | | | |
| Non-revenue receipts | 184,133 | 248,259 | | 248,259 |
| **Total other financing sources** | 184,133 | 248,259 | - | 248,259 |
| **Net change in fund balance** | (8,262,759) | (904,792) | 984,003 | (1,888,795) |
| Fund balance, beginning of year | 14,974,995 | 20,346,185 | 20,346,185 | - |
| Cash fund balance, end of year *budgetary basis* | $ 6,712,236 | 19,441,393 | 21,330,188 | (1,888,795) |
| Adjustments to conform with GAAP | | | | |
| Inventory | | | 286,295 | |
| Receivables at year end less unavailable revenues | | | 3,694,232 | |
| Accounts payable at year end | | | (233,548) | |
| Fund balance, end of year - *modified accrual basis* | | | $ 25,077,167 | |

**INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY**
**BUDGETARY COMPARISON SCHEDULE - BUILDING FUND**
**YEAR ENDED JUNE 30, 2025**

| | Budgeted Amounts | | Actual | Variance |
|---|---|---|---|---|
| | Original | Final | (budgetary basis) | (final budget) |
| Revenues: | | | | |
| Property tax | $ 3,437,420 | 3,580,108 | 3,612,638 | (32,530) |
| State | 1,400,000 | 2,703,036 | 2,702,916 | 120 |
| Federal | 82,916 | 83,833 | 88,156 | (4,323) |
| Local | 193 | 13,641 | 21,261 | (7,620) |
| **Total revenues** | 4,920,529 | 6,380,618 | 6,424,971 | (44,353) |
| Expenditures: | | | | |
| Instruction | 242,460 | | | - |
| Support services | 7,312,808 | 7,430,788 | 5,634,923 | 1,795,865 |
| Capital outlays | 157,697 | 149,879 | 141,454 | 8,425 |
| **Total expenditures** | 7,712,965 | 7,580,667 | 5,776,377 | 1,804,290 |
| **Net change in fund balance** | (2,792,436) | (1,200,049) | 648,594 | 1,848,643 |
| Fund balance, beginning of year | 7,821,113 | 8,993,929 | 8,993,929 | - |
| Cash fund balance, end of year *budgetary basis* | $ 5,028,677 | 7,793,880 | 9,642,523 | 1,848,643 |
| Adjustments to conform with GAAP | | | | |
| Inventory | | | 239,919 | |
| Receivables at year end less unavailable revenues | | | 30,914 | |
| Accounts payable at year end | | | (318,972) | |
| Fund balance, end of year - *modified accrual basis* | | | $ 9,594,384 | |

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# OTHER SUPPLEMENTARY INFORMATION

**INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY**
**COMBINING BALANCE SHEET - OTHER GOVERNMENTAL FUNDS**
**JUNE 30, 2025**

| | Special Revenue Funds | | | |
|---|---|---|---|---|
| | Child Nutrition Fund | Custodial Funds | Casualty/ Insurance Fund | Total Other Governmental Funds |
| **Assets** | | | | |
| Cash and cash equivalents | $ 4,928,777 | 2,552,560 | 2,211,845 | 9,693,182 |
| Receivables net of allowance for uncollectibles | 1,334 | | | 1,334 |
| Inventories | 331,424 | | | 331,424 |
| **Total assets** | 5,261,535 | 2,552,560 | 2,211,845 | 10,025,940 |
| **Liabilities, Deferred Inflows of Resources, and Fund Balances** | | | | |
| **Liabilities** | | | | |
| Accounts payable | 239,292 | 27,976 | 294,920 | 562,188 |
| Accrued wages | 218,014 | | | 218,014 |
| **Total liabilities** | 457,306 | 27,976 | 294,920 | 780,202 |
| **Fund Balances** | | | | |
| Nonspendable: | | | | |
| Inventory | 331,424 | | | 331,424 |
| Restricted fund balances: | | | | |
| Custodial funds | | 2,524,584 | | 2,524,584 |
| Child nutrition | 4,472,805 | | | 4,472,805 |
| Assigned | | | 1,916,925 | 1,916,925 |
| **Total fund balances** | 4,804,229 | 2,524,584 | 1,916,925 | 9,245,738 |
| **Total liabilities, deferred inflows of resources, and fund balances** | $ 5,261,535 | 2,552,560 | 2,211,845 | 10,025,940 |

See Notes to Basic Financial Statements

**INDEPENENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY**
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**
**IN FUND BALANCES - GOVERNMENTAL FUNDS**
**JUNE 30, 2025**

| | Special Revenue Funds | | | |
|---|---|---|---|---|
| | Child Nutrition Fund | Custodial Funds | Casualty/ Insurance Fund | Total Other Governmental Funds |
| Revenues: | | | | |
| Interest | $ 264,866 | 54,949 | | 319,815 |
| State | 454,539 | | | 454,539 |
| Federal | 5,706,787 | 352,450 | | 6,059,237 |
| Local | 154,579 | 2,952,069 | 1,145,069 | 4,251,717 |
| Other | 2,975 | 373,820 | | 376,795 |
| **Total revenues** | 6,583,746 | 3,733,288 | 1,145,069 | 11,462,103 |
| Expenditures: | | | | |
| Instruction | | 718,486 | 24,860 | 743,346 |
| Support services | | 1,816,841 | 188,763 | 2,005,604 |
| Non-instruction services | 5,713,203 | 544,897 | | 6,258,100 |
| Capital outlays | | | 294,920 | 294,920 |
| Other outlays | 2,975 | 594,320 | | 597,295 |
| **Total expenditures** | 5,716,178 | 3,674,544 | 508,543 | 9,899,265 |
| **Net change in fund balances** | 867,568 | 58,744 | 636,526 | 1,562,838 |
| Fund balance, beginning of year | 3,936,661 | 2,465,840 | 1,280,399 | 7,682,900 |
| Fund balance, end of year | $ 4,804,229 | 2,524,584 | 1,916,925 | 9,245,738 |

See Notes to Basic Financial Statements

**INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY**
**BUDGETARY COMPARISON SCHEDULE - DEBT SERVICE FUND**
**YEAR ENDED JUNE 30, 2025**

| | Budgeted Amounts | | Actual | Variance |
|---|---|---|---|---|
| | Original | Final | (budgetary basis) | (final budget) |
| Revenues: | | | | |
| Property tax | $ 20,698,123 | 21,760,485 | 21,942,650 | (182,165) |
| Interest | | 13,286 | 13,286 | - |
| State | 1,000 | 671 | 671 | - |
| **Total revenues** | 20,699,123 | 21,774,442 | 21,956,607 | (182,165) |
| Expenditures: | | | | |
| Other outlays | 10,000 | | | - |
| Debt service | 19,990,000 | 19,303,534 | 19,753,530 | (449,996) |
| **Total expenditures** | 20,000,000 | 19,303,534 | 19,753,530 | (449,996) |
| **Excess (deficiency) of revenues over (under) expenditures** | 699,123 | 2,470,908 | 2,203,077 | 267,831 |
| Other financing sources, bond premium | | 296,941 | 296,941 | - |
| **Net change in fund balance** | 699,123 | 2,767,849 | 2,500,018 | 267,831 |
| Fund balance, beginning of year | 1,760,924 | 1,410,860 | 1,410,860 | - |
| Cash fund balance, end of year *budgetary basis* | $ 2,460,047 | 4,178,709 | 3,910,878 | 267,831 |
| Adjustments to conform with GAAP | | | | |
| Receivables at year end less unavailable revenues | | | 183,102 | |
| Fund balance, end of year - *modified accrual basis* | | | $ 4,093,980 | |

**INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY**
**BUDGETARY COMPARISON SCHEDULE - CHILD NUTRITION FUND**
**YEAR ENDED JUNE 30, 2025**

| | Budgeted Amounts | | Actual | Variance |
|---|---|---|---|---|
| | Original | Final | (budgetary basis) | (final budget) |
| Revenues: | | | | |
| Interest | $ 150,000 | 236,000 | 264,866 | (28,866) |
| State | 416,002 | 454,539 | 454,539 | - |
| Federal | 5,272,655 | 5,644,784 | 5,718,809 | (74,025) |
| Local | 50,000 | 130,701 | 160,792 | (30,091) |
| **Total revenues** | 5,888,657 | 6,466,024 | 6,599,006 | (132,982) |
| Expenditures: | | | | |
| Non-instructional services | 6,804,509 | 6,370,340 | 5,716,415 | 653,925 |
| Other outlays | 13,328 | 13,328 | 2,975 | 10,353 |
| **Total expenditures** | 6,817,837 | 6,383,668 | 5,719,390 | 664,278 |
| **Excess (deficiency) of revenues over (under) expenditures** | (929,180) | 82,356 | 879,616 | (797,260) |
| Other financing sources (uses): | | | | |
| Cash or change | 2,975 | 2,975 | | 2,975 |
| **Total other financing sources** | 2,975 | 2,975 | - | 2,975 |
| **Net change in fund balance** | (926,205) | 85,331 | 879,616 | (794,285) |
| Fund balance, beginning of year | 2,972,639 | 3,831,147 | 3,831,147 | - |
| Cash fund balance, end of year *budgetary basis* | $ 2,046,434 | 3,916,478 | 4,710,763 | (794,285) |
| Adjustments to conform with GAAP | | | | |
| Inventory | | | 331,423 | |
| Receivables at year end | | | 1,335 | |
| Accounts payable at year end | | | (239,292) | |
| Fund balance, end of year - *modified accrual basis* | | | $ 4,804,229 | |

**INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY**
**BUDGETARY COMPARISON SCHEDULE - TECH CENTER**
**YEAR ENDED JUNE 30, 2025**

| | Budgeted Amounts | | Actual | Variance |
|---|---|---|---|---|
| | Original | Final | (budgetary basis) | (final budget) |
| Revenues: | | | | |
| Interest | $ 400,000 | 625,000 | 652,375 | (27,375) |
| State | 2,916,435 | 2,962,285 | 2,945,186 | 17,099 |
| Federal | 603,170 | 514,427 | 430,028 | 84,399 |
| Local | 4,885,000 | 5,665,860 | 5,705,299 | (39,439) |
| **Total revenues** | 8,804,605 | 9,767,572 | 9,732,888 | 34,684 |
| Expenditures: | | | | |
| Instruction | 2,566,960 | 4,022,683 | 3,350,984 | 671,699 |
| Support services | 5,797,049 | 4,537,643 | 4,443,026 | 94,617 |
| Capital outlays | 633,930 | 310,728 | | 310,728 |
| Other outlays | | | 3,150 | (3,150) |
| **Total expenditures** | 8,997,939 | 8,871,054 | 7,797,160 | 1,073,894 |
| **Net change in fund balance** | (193,334) | 896,518 | 1,935,728 | (1,039,210) |
| Fund balance, beginning of year | 8,404,374 | 9,187,183 | 9,187,183 | - |
| Cash fund balance, end of year *budgetary basis* | $ 8,211,040 | 10,083,701 | 11,122,911 | (1,039,210) |
| Adjustments to conform with GAAP | | | | |
| Receivables at year end | | | 644,793 | |
| Accounts payable at year end | | | (29,226) | |
| Fund balance, end of year - *modified accrual basis* | | | $ 11,738,478 | |

**INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY**
**BUDGETARY COMPARISON SCHEDULE - TECH CENTER BUILDING FUND**
**YEAR ENDED JUNE 30, 2025**

| | Budgeted Amounts | | Actual | Variance |
|---|---|---|---|---|
| | Original | Final | (budgetary basis) | (final budget) |
| Revenues: | | | | |
| Local | $ 2,000,000 | 2,316,394 | 2,316,394 | - |
| **Total revenues** | 2,000,000 | 2,316,394 | 2,316,394 | - |
| Expenditures: | | | | |
| Instruction | 85,351 | | | - |
| Support services | 276,038 | 4,200 | 4,200 | - |
| Capital outlays | 1,778,611 | 903,454 | 903,454 | - |
| **Total expenditures** | 2,140,000 | 907,654 | 907,654 | - |
| **Net change in fund balance** | (140,000) | 1,408,740 | 1,408,740 | - |
| Fund balance, beginning of year | 11,171,751 | 11,780,377 | 11,780,377 | - |
| Cash fund balance, end of year *budgetary basis* | $ 11,031,751 | 13,189,117 | 13,189,117 | - |
| Adjustments to conform with GAAP | | | | |
| Receivables at year end | | | 219,725 | |
| Accounts payable at year end | | | | |
| Fund balance, end of year - *modified accrual basis* | | | $ 13,408,842 | |

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# COMPLIANCE SECTION

**INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY**
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**
**FOR THE YEAR ENDED JUNE 30, 2025**

| Federal Grantor/Pass Through Grantor/Program Title | Federal Award Listing Number | Pass-through Grantor's Project Number | Program or Award Amount | Beginning Balance 7/1/2024 | Revenue Collected | Total Expenditures | Ending Balance 6/30/2025 |
|---|---|---|---|---|---|---|---|
| U.S. Department of Education | | | | | | | |
| Direct Programs: | | | | | | | |
| Title VII Impact Aid | | | | | | | |
| Title VII Impact Aid - BF | 84.041 | 591 | $ 88,156 | | 88,156 | 88,156 | |
| Title VII Impact Aid - GF | 84.041 | 592 | 24,145 | 72,023 | 24,145 | 96,168 | |
| Subtotal - Title VII Impact Aid | | | 112,301 | 72,023 | 112,301 | 184,324 | - |
| Title VI-Part A, Indian Education | 84.060 | 561 | 216,993 | | 188,799 | 216,993 | (28,194) |
| Title VI-Part A, Indian Education 2023-24 | 84.060 | 799 | | (49,012) | 49,012 | | |
| Pell Grant Program | 84.063 | 474 | 358,500 | | 352,200 | 352,200 | |
| **Subtotal - Direct Programs** | | | 687,794 | 23,011 | 702,312 | 753,517 | (28,194) |
| Passed Through State Department of Education: | | | | | | | |
| Title I Cluster: | | | | | | | |
| Title I-Part A, Improving Basic Programs | 84.010 | 511 | 4,837,599 | | 2,787,906 | 4,692,705 | (1,904,799) |
| Title I-Part A, Improving Basic Programs 2023-24 | 84.010 | 799 | | (747,774) | 747,774 | | |
| Title I-School Improvement | 84.010 | 515 | 1,272,246 | | 572,889 | 825,305 | (252,416) |
| Title I-School Improvement 2023-24 | 84.010 | 799 | | (85,227) | 85,227 | | |
| Subtotal - Title I Program (Cluster) | | | 6,109,845 | (833,001) | 4,193,796 | 5,518,010 | (2,157,215) |
| Title II Cluster: | | | | | | | |
| Title II-Part A, Teacher & Principal Training | 84.367 | 541 | 732,446 | | 224,116 | 423,102 | (198,986) |
| Title II-Part A 2023-24 | 84.367 | 799 | | (71,452) | 71,452 | | |
| Title IV-SSAE Grant | 84.424A | 552 | 327,434 | | 327,434 | 327,434 | |
| Subtotal - Title II Program (Cluster) | | | 1,059,880 | (71,452) | 623,002 | 750,536 | (198,986) |
| Title III-Part A, ELA | 84.365 | 572 | 63,364 | | 57,489 | 57,489 | |
| Title III-Part A, ELA 2023-24 | 84.365 | 799 | | (5,777) | 5,777 | | |
| Title IX-Part A, Homeless | 84.196 | 596 | 84,242 | | 61,564 | 82,082 | (20,518) |
| Title IX-Part A, Homeless 2023-24 | 84.196 | 799 | | (13,517) | 13,517 | | |
| * *Education Stabilization Funds (Covid19)* | | | | | | | |
| Counselor Grant (Covid19) 2023-24 | 84.425U | 799 | | (14,958) | 14,958 | | |
| ARP/ESSER III Student Teacher Stipend (Covid19) | 84.425U | 725 | 13,943 | 196 | 13,992 | 13,943 | 245 |
| ARP/ESSER Science of Reading (Covid19) | 84.425U | 726 | 17,919 | 21 | 18,088 | 17,919 | 190 |
| High Dosage Literacy Tutoring (Covid19) 2023-24 | 84.425U | 799 | | (9,118) | 9,118 | | |
| ARP/ESSER III (Covid19) | 84.425U | 795 | 1,953,332 | | 1,953,332 | 1,953,332 | |
| ARP/ESSER III (Covid19) 2023-24 | 84.425U | 799 | | (1,166,599) | 1,166,599 | | |
| ARP/ESSER III Homeless I (Covid19) 2023-24 | 84.425U | 799 | | (14,616) | 14,616 | | |
| ARP/ESSER III Homeless II (Covid19) 2023-24 | 84.425U | 799 | | (5,669) | 5,669 | | |
| Subtotal - Education Stabilization Funds (Covid19) | | | $ 1,985,194 | (1,210,743) | 3,196,372 | 1,985,194 | 435 |

**INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY**
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**
**FOR THE YEAR ENDED JUNE 30, 2025**

| Federal Grantor/Pass Through Grantor/Program Title | Federal Award Listing Number | Pass-through Grantor's Project Number | Program or Award Amount | Beginning Balance 7/1/2024 | Revenue Collected | Total Expenditures | Ending Balance 6/30/2025 |
|---|---|---|---|---|---|---|---|
| *Special Education Cluster:* | | | | | | | |
| IDEA-B Discretionary | 84.027 | 613 | $ 2,485 | | 1,460 | 1,460 | |
| IDEA-B Discretionary | 84.027 | 615 | 13,324 | | 8,507 | 8,620 | (113) |
| IDEA-B Discretionary 2023-24 | 84.027 | 799 | | (765) | 765 | | |
| IDEA-B Certification Examination | 84.027 | 616 | 315 | | 313 | 313 | |
| IDEA-B Transition Development | 84.027 | 618 | 13,929 | | 10,862 | 10,862 | |
| IDEA-B Flowthrough | 84.027 | 621 | 3,720,768 | | 2,871,297 | 3,592,944 | (721,647) |
| IDEA-B Flowthrough 2023-24 | 84.027 | 799 | | (1,127,809) | 1,127,809 | | |
| IDEA-B Flowthrough Private School | 84.027 | 625 | 57,348 | | 11,383 | 12,644 | (1,261) |
| IDEA-B Preschool | 84.173 | 641 | 90,324 | | 55,279 | 73,701 | (18,422) |
| IDEA-B Preschool 2023-24 | 84.173 | 799 | | (18,341) | 18,341 | | |
| Subtotal - Special Education Program (Cluster) | | | 3,898,493 | (1,146,915) | 4,106,016 | 3,700,544 | (741,443) |
| **Subtotal - Passed Through State Dept of Education** | | | 13,201,018 | (3,281,405) | 12,257,533 | 12,093,855 | (3,117,727) |
| Passed Through State Department of Career and Technology Education: | | | | | | | |
| Carl Perkins Programs: | | | | | | | |
| Carl Perkins Grant - GF | 84.048 | 421 | 200,397 | | 129,729 | 186,863 | (57,134) |
| Carl Perkins Grant - GF 2023-24 | 84.048 | 799 | | (24,235) | 24,235 | | |
| Carl Perkins Grant - Tech | 84.048 | 421 | 82,093 | | 69,934 | 82,093 | (12,159) |
| Carl Perkins Grant - Tech 2023-24 | 84.048 | 799 | | (18,190) | 18,190 | | |
| Carl Perkins Special - Tech | 84.048 | 424 | 149,144 | | 116,103 | 138,075 | (21,972) |
| Tech Centers that Work | 84.048 | 429 | 20,000 | | | 4,211 | (4,211) |
| Tech Centers that Work 2023-24 | 84.048 | 799 | | (2,760) | 2,760 | | |
| Subtotal - Carl Perkins Cluster | | | 451,634 | (45,185) | 360,951 | 411,242 | (95,476) |
| ARPA SLFRF-Practical Nursing Grant | 21.027 | 414 | 300,000 | (192,196) | 192,196 | 65,583 | (65,583) |
| Temporary Assistance for Needy Families | 93.558 | 452 | 171,523 | | 30,844 | 88,945 | (58,101) |
| Subtotal - Passed Through State Dept of Career & Tech Ed | | | $ 923,157 | (237,381) | 583,991 | 565,770 | (219,160) |
| U.S. Department of Agriculture: | | | | | | | |
| Passed Through State Department of Education: | | | | | | | |
| Local Food for Schools Program | 10.185 | 757 | | | 22,217 | 22,217 | |
| * *Child Nutrition Cluster:* | | | | | | | |
| Cash Assistance: | | | | | | | |
| National School Lunch Program | 10.555 | 763 | | 3,736,335 | 4,411,343 | 4,086,730 | 4,060,948 |
| School Breakfast Program | 10.553 | 764 | | | 1,273,227 | 781,493 | 491,734 |
| Summer Food Program | 10.559 | 766 | | 87,856 | 12,021 | 99,877 | |
| Cash Assistance Subtotal | | | | 3,824,191 | 5,696,591 | 4,968,100 | 4,552,682 |
| Passed Through State Department of Human Services: | | | | | | | |
| Non-cash Assistance (Commodities) | 10.555 | N/A | | | 463,429 | 463,429 | |
| **Subtotal - Child Nutrition Program (Cluster)** | | | | 3,824,191 | 6,160,020 | 5,431,529 | 4,552,682 |

**INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY**
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**
**FOR THE YEAR ENDED JUNE 30, 2025**

| Federal Grantor/Pass Through Grantor/Program Title | Federal Award Listing Number | Pass-through Grantor's Project Number | Program or Award Amount | Beginning Balance 7/1/2024 | Revenue Collected | Total Expenditures | Ending Balance 6/30/2025 |
|---|---|---|---|---|---|---|---|
| U.S. Department of Defense: | | | | | | | |
| Direct Programs: | | | | | | | |
| JROTC Program: | | | | | | | |
| JROTC - Air Force | 12.401 | 774 | $ 220,329 | | 144,986 | 156,674 | (11,688) |
| JROTC - Air Force | 12.401 | 775 | 129,857 | | 76,534 | 101,353 | (24,819) |
| Subtotal - U.S. Department of Defense | | | 350,186 | - | 221,520 | 258,027 | (36,507) |
| Other Federal Assistance: | | | | | | | |
| Johnson O'Malley | 15.130 | 563 | 43,083 | 31,590 | 30,821 | 43,083 | 19,328 |
| ARPA SLFRF-OK County Mental Health Grant | 21.027 | 773 | 50,000 | | 50,000 | 10,315 | 39,685 |
| OJT-Rehabilitation Services | 84.126 | 456 | 18,451 | (312) | 11,573 | 18,451 | (7,190) |
| **Subtotal - Other Federal Assistance** | | | 111,534 | 31,278 | 92,394 | 71,849 | 51,823 |
| **Total Federal Assistance** | | | $ 15,273,689 | 359,694 | 20,039,987 | 19,196,764 | 1,202,917 |

# INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY
# NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
# FOR THE YEAR ENDED JUNE 30, 2025

## 1. General

The schedule of expenditures of federal awards presents the activity of all federal award programs of Midwest City-Del City School District (the District). The District reporting entity is defined in the notes to the District's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through from other government agencies are included on the schedule. There were no amounts passed to subrecipients.

## 2. Basis of Accounting

The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Expenditures are reported on the regulatory basis of accounting, as prescribed by the Oklahoma State Department of Education, which is considered an other comprehensive basis of accounting. Therefore, some material presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The District has also elected to not use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

## 3. Non-cash Federal Awards

The District receives food commodities from the U.S. Department of Agriculture for use in its foodservice program. The commodities, in the amount of $463,429 are recognized as revenue when received and are reported at fair market value.

## 4. Prior Year Reimbursements

These amounts represent reimbursements for prior year expenditures which were not received until the current fiscal year.

JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

JACK JENKINS, CPA
MICHAEL KEMPER, CPA

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

The Honorable Board of Education
Midwest City-Del City School District
Midwest City, OK 73110

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Midwest City-Del City School District No. I-52, Midwest City, Oklahoma, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated January 7, 2026. This report was unqualified with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in the United States.

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



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**Report on Compliance and Other Matters**

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

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Jenkins & Kemper, CPAs P.C.

Jenkins & Kemper
Certified Public Accountants, P.C.

January 7, 2026

JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

JACK JENKINS, CPA
MICHAEL KEMPER, CPA

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

The Honorable Board of Education
Midwest City-Del City School District No. I-52
Midwest City, Oklahoma 73110

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

**Opinion on Each Major Federal Program**
We have audited the Midwest City-Del City School District No. I-52, Midwest City, Oklahoma's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Midwest City-Del City School District No. I-52, Midwest City, Oklahoma complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

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

We are required to be independent of Midwest City-Del City School District No. I-52, Midwest City, Oklahoma and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

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

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


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

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

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

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

**Report on Internal Control over Compliance**

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

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

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

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

Jenkins & Kemper, CPAs P.C.

Jenkins & Kemper
Certified Public Accountants, P.C.

January 7, 2026

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**INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY**
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**
**JULY 1, 2024 TO JUNE 30, 2025**

**Summary of Auditor's Results**

1. The auditor's report expresses an unqualified opinion on the basic financial statements in conformity with generally accepted accounting principles.

2. No significant deficiencies relating to the audit of the financial statements are reported in the Schedule of Findings and Questioned Costs.

3. No instances of noncompliance material to the financial statements of the District were reported during the audit.

4. No significant deficiencies relating to the audit of the major federal award programs are reported in the "Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Uniform Guidance"

5. An unqualified opinion report was issued on the compliance of major federal award programs.

6. The audit disclosed no audit findings and questioned costs, which are required to be reported under OMB Uniform Guidance.

7. Identification of Major Programs: Education Stabilization Fund (84.425U) and Child Nutrition (10.553,10.555,10.559) programs, which were each clustered in the determination.

8. The dollar threshold used to determine between Type A and Type B programs was $750,000.

9. The District did qualify to be a low-risk auditee.

**Findings – Financial Statement Audit**

None

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

None

**INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY**
**DISPOSITION OF PRIOR YEAR FINDINGS**
**JULY 1, 2021 TO JUNE 30, 2025**

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

There were no prior year findings.

**INDEPENDENT SCHOOL DISTRICT NO. I-52, OKLAHOMA COUNTY**
**SCHEDULE OF ACCOUNTANT'S PROFESSIONAL**
**LIABILITY INSURANCE AFFIDAVIT**
**JULY 1, 2024 TO JUNE 30, 2025**

State of Oklahoma )
County of Tulsa )

The undersigned auditing firm representative of lawful age, being first duly sworn on oath, says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with Midwest City-Del City School District for the audit year 2024-2025.




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

BY _____
AUTHORIZED AGENT

Subscribed and sworn to before me on this
7th day of, January, 2026

Lauren McCain
NOTARY PUBLIC