



EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Financial Statements
For the Year Ended June 30, 2024

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Notes to Financial Statements
June 30, 2024

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Vice- President	Courtney Hobgood
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EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Table of Contents
June 30, 2024

	Page
Independent Auditors' Report	1-3
Required Supplementary Information:	
Management's Discussion and Analysis (Unaudited)	4-13
Basic Financial Statements	
<i>Government-wide Financial Statements</i>	
Statement of Net Assets - Regulatory Basis	14
Statement of Activities - Regulatory Basis	15
<i>Fund Financial Statements</i>	
Balance Sheet - Governmental Funds - Regulatory Basis	16
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Regulatory Basis	17
Statement of Fiduciary Net Assets-Regulatory Basis	18
Statement of Changes in Fiduciary Net Assets - Regulatory Basis	19
Notes to Financial Statements	20-38
Required Supplementary Information:	
Budgetary Comparison Schedule - General Fund - Regulatory Basis	39
Other Appropriated Funds - Regulatory Basis	40
Other Supplementary Information	
Combining Balance Sheet - Other Governmental Funds - Regulatory Basis	41
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Other Governmental Funds-Regulatory Basis	42
Combining Balance Sheet - Other Capital Project Funds - Regulatory Basis	43
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Other Capital Project Funds-Regulatory Basis	44
Schedule of Expenditures of Federal Awards	45-46
Combining Statement of Changes in Assets and Liabilities - All Activity Funds	47
Reports Required by Gov't Auditing Standards	
Independent Auditors Report on Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	48-49
Independent Auditors Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	50-51
Schedule of Findings and Questioned Costs	52
Summary of Prior Audit Findings	53
Schedule of Accountants Professional Liability Insurance Affidavit	54

Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT

January 28, 2025

The Honorable Board of Education
Edmond Independent School District No. 12
Oklahoma County, Oklahoma

Opinions

We have audited the accompanying combined fund type and account group financial statements – regulatory basis of Edmond Independent School District No. 12, Oklahoma County, Oklahoma, as of and for the year ended June 30, 2024, and the related notes to the financial statements, as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position on a regulatory basis of the governmental activities, each major fund, and the aggregate remaining fund information of Edmond Independent School District No. 1-12, Oklahoma County, Oklahoma, as of June 30, 2024, and the respective changes in regulatory basis financial position thereof and for the year ended in accordance with the regulatory basis of accounting described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Edmond Independent School District No. 12, Oklahoma County Oklahoma as of June 30, 2024, or the revenues, expenses, and changes in financial position for the year then ended.

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 responsibility under those standards is further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Edmond Independent School District No. 12, Oklahoma County, 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.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 to the financial statements, the financial statements are prepared by the Edmond Independent School District No. 12, Oklahoma County, Oklahoma, on the basis of the financial reporting provisions of the Oklahoma State Department of Education, which a basis of accounting other than accounting principles generally accepted in the United States of America to comply with requirements of the Oklahoma State Department of Education. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with financial reporting provisions of the Oklahoma State Department of Education to meet financial reporting requirements of the State of Oklahoma; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objective is 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 opinion. 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 *Governmental Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may include 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 aggregate, they would influence the judgement 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 judgement 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 Edmond Independent School District No. 12, Oklahoma County, 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Edmond Independent School District No. 12, Oklahoma County, Oklahoma'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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the fund type and account group financial statements within the combined financial statements. The combining fund statements-regulatory basis, and other schedules as listed in the table of contents, under supplementary information, are presented for purposes of additional analysis and are not a required part of the combined financial statements of the District. 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.

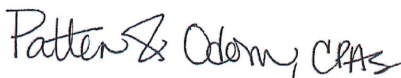
The combining financial statements-regulatory basis, and other schedules as listed in the table of contents, under supplementary information and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting records used to prepare the combined financial statements. Such information has been subjected to the auditing procedures applied in the audit of the fund type and account group financial statements within the combined financial statements, and other additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information including the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the combined financial statements taken as a whole on the regulatory basis of accounting described in Note 1.

Other Matters

The management discussion and analysis is presented to supplement the basic financial statements. We have applied certain limited procedures to this information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2025, on our consideration of Edmond Independent School District No. 12, Oklahoma County, Oklahoma, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Patten & Odom, CPAs, PLLC
Broken Arrow, OK

Management Discussion and Analysis

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Management's Discussion and Analysis – Unaudited
June 30, 2024

This section of Edmond Public Schools Independent School District No. 12's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2024. Please read it in conjunction with the District's financial statements, which immediately follow this section.

VIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts - management's discussion and analysis (this section), the basic financial statements, and required 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 regulatory financial statements* that focus on *individual parts* of the District, reporting the District's operations 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.

The financial statements are essentially prepared on a basis of cash receipts and disbursements modified as required by the regulations of the Oklahoma Department of Education as more fully described in Note 1 to the financial statements.

Figure 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.

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

	<u>District-wide Statements</u>	<u>Fund Financial Statements</u> <u>Governmental Funds</u>
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-regulatory basis 2) Statement of activities-regulatory basis	1) Balance sheet-regulatory basis 2) Statement of revenues, expenditures, and changes in fund balances-regulatory basis
Accounting basis and measurement focus	Regulatory basis as described above	Regulatory basis as described above
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 the year; expenditures when goods or services have been received and the related liability is paid during or soon after the end of the year

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 assets includes *all* of the District's capital assets and long-term liabilities.

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 assets 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 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, we provide additional information with the governmental funds statements that explain the relationship (or differences) between them.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Table A-2
Edmond Public Schools
Net Position
(in millions of dollars)

	2022	2023	2024
Current and other assets	\$258.2	\$280.7	\$304.7
Capital assets	537.9	563.0	588.8
Total assets	\$796.1	\$843.7	\$893.5
Long-term obligations	\$210.6	\$210.0	\$215.0
Other liabilities	28.2	22.0	30.4
Total liabilities	\$238.8	\$232.0	\$245.4
Net position:			
Invested in capital assets, net of debt	\$441.9	\$474.7	\$507.4
Restricted	59.4	63.9	66.5
Unrestricted	56.0	73.1	74.2
Total net position	\$557.3	\$611.7	\$648.1

Net Position

The major contributor to the change in net position was the acquisition of new capital assets, primarily the construction of new facilities.

Table A-3
Edmond Public Schools
Changes in Net Position
(in millions of dollars)

	2022	2023	2024
Revenues			
Program revenues			
Charges for services	\$9.6	\$14.8	\$16.6
Federal and State grants	36.2	37.2	24.7
General revenues			
Property taxes	148.0	158.3	168.9
Other taxes	26.2	26.0	26.5
Federal entitlement	.2	--	--
State entitlement	57.0	64.5	76.8
Other general revenues	3.3	8.0	16.9
Total revenues	\$280.5	\$308.8	\$330.4
Expenses			
Program expenses			
Instruction	\$127.5	\$128.4	\$146.9
Support services	80.7	90.2	104.7
Non-instruction	14.9	14.0	17.6
Interest on long-term debt	3.5	3.8	4.7
Depreciation-unallocated	16.4	18.0	20.1
Total expenses	\$243.0	\$254.4	\$294.0
Increase in net position	\$37.5	\$54.4	\$36.4
Beginning Net Position	519.8	557.3	611.7
Ending Net Position	\$557.3	\$611.7	\$648.1

Changes in Net Position

Revenues

In 2024 the District's overall revenues increased \$21.6 million from the prior year (See Table A-3). The component of the overall increase attributable to charges for services was \$1.8 million. Approximately half of that increase was from our two child care programs. Program revenue from the before/after school care program increased \$402,000 due to a tuition increase implemented to cover salary increases. In addition, we opened a new child care center for

employees' children. Revenue from that program in 2024 was \$593,000. School activities also increased compared to prior year, primarily due to fundraising for more large out-of-state trips which resulted in an increase in collections for \$571,000.

Federal and state grants were down \$12.5 million. The largest component of the decrease was the diminishing reimbursement of federal ESSER funding, accounting for \$11.1 of the decrease. Reimbursements fell short of last year due to less available to claim as well as delays in receiving reimbursement from claimed expenses. Another reason for the overall decrease was a non-recurring grant in 2023 of \$745,000 for the new childcare center. Collections of federal Title funds decreased by \$1.9 million despite an increase in allocated funds. This was due to significant delays by the State Department of Education in processing and reimbursing claims. In contrast reimbursements of IDEA funding were up \$941,000. There were other programs with smaller increases that partially offset the large reductions.

Property taxes increased \$10.6 million because of a 7.8% increase in the taxable valuation within the district boundaries from \$2.420 billion to \$2.609 billion, offset by a slight decrease in the millage rate from 65.90 to 65.56. The millage rate varies from year to year because of the changing sinking fund levy as old bonds are retired and new bonds are added. When planning bond elections, the District strives to maintain the millage rates as level as possible within the range of 66.26 to 67.26 mills. The delinquency rate increased from 3.09% in 2023 to 3.16% in 2024.

Other taxes increased by \$500,000 attributable to an increase in school land earnings.

State entitlement increased \$12.3 million. State aid was up \$10.7 million because of a combination of a factor rate increase and an increase in the District's weighted average daily student membership used in the calculation. Despite an enrollment decrease of 309 students, an increase in special education students who are weighted more heavily in the formula, our weighted average daily membership for funding increased. The state funding of employee insurance also increased by \$1.6 million due to premium increases and participation increases due to new positions.

Other general revenues were up \$8.9 million. This resulted from a large increase in interest earnings due to the favorable rate environment in 2024.

Expenses

In 2024 the District's overall program expenses increased \$39.6 million from the prior year (See Table A-3).

Instruction expenses increased \$18.5 million, support services increased \$14.5 million, and non-instruction services increased \$3.6 million. Debt service costs increased \$900,000, and depreciation increased \$2.1 million.

The increase in instructional program expense of \$18.5 million consists of an increase in personnel expense (\$14.4 million), textbooks (\$2.0 million), technology supplies and equipment (\$1.6 million), uniforms and instruments (\$406,000), and contracted education services (\$182,000).

The increase in personnel expense results from pay raises and new positions. Pay raises included a legislated teacher pay raise of \$3,000 for 0-4 years of experience, \$4,000 for 5-9 years of experience, \$5,000 for 10-14 years of experience, and \$6,000 for 15 or more years of experience, an enhanced special education certified pay scale increased from 5% above teacher pay to 6% (steps 0-4), 7% (steps 5-9) and 8% (steps 10 and up) above the teacher salary schedule, and also an enhanced pay schedule for school psychologists. Support personnel received a pay raise of \$1.80 per hour. These pay raises were in addition to step increases on the salary schedule. The district also increased substitute teacher pay by \$5 per day and approved 146 new full-time equivalent positions.

The increase in expenditures for support services of \$14.5 million primarily consisted of the following increases: personnel (\$8.4 million), property insurance (\$1.2 million), technology software and supplies (\$985,000), medical services (\$866,000), custodial and building-related expenses (\$932,000), student travel and extra-curricular (\$578,000), and staff development (\$312,000).

Non-instruction expenses increased by \$3.6 million from the prior year. The increase in non-instructional expense for child nutrition personnel costs was \$1.2 million, and the increase for food and milk including commodities used was \$349,000. The new child care center for employees that was opened in 2024 was designed to be a benefit to employees and is not structured to make a profit. In 2024 its payroll and operating costs totaled \$579,000 and while shown as an increase in non-instruction expenses, tuition revenue offset the expense and also provided a carryover balance of almost \$13,000. In addition the district's before and after school program experienced increased payroll and operational costs of \$273,000, primarily due to pay raises. Another contributor to the increase in non-instructional expenses was a decrease of \$852,000 in the capitalization of assets in excess of the current year capital outlays.

Interest costs on long term debt increased \$900,000 due to higher interest rates on recent bond issues.

Depreciation expense increased \$2.1 million due to capital asset construction and acquisition.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District's funds is reflected in the balance sheet for governmental funds report on page 16. The District's balance sheet for all funds reflects a combined fund balance of \$220.8 million, an increase of \$16.1 million from the prior year. The overall increase is attributed to the following funds with increases: \$1.3 million in the general fund, \$2.9 million in the building fund, \$11.7 million in the capital project funds (bond funds), \$1.4 million in the activity fund, and \$393,000 in the debt service fund. These increases in fund balance were offset by the following funds which had decreases: \$1.5 million in the child nutrition fund and \$11,000 in the gift fund.

General Fund Budgetary Highlights for 2024

In 2024, the district's enrollment declined by 309 students. Despite the overall enrollment decline, our special education enrollment increased by 262 students. In 2023, 12.9% of our students received special education services, and that percentage has increased to 14.1% in 2024. It has also become increasingly difficult to staff for special education. In 2024, we experienced shortages of school psychologists, speech pathologists, interpreters, and special

education classroom assistants which led to increased use of contract labor at a higher cost in order to provide special education services.

The district's economically disadvantaged population also increased by 866 students to a total of 9,330 or 36% of enrollment, compared to 32.3% in 2023.

Notwithstanding the problem areas for staffing, legislated teacher pay raises ranging from \$3,000 to \$6,000, along with district pay enhancements, helped us to make some progress on recruitment and retention.

In the general fund, property tax revenue increased consistent with the increase in property valuations in the District. The delinquency rate on collections was 3.16% compared to a budget of 10%, which resulted in a favorable variance of \$6.0 million from the legal budget.

Investment earnings were budgeted to increase 50%, but the actual increase in interest rates produced 2.26 times the investment return for a positive variance of \$2.3 million.

In county revenue, mortgage tax collections were budgeted based on the prior year in which an active real estate market and low interest rates helped to generate more mortgage taxes. However, the increase in interest rates in 2024 depressed that growth somewhat leaving a \$441,000 shortfall from the legal budget. County 4-mil which is allocated based on the average daily attendance of school districts in the county also fell short of budget by \$256,000.

In state revenue, motor vehicle collections were budgeted to decrease 4.7% due to reaching a statutory cap, but collections remained relatively flat leading to a positive variance from the legal budget of \$631,000. Going forward, collections will shift among districts based on the prior year average daily membership on which the allocation is based. State aid was down \$1.8 million from budget due to an increase in the ad valorem chargeable that exceeded the increases due to enrollment growth and a factor rate increase. The revenue from school land earnings exceeded the budget by \$359,000, and gross production taxes fell short of budget by \$48,000. Funding for the employee health insurance exceeded budget by \$727,000, and state grants exceeded budget by \$308,000.

Despite the fact that federal allocations increased by \$530,000, federal collections fell short of budget by \$5.5 million due to increased carryover of \$766,000 and outstanding claims of \$5.6 million

Increases in donations from private sources and district contracts account for the positive budget variance of \$294,000 in other income.

Employee wages and benefits continue to comprise the largest portion of the expenditure budget. Total 2024 payroll cost was \$208.9 million. Of that, \$203.5 million was recorded in the general fund (92.1% of the district's total general fund expenditures) and \$5.4 million was recorded in the child nutrition fund (43.7% of child nutrition expenditures). General fund expenditures, excluding those expenses reimbursed by other programs, were 72.6% instruction and student services, 4.8% instructional support, 7.1% facilities operations, 6.1% school administration, 4.7% student transportation, 3.3% central services and 1.4% general administration.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

During 2024, the District completed \$53.5 million in construction projects, including final completion of and first additions to both Scissortail Elementary and Redbud Elementary, a media center at Cross Timbers Elementary, an FFA facility addition and parking, child care center improvements, and school improvements at Angie Debo, Charles Haskell, Chisholm, Clegern, Ida Freeman, Northern Hills, Orvis Risner, Russell Dougherty, Sunset, Washington Irving, and Will Rogers elementary schools, Cimarron and Sequoyah middle schools, and the North High School gymnasium.

Roofing projects were completed at Centennial and Chisholm elementary schools and Central and Cheyenne middle schools.

Flooring projects were also completed and capitalized for the following sites: Northern Hills and Will Rogers elementary schools and Cimarron middle school, including gym floors at Chisholm Elementary and Santa Fe High School.

Parking and road improvement projects were completed at the following sites: Frontier and John Ross elementary schools, and Santa Fe High School.

LED lighting upgrades were completed at Angie Debo, Charles Haskell, Chisholm, Ida Freeman, Sunset, and Washington Irving elementary schools and Memorial High School.

Capitalized improvements also included HVAC replacement at Sequoyah and Summit middle schools and Memorial High School.

On June 30, 2024, the District had bond funds available, including accumulated interest, of \$132.3 million, which will be spent on capital projects including classroom additions at Scissortail Elementary and Boulevard Academy, renovations and improvements at Sunset, John Ross, Orvis Risner, Clegern and Charles Haskell elementary schools. The bond will also fund Phase I improvements for a new elementary school and a new middle school, construction of a transition academy for special education, construction of a multi-use safe room at the Early Childhood Center, improvements at the Mitch Park competitive pool area, and upgrades to the baseball and softball playing surfaces at North, Memorial, and Santa Fe high schools. Equipment projects include technology, transportation, school security, roofing, flooring, lighting, school instructional equipment, textbooks, HVAC replacement, classroom furnishings, child nutrition equipment, and playground improvements. Accumulated bond fund interest accounted for \$9.6 million of the bond funds available.

Long-term Debt

At fiscal year end, the District had \$213.7 million in total long-term debt outstanding. This is a net increase of \$4.87 million from last year's amount of \$208.83 million. The District issued new bonds totaling \$63.0 million and retired \$58.13 million of outstanding bonds.

In February 2024, voters in the District approved the issuance of bonds totaling \$147 million, to be issued in four series. The issuance plan minimized fluctuations in patrons' taxes and also staggered construction requirements. The first installment in the amount of \$49 million was

received in April 2024, the second installment of \$10.0 million was issued in August 2024, the third installment of \$21.0 million will be issued in April 2025, and the fourth installment of \$67.0 million will be issued in August 2025.

FACTORS BEARING ON THE DISTRICT'S FUTURE

The district continues to experience enrollment volatility. The steady growth of 350-450 students per year that we experienced leading up to pandemic has not returned. After the rebound in 2022 from the large pandemic-related enrollment decline of 2021, we saw a large increase of 705 students in 2023, followed by a loss of 309 students in 2024, and now another enrollment loss of 127 in 2025. The student enrollment as of October 1, 2024 is 25,754 compared to the October 2023 student enrollment of 25,881. The current year decline is heaviest in early elementary with a loss of 357 in pre-k through grade 2, partially offset by an increase of 63 at the high school level. While it is hard to determine why there are fewer elementary students starting school, some factors include low birth rates nationwide in the years for which those children would now be starting school, increased state support of private school tax credits, and the high cost of living in Edmond which might make it unaffordable to many young families.

Despite the most recent enrollment decline, our special education enrollment increased by 205 students. The percentage of students receiving special education services was 12.9% in 2023, 14.1% in 2024 and 14.9% in 2025. The per capita cost of providing services to special education students is roughly double the cost of regular education students. The state aid and federal funding specifically for special education satisfy only 26% of the cost, leaving the balance to come from local funds

The district's economically disadvantaged population has also increased in recent years and now constitutes approximately 36% of our enrollment.

Interest rates peaked last year producing excellent investment revenue for the district. A recent rate cut of 50 basis points by the Federal Reserve could depress those earnings somewhat in 2025.

The district continues to be concerned about inflation and the resulting salary pressures. Several measures that could favorably impact the personnel situation have been implemented. State legislated teacher pay raises in 2024 ranging from \$3,000 to \$6,000, along with district pay enhancements, have helped us to make some progress on recruitment and retention.

Another favorable piece of legislation for recruitment and retention was the provision for 6-weeks of paid maternity leave for full time employees after giving birth.

Other budget considerations involve planning for the expiration of the federal COVID funds. Our spending plan spread those funds over the period of availability, but we will experience a funding cliff when the funds are gone. Our spending plan resulted in higher than typical fund balance levels until the funding cliff, at which point fund balance will be utilized. This was foreseen by the legislature when they passed HB2890 to exempt school districts from excess fund balance penalties through 2024. Due to some delays in reimbursements, we will still

receive ESSER reimbursements in 2025, which shifts our federal ESSER funding cliff from 2025 to 2026.

On the funding front, the Oklahoma Legislature appropriated an additional \$26.3 million for state aid for 2025. They also funded employee health insurance increases of \$16.6 million. The school activities budget which includes certain reading, math, and library programs, assessments, and early childhood initiatives increased \$5.2 million. New funding was also appropriated for maternity leave in student teacher pay in the amount of \$2.7 million.

Other legislation that has notably affected the landscape of public education is the passage of private school and homeschool tax credits.

Residential local property growth in Edmond continues to be strong and steady. Property valuations are anticipated to increase an average of 3% to 3.5% over the next two years, but will be monitored closely.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's 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 Jim Dobson, Treasurer, 1001 W. Danforth, Edmond, OK 73003.

Basic Financial Statements

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12

Oklahoma County, Oklahoma

Statement of Net Position- Regulatory Basis

June 30, 2024

	Governmental Activities
ASSETS	
Cash and Cash Investments	\$ 263,568,487
Investments	40,354,669
Other Current Assets	6,948
Inventories	798,946
Capital Assets:	
Land and Construction in Progress	58,038,807
Other Capital Assets, Net of Depreciation	<u>530,783,107</u>
Total Assets	<u>\$ 893,550,964</u>
LIABILITIES	
Current Liabilities	
Warrants Outstanding	\$ 8,937,631
Salaries and Related Benefits	20,128,231
Vendor Obligations Payable	86
Reserve for Encumbrances	1,349,455
Long-term Liabilities	
Due Within One Year	60,617,000
Due Beyond One Year	<u>154,370,752</u>
Total Liabilities	<u>\$ 245,403,155</u>
NET POSITION	
Net Investments in Capital Assets	\$ 507,445,944
Restricted for:	
Debt Service	41,165,475
School-based Activities	6,631,540
Child Nutrition	3,745,524
Buildings	14,810,221
Private Grants	126,476
Unrestricted	<u>74,222,629</u>
Total Net Position	<u><u>\$ 648,147,809</u></u>

See Accompanying Notes to Financial Statements

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12

Oklahoma County, Oklahoma

Statement of Activities - Regulatory Basis

For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental Activities:					
Instruction	\$ 146,915,668	\$ 126,287	\$ 17,359,248	\$ --	\$ (129,430,133)
Support Services	104,639,402	6,242,826	229,679	--	(98,166,897)
Non-instruction Services	17,617,626	10,192,873	7,117,896	--	(306,857)
Interest on Long-term Debt	4,715,038	--	--	--	(4,715,038)
Depreciation - Unallocated	20,134,093	--	--	--	(20,134,093)
Total Governmental Activities	<u>\$ 294,021,827</u>	<u>\$ 16,561,986</u>	<u>\$ 24,706,823</u>	<u>\$ --</u>	<u>\$ (252,753,018)</u>

General Revenues:

Taxes

Property taxes, levied for general purposes	\$ 95,225,314
Property taxes, levied for building purposes	13,595,113
Property taxes, levied for debt service	60,110,139
General Taxes	26,512,010
State aid - formula grants	76,839,509
Federal aid - formula grants	--
Investment earnings	16,836,537
Loss on disposal of property	52,787
Total General Revenues	<u>\$ 289,171,409</u>

Change in net position	\$ 36,418,391
Net position - beginning	611,729,418
Net position - ending	<u>\$ 648,147,809</u>

See Accompanying Notes to Financial Statements

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Balance Sheet
Governmental Funds - Regulatory Basis
June 30, 2024

ASSETS	General Fund	Debt Service Fund	Capital Project Funds	Other Governmental Funds	Totals Governmental Funds
Cash	\$ 52,785,715	\$ 6,148,303	\$ 73,106,424	\$ 18,056,279	\$ 150,096,721
Cash Investments	15,264,951	34,715,368	59,764,952	3,726,495	113,471,766
Investments	19,453,541	17,432,767	-	3,468,361	40,354,669
Other Receivables	6,948	-	-	-	6,948
Inventories - Supplies, materials	234,131	-	-	514,000	748,131
Total Assets	\$ 87,745,286	\$ 58,296,438	\$ 132,871,376	\$ 25,765,135	\$ 304,678,235
LIABILITIES AND FUND BALANCES					
Liabilities					
Warrants Outstanding	\$ 8,048,193	\$ -	\$ 547,339	\$ 342,099	\$ 8,937,631
Accounts Payable	86	-	-	-	86
Salaries and Related Benefits	20,128,231	-	-	-	20,128,231
Deferred Revenue	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Principal and Interest Accruals	-	53,488,041	-	-	53,488,041
Reserve for Encumbrances	1,263,968	-	-	85,487	1,349,455
Total Liabilities	\$ 29,440,478	\$ 53,488,041	\$ 547,339	\$ 427,586	\$ 83,903,444
Fund Balances					
Nonspendable	234,131	-	-	514,000	748,131
Restricted	3,347,129	4,808,397	122,758,518	17,025,871	147,939,915
Committed	-	-	-	7,797,678	7,797,678
Assigned	4,203,481	-	9,565,519	-	13,769,000
Unassigned	50,520,067	-	-	-	50,520,067
Fund Balances, End of Year	\$ 58,304,808	\$ 4,808,397	\$ 132,324,037	\$ 25,337,549	\$ 220,774,791
Total Liabilities and Fund Balances	\$ 87,745,286	\$ 58,296,438	\$ 132,871,376	\$ 25,765,135	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$858,797,664 and the accumulated depreciation is \$269,975,750. 588,821,914

Federal commodities are distributed to the District to be used by the child nutrition program. Governmental funds are concerned with the flow of financial resources and, therefore, the receipt and usage of commodities are not reported in the governmental funds 50,815

Sinking Fund Principal and Interest Accruals are part of net assets at the district-wide level 53,488,041

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 Payable	213,700,000	
Compensated Absences	1,287,752	(214,987,752)

Total Net Assets - Governmental Activities \$ 648,147,809

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds - Regulatory Basis
For the Year Ended June 30, 2024

	General Fund	Debt Service Fund	Capital Project Funds	Other Governmental Funds	Totals Governmental Funds
Revenues:					
Property Taxes	\$ 95,225,314	\$ 60,110,139	\$ -	\$ 13,595,113	\$ 168,930,566
Interest	4,102,944	3,553,644	5,703,013	1,197,550	14,557,151
County Revenue	10,494,369	-	-	-	10,494,369
State Revenue	95,156,603	868	-	88,484	95,245,955
Federal Revenue	13,039,826	0	-	6,675,106	19,714,932
Other	1,381,237	-	124,489	15,961,976	17,467,702
Total Revenues	\$ 219,400,293	\$ 63,664,651	\$ 5,827,502	\$ 37,518,229	\$ 326,410,675
Expenditures					
Instruction	\$ 136,355,558	\$ -	\$ 8,955,892	\$ 866,832	\$ 146,178,282
Support Services	80,501,271	-	19,266,370	20,946,767	120,714,408
Non-instruction services	3,831,839	-	7,250	13,513,188	17,352,277
Capital Outlay	-	-	28,835,525	1,094	28,836,619
Other Outlays	166,744	13,439	5,029	-	185,212
Debt Service	-	-	-	-	-
Interest Paid	-	4,715,038	-	-	4,715,038
Principal Retirement	-	58,130,000	-	-	58,130,000
Total Expenditures	\$ 220,855,412	\$ 62,858,477	\$ 57,070,066	\$ 35,327,881	\$ 376,111,836
Excess (Deficiency) of Revenues over Expenditures	\$ (1,455,119)	\$ 806,174	\$ (51,242,564)	\$ 2,190,348	\$ (49,701,161)
Adjustments to Prior Year Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -
Other Financing Sources (Uses)					
Transfers In	\$ 2,841,069	\$ -	\$ 3,398,292	\$ 4,374,965	\$ 10,614,326
Transfers Out	(92,969)	(3,236,311)	(3,398,292)	(3,886,753)	(10,614,325)
Accrued Principal and Interest	-	548,002	-	-	548,002
Premium on Bond Sales	-	2,275,151	-	-	2,275,151
Proceeds of Bonds	-	-	63,000,000	-	63,000,000
Total Other Financing Sources (Uses)	\$ 2,748,100	\$ (413,158)	\$ 63,000,000	\$ 488,212	\$ 65,823,154
Net Change in Fund Balance	\$ 1,292,981	\$ 393,016	\$ 11,757,436	\$ 2,678,560	\$ 16,121,993
Beginning Fund Balance	57,011,827	4,415,381	120,566,601	22,658,989	204,652,798
Ending Fund Balances	\$ 58,304,808	\$ 4,808,397	\$ 132,324,037	\$ 25,337,549	\$ 220,774,791

Total net changes in fund balances - governmental funds \$ 16,121,993

The change in nets assets reported in the statement of activities is 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 allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.

This is the amount by which capitalized assets exceed depreciation during the period.

Capital Assets	\$ 45,995,528	
Depreciation Expense	(20,134,093)	25,861,435

In the statement of activities, the gain (loss) from the disposal of assets is reported. In the governmental funds, proceeds from the disposal of assets, if any, are reported. Thus the change in net assets differs by the net undepreciated cost of the assets disposed. (4,567)

In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amounts actually paid). This year, vacation and sick leave used exceeded amounts earned. (127,295)

Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets. Debt issued this year exceeded repayments.

Debt Issued	\$ (63,000,000)	
Debt Repayments	58,130,000	(4,870,000)

The receipt of USDA commodities are not reported as revenue in the governmental funds but are reflected in the government-wide financial statements (15,173)

Resources provided in the debt service fund in accordance with Oklahoma Statute 62-431 are not a liability at the district-wide level but considered a component of restricted net assets (548,002)

Change in net assets of governmental activities \$ 36,418,391

See Accompanying Notes to Financial Statements

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Statement of Endowment Net Position - Regulatory Basis
For the Year Ended June 30, 2024

	<u>Private- Purpose Trust</u>
Assets	
Cash and Cash Investments	\$ 545,841
Investments	<u>0</u>
Total Assets	<u>\$ 545,841</u>
 Net Position	
Nonspendable Endowment	440,088
Restricted for Scholarships	<u>105,753</u>
Total Net Position	<u><u>\$ 545,841</u></u>

See Accompanying Notes to Financial Statements

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Statement of Changes in Endowment Net Position - Regulatory Basis
For the Year Ended June 30, 2024

	Private- Purpose Trust
Additions:	
Interest	\$ 25,830
Total Additions	\$ 25,830
Deductions	
Other Expenses	0
Change In Net Position	\$ 25,830
Net Position- Beginning	520,011
Net Position- Ending	\$ 545,841

See Accompanying Notes to Financial Statements

Notes to the Financial Statements

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Notes to Financial Statements
June 30, 2024

Note 1 -- Summary of Significant Accounting Policies

The Reporting Entity - Edmond Independent School District No. 12 (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 of the Oklahoma Statutes.

The governing body of the District is the Board of Education composed of elected members. The appointed superintendent is the executive officer of the District. There are no component units included within the reporting entity.

Financial Statement Presentation - The District prepares its financial statements in a presentation format that is, in substance, the format established by the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statement-Management's Discussion and Analysis-for State and Local Governments*.

GASB Statement No. 34 established a financial reporting model for state and local governments that included the addition of management's discussion and analysis, government-wide financial statements, required supplementary information and the elimination of the effects of internal service activities and the use of account groups to the already required fund financial statements and notes.

Basic Financial Statements – Government-Wide Statements - The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District does not have any activities classified as business-type activities.

In the government-wide Statement of Net Position, the District's governmental activities are reported on cash receipts and disbursement basis modified as required by the regulations of the Oklahoma Department of Education to include long-term debt and obligations. The District's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net position; and unrestricted net position.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Notes to Financial Statements
June 30, 2024

Note 1 -- Summary of Significant Accounting Policies (continued)
Basic Financial Statements – Government-Wide Statements (continued)

The government-wide Statement of Activities reports both the gross and net cost of each of the District's programs and functions. The functions are also supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Direct expenses are those that are clearly identifiable with a specific function. Program revenues must be directly associated with the function. Charges for services include charges and fees to students, or customers who purchase, use or directly benefit from the goods, services, or privileges provided by a given function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

All interfund transactions are eliminated in the district-wide statements.

The net costs are normally covered by general revenue (property taxes, State and Federal aid, other taxes etc.).

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities. Separate financial statements are provided for governmental funds and endowment funds, even though the latter is excluded from the district-wide financial statements. Major individual governmental funds are reported in separate columns in the fund financial statements.

Basic Financial Statements – Fund Financial Statements - Governmental fund financial statements are reported using the cash receipts and disbursements basis of accounting modified as required by the Oklahoma Department of Education to include investments and inventories on hand, encumbrances issued, and warrants outstanding. The fund financial statements provide reports on the financial condition and results of operations of governmental and endowment fund categories on a basis required by the cash basis and budget laws of the State of Oklahoma. Since resources in the endowment funds cannot be used for district operations, they are not included in the district-wide statements.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Notes to Financial Statements
June 30, 2024

Note 1 -- Summary of Significant Accounting Policies (continued)
Basic Financial Statements – Fund Financial Statements (continued)

The District reports the following major governmental funds:

General Fund is the primary operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund is used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt.

Capital Project Funds are used to account for the proceeds from long-term financing and revenues and expenditures related to authorized construction and other capital asset acquisitions.

Additionally, the District reports the following fund types:

Other Governmental Funds:

Special Revenue Funds – The District accounts for resources committed to, or designated for, specific purposes by the District or a grantor in a special revenue fund.

Endowment Funds:

Private Purpose Trust Fund – The District accounts for resources held in a trust or custodial capacity for individuals or private organizations. These funds are primarily used for scholarships.

Basis of Accounting - Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Notes to Financial Statements
June 30, 2024

Note 1 -- Summary of Significant Accounting Policies (continued)
Basis of Accounting (continued)

As to the basis of accounting, the basic financial statements are essentially prepared on a basis of cash receipts and disbursements modified as required by the regulations of the Oklahoma Department of Education as follows:

- Encumbrances represented by purchase orders, contracts, and other commitments for the expenditure of monies and are recorded as expenditures when approved.
- Vendor obligations due and payable for goods and services received are recorded as a reduction of the encumbrance when paid.
- Warrants/checks payable are recorded as liabilities when issued.
- Investments and inventories are recorded as assets when purchased and reduced when used.
- Capital assets in the government-wide statements are recorded when acquired and depreciated over their useful lives.
- Long-term debt reported in the government-wide statements is recorded when incurred.
- Financial resources provided in the debt service fund in accordance with Oklahoma Statute 62-431 are reported as fund liabilities. In the government-wide statements, these resources are shown as restricted net position.
- Accrued compensated absences are recorded as an expenditure and liability when the obligation is incurred.

This regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, which would have required the government-wide financial statements as well as the endowment fund financial statements to be presented on the accrual basis of accounting. The fund financial statements under accounting principles generally accepted in the United States of America would have been presented on the modified accrual basis of accounting. These financial statements are presented on the basis of accounting described above.

Inventories - Inventories consist of expendable supplies held for the District's use and are carried at cost using the first-in, first-out method. Inventories are accounted for using the consumption method where materials and supplies are recorded as an asset when purchased.

On the government-wide financial statements, United States Department of Agriculture (USDA) food commodities are recorded as revenue when received at fair value at the date of receipt and as an expense when used. USDA food commodities are not reported in the governmental funds.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Notes to Financial Statements
June 30, 2024

Note 1 -- Summary of Significant Accounting Policies (continued)
Basis of Accounting (continued)

On the government-wide financial statements, small equipment granted by the Federal Communications Commission is reported in both revenue and expenditure at cost per the supplier's quote when the equipment items are received. The equipment is not recorded in the governmental funds.

Capital Assets - Capital assets purchased or acquired with an original cost of \$2,500 or more are reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized.

Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

School Buildings	45 years
Site Improvements	20 years
Portable Classrooms	25 years
Outdoor and Grounds Equipment	15 years
Kitchen Equipment	10 years
Audio Visual Equipment, Musical Instruments, Business Machines, Classroom and Athletic Equipment	10 years
Computers and Peripheral Equipment	5 years
Licensed Vehicles	6 years

Compensated Absences – Certified and permanent personnel are entitled to one day of sick leave for each working month, with the total annual leave allotment being available on the first day of the employee's work year. New support employees accrue sick leave at the rate of one day per month, with leave being available after accrual. Accrued sick leave is not paid at separation from employment. As an attendance incentive, employees are compensated \$35 per day for full-time, or \$17.50 per day for part-time, for up to 10 days of sick leave accumulated in excess of 110 days at the end of the fiscal year. The attendance incentive is included in encumbrances at year end.

Employees assigned to twelve month positions accrue 10 days of vacation per year for the first 4 years of employment, 15 days beginning with the 5th through 14th year of employment, and 18 days beginning with the 15th year of employment. Upon termination of employment, unused accrued vacation is paid at the employee's current rate of pay.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Notes to Financial Statements
June 30, 2024

Note 1 -- Summary of Significant Accounting Policies (continued)

Budgets and Budgetary Accounting - The District is required by state law to prepare an annual budget. No later than October 1, each board of education shall prepare a financial statement and estimate of needs to be filed with the applicable county clerk and the State Department of Education. Once the county excise board has approved the estimate of needs, the board shall adopt a final budget within 45 days or by the second regularly scheduled board meeting.

The final budget may be revised upon approval of the Board of Education in open meeting. A budget that includes revenues and expenditures is legally adopted by the Board of Education for the General Fund, Building Fund, Child Nutrition and the Debt Service Fund.

Budgets generally assume the expenditure of all available resources. Therefore, when the legal budget is prepared, it assumes these funds will not have a carryover balance to a subsequent year. Program revenue received but not spent is deferred to the subsequent fiscal year.

Deposits - The District considers all cash on hand, demand deposits, money market checking, sweep accounts, and bank certificates of deposit, which are subject to early withdrawal penalties no matter what the maturity period, to be cash. All short-term cash surpluses are maintained in a cash pool, the earnings from which are allocated to each fund based on average monthly deposit balances. State statutes require collateral for deposits in excess of insured amounts. The collateral's market value must exceed the uninsured deposit.

Investments - Short term investments are reported at cost. Securities traded on a national exchange are valued at amortized cost. The District's investment policies are governed by Oklahoma Statute 70-5-115. Permissible investments include direct obligations of the United States Government and Agencies; certificates of deposit of savings and loan associations and bank and trust companies; and savings accounts or savings certificates of savings and loan associations and bank and trust companies.

Property Tax Revenues - 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. 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 is due prior to January 1. The second half is due prior to April 1.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Notes to Financial Statements
June 30, 2024

Note 1 -- Summary of Significant Accounting Policies (continued)
Property Tax Revenues (continued)

If the first payment is not made timely, the entire tax becomes due and payable on January 1. 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.

State Revenues - Revenues from state sources for current operations are primarily governed by the state aid formula under the provisions of Title 70, Article 18 of the Oklahoma Statutes. The State Board of Education administers the allocation of state aid funds to school districts based on information accumulated from the districts. Approximately 40% of the District's general fund revenue comes from state sources.

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 programs for which the money is provided and require that any 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 educational program revenues be accounted for in the general fund.

Interfund Transfers - During the course of normal operations, the District has transactions between funds including reimbursement of expenditures made on behalf of another fund and transfers of resources to provide services and purchase assets. Transactions that are normal and recurring between funds are recorded as operating transfers.

Use of Estimates - The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Notes to Financial Statements
June 30, 2024

Note 1 -- Summary of Significant Accounting Policies (continued)

Net Position and Fund Balance –

District-Wide Financial Statements –

Net position on the Statement of Net Position includes the following:

Net Investment in Capital Assets – The component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unspent proceeds, that is directly attributable to the acquisition, construction or improvement of these capital assets.

Restricted for Debt Service – The component of net position that reports the amount of funds restricted for payment of principal and interest on debt. This amount is restricted by bond indentures.

Restricted for Buildings – The component of net position that reports the excess of property taxes and other revenue collected in excess of expenses for operation of the District's buildings. This amount is restricted by state law.

Restricted for School Organizations – The component of net position that reports the assets restricted for use by student organizations and extracurricular activities. This amount is restricted by regulations of the Oklahoma State Department of Education.

Restricted for Child Nutrition – The component of net position restricted for use by the child nutrition fund. This amount is restricted by regulations of the Oklahoma State Department of Education.

Restricted for Private Grants – The component of net position restricted for use as specified in the original grant documents when the grant was awarded. This amount is restricted by the original grantor.

Unrestricted – The difference between assets and liabilities that is not reported as restricted for any particular purpose.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Notes to Financial Statements
June 30, 2024

Note 1 -- Summary of Significant Accounting Policies (continued)
Net Position and Fund Balance (continued)

When the District incurs an expense for which it may use either restricted or unrestricted net position, it uses restricted net position first unless unrestricted net position will have to be returned because it is not used.
Fund Financial Statements—

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District has classified Inventories as being nonspendable as these items are not expected to be converted to cash within the next year. Endowment principal is non-spendable by terms of the endowment bequest.

Restricted: This classification includes amounts for which constraints on the use of the resources are either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified school bond proceeds as being restricted because their use is restricted by state statute or legislation regarding use of expenditures. The building fund balance is restricted by state statute to capital outlay and property maintenance. Debt service resources are restricted by debt covenant to servicing general obligation bonds. Federal and state program revenues and gift fund grants are restricted by the granting agencies to program-specific expenditures. Endowment earnings are restricted by the contributor for scholarship purposes.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District has classified child nutrition and school program activities as being committed because their use is directed by the Board of Education.

Assigned: This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Notes to Financial Statements
June 30, 2024

Note 1 -- Summary of Significant Accounting Policies (continued)
Net Position and Fund Balance (continued)

delegating this responsibility to management through the budgetary process. The District has assigned general funds for employee compensation, site budget carryover, anticipated federal program carryover, and appropriated budget. Bond fund earnings other than bond proceeds (primarily investment earnings) are assigned for bond costs and expenditures consistent with those restricted by bond proposition.

Unassigned: This classification includes the residual fund balance for the General Fund. The unassigned classification would also include any negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts. The District does not have a formal stabilization arrangement regarding minimum funding requirements.

The District would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

As of June 30, 2024, fund balances are comprised of the following:

	General Fund	Debt Service Fund	Capital Project Bond Funds	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Inventory	\$ 234,131	\$ -	\$ -	\$ 514,000	\$ 748,131
Restricted for:					
Capital outlay and property maintenance	-	-	122,758,518	14,473,944	137,232,462
Debt service	-	4,808,397	-	-	4,808,397
Federal and state programs	3,347,129	-	-	2,425,451	5,772,580
Instruction	-	-	-	126,476	126,476
Total Restricted	<u>3,347,129</u>	<u>4,808,397</u>	<u>122,758,518</u>	<u>17,025,871</u>	<u>147,939,915</u>
Committed to:					
Food services	-	-	-	1,166,138	1,166,138
School programs	-	-	-	6,631,540	6,631,540
Total Committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,797,678</u>	<u>7,797,678</u>
Assigned to:					
Employee compensation	1,263,968	-	-	-	1,263,968
Site budget carryover	100,228	-	-	-	100,228
Anticipated federal program carryover	2,839,286	-	-	-	2,839,286
Bond costs and capital outlay	-	-	9,565,519	-	9,565,519
Total Assigned	<u>4,203,482</u>	<u>-</u>	<u>9,565,519</u>	<u>-</u>	<u>13,769,001</u>
Unassigned	<u>50,520,067</u>				<u>50,520,067</u>
	<u>\$ 58,304,809</u>	<u>\$ 4,808,397</u>	<u>\$ 132,324,037</u>	<u>\$ 25,337,549</u>	<u>\$ 220,774,792</u>

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Notes to Financial Statements
June 30, 2024

Note 2 -- Cash and Investments

Investments – The District’s investment policies are governed by state statute. Permissible investments include direct obligations of the United States Government, its agencies and instrumentalities; obligations guaranteed by the State of Oklahoma; repurchase agreements collateralized by federal or state investments identified above; deposits in banks and savings and loan associations which are collateralized or insured by FDIC or FSLIC; county, municipal and school district ad valorem bonds; money market mutual funds regulated by the SEC and consisting of investments identified above; warrants, bonds or judgments of the school district; qualified pooled investment programs consisting of investments identified above and governed through an interlocal cooperative agreement, and investment programs administered by the State Treasurer.

The District maintains cash and investment pools available for use by all funds. Each fund’s portion of the pool is displayed on the governmental fund balance sheet.

Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. State statutes require collateral for amounts in excess of federally insured amounts. The deposit policy for custodial credit risk requires compliance with the provision of state law. At June 30, 2024, the bank balance of deposits and cash pools was completely covered by federal depository insurance and by collateral held by the District’s third party agent in the District’s name.

Interest rate risk is the risk of fair value losses from increasing interest rates. The District does not have a formal policy that limits investment maturities as a means of managing its exposure to investment rate risk.

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The District does not have a formal policy limiting its exposure arising from concentration of investments.

At June 30, 2024, the District held U.S. Government treasury and agency investments in the following:

<u>Agency</u>	<u>Moodys Rating</u>	<u>Term</u>	<u>Balance</u>
Federal Home Loan Bank	Aaa	7-12 months	\$ 30,596,249
United States Treasury Bills	Aaa	6 months	\$ 9,752,764

A judgment that was awarded against the District for an obligation from a prior year was purchased from the plaintiff as an investment of the general fund. The original judgment amount of \$16,969 was levied in the sinking fund ratably over three years at a statutory interest rate set annually, currently 5.25%. The uncollected balance at June 30, 2024 was \$5,656.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Notes to Financial Statements
June 30, 2024

Note 3 -- Long-term Liabilities

The long-term liability balances and activity for the year were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
General Obligation Debt	\$ 208,830,000	\$ 63,000,000	\$ (58,130,000)	\$ 213,700,000	\$59,700,000
Compensated Absences	1,160,457	1,171,545	(1,044,250)	1,287,752	917,000
Total governmental activity long-term liabilities	\$ 209,990,457	\$ 64,171,545	\$ (59,174,250)	\$ 214,987,752	\$60,617,000

Payments on bonds are made by the debt service fund from property tax collections. Compensated absences are generally liquidated by the general fund.

Bonds payable at June 30, 2024 are composed of the following individual general obligation bond issues:

Issue Amount	Purpose	Date	Annual Payment	Final Payment	Maturity Date	Interest Rates	Total Outstanding
\$17,000,000	Building	8/1/2019	\$4,250,000	\$4,250,000	8/1/2024	0.02	\$4,250,000
\$30,800,000	Combined	3/1/2020	\$7,700,000	\$7,700,000	3/1/2025	.05%-2.0%	7,700,000
\$20,000,000	Combined	8/1/2020	\$5,000,000	\$5,000,000	8/1/2025	1%-2%	10,000,000
\$52,000,000	Combined	6/1/2021	\$13,000,000	\$13,000,000	6/1/2026	1.25%-1.5%	26,000,000
\$13,000,000	Building	8/1/2021	\$3,250,000	\$3,250,000	8/1/2026	1.25%-2.0%	9,750,000
\$52,000,000	Combined	3/1/2022	\$13,000,000	\$1,300,000	3/1/2027	1.0%-4.0%	39,000,000
\$14,000,000	Building	8/1/2022	\$3,500,000	\$3,500,000	8/1/2027	3%-4%	14,000,000
\$40,000,000	Combined	3/1/2023	\$10,000,000	\$10,000,000	3/1/2028	3%-4%	40,000,000
\$14,000,000	Building	8/1/2023	\$3,500,000	\$3,500,000	8/1/2028	4%	14,000,000
\$49,000,000	Combined	3/1/2024	\$12,250,000	\$12,250,000	3/1/2029	4%	49,000,000
							\$213,700,000

As of June 30, 2024 the annual requirements to amortize all bond debt outstanding, including interest payments, are as follows:

Period Ending June 30	Principal	Interest	Total Debt Service
2025	\$ 59,700,000	\$ 6,525,125	\$ 66,225,125
2026	63,500,000	5,059,375	68,559,375
2027	45,500,000	3,365,000	48,865,000
2028	29,250,000	1,660,000	30,910,000
2029	15,750,000	560,000	16,310,000
	\$ 213,700,000	\$ 17,169,500	\$ 230,869,500

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Notes to Financial Statements
June 30, 2024

Note 3 -- Long-term Liabilities (continued)

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 obligation bonded debt of the District is limited by state law to 10% of the assessed valuation of the District. The legal debt limit at June 30, 2024 is approximately \$277,424,103.

Proceeds of general obligation bond issues are recorded in the Capital Projects Fund and at least 85% of the proceeds are restricted to the use for which they were approved in the bond elections.

Pledged Revenues – Property tax revenues collected by the District are pledged to repay the District's general obligation bonds. The principal and interest paid on general obligation bonds with the pledged revenues in 2024 was \$58,130,000 and \$4,715,038, respectively. As of June 30, 2024, \$213,700,000 of general obligation bonds were outstanding, and \$98,000,000 of general obligation bonds were authorized but not issued. Subsequent to year end, the District issued \$10,000,000 of voter-approved general obligation bonds.

Note 4 -- Employee Retirement System

Teachers' Retirement System of Oklahoma

Plan Description - The District contributes to the state-administered Oklahoma Teachers' Retirement System ("TRS"), a cost-sharing, multiple-employer defined benefit public employee retirement system. The System is administered by a board of trustees. TRS provides retirement, disability and death benefits to plan members and beneficiaries. Oklahoma State Statute 70, Article 17 assigns the authority to establish and amend benefit provisions to the TRS Board of Trustees. The System issues a publicly available report that includes financial statements and required supplementary information for TRS. That report may be obtained by contacting the Oklahoma Teachers' Retirement System.

Benefits Provided – The System 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 began contributions prior to November 1, 2017 become 100% vested in benefits earned to date after five years of credited service. The vesting term for members who began contributions on or after November 1, 2017 is seven years.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Notes to Financial Statements
June 30, 2024

Note 4 -- Employee Retirement System (continued)

- Members who joined the System prior to July 1, 1992 are eligible to retire at maximum benefits at the earlier of age 62 or when age and years of creditable service total 80. Members joining from July 1, 1992 to October 31, 2011 are eligible for maximum benefits at the earlier of age 62 or when their age and years of creditable service total 90. Members who joined the System on or after November 1, 2011 are eligible to retire with maximum benefits at the earlier of age 65 or when their age and years of creditable service total 90 as long as their age is at least 60.
- The maximum retirement benefit is 2% of final average compensation times the number of years of credited service. Reduced benefits are available at age 55 for members joining prior to November 1, 2011 or age 60 for members joining after October 31, 2011. Reduction factors vary depending on age and date of membership when joining the System.
- Final average compensation for members who joined the System prior to July 1, 1992 is defined as the average salary for three highest years of contributing compensation. For members joining the System after June 30, 1992 final average compensation is defined as the average of the five highest consecutive years of contributing compensation. Prior to July 1, 1995 all contributions were limited to salary caps of \$40,000 or \$25,000 depending on the member's election. Salary caps were removed starting July 1, 1995.
- Upon death, the designated beneficiary of a member who has not retired shall receive total contributions plus 100% of interest earned through the end of the fiscal year, with interest rates varying based on time of service. The surviving spouse may elect to receive the retirement benefit of the member, in lieu of the aforementioned benefits.
- Upon death of a retired member, the System will pay \$5,000 to the designated beneficiary in addition to the benefits provided by the retirement option selected by the member.
- A member is eligible for disability benefits after 10 years of credited Oklahoma service. The disability benefit is equal to 2% of final average compensation for the applicable years of credited service.
- Upon withdrawal from the system, a member's contributions are refundable with interest, based on the years of service.

Funding Policy – Under the System, contributions are made by the District, the State of Oklahoma, and the participating employees. Participation is required for all teachers and other certified employees and is optional, but irrevocable once elected, for all other regular employees of public educational institutions who work at least 20 hours per week.

The contribution rates for the District and its employees, which are not actuarially determined, are established by statute and applied to the employee's earnings, plus

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Notes to Financial Statements
June 30, 2024

Note 4 -- Employee Retirement System (continued)

employer-paid fringe benefits. The District is required by statute to contribute 9.5% of applicable compensation for the year ended June 30, 2024. Plan members are required to contribute 7% of their annual covered salary. The District pays the member portion as a benefit for its full-time employees as allowed by statute.

For the year ended June 30, 2024, qualifying employee contributions were reduced by a retirement credit of \$1,040,111 provided by Enrolled House Bill 1873 and paid by the State of Oklahoma on behalf of the District. The government-wide financial statements include amounts representing on-behalf payments made to the System by the State of Oklahoma. These payments do not represent a direct or indirect payment of the District.

The District's contributions to TRS (irrespective of retirement credit paid by the State of Oklahoma) for the years ended June 30, 2024, 2023, and 2022 were \$25,524,456, \$21,956,958, and \$20,993,837, respectively, and equaled the required contributions each year.

Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued TRS financial report that can be obtained at <http://www.ok.gov/trs/>.

Note 5 -- Other Post-Employment Benefits (OPEB)

Plan description - In addition to the retirement plan described in Note 4, the District participates in the state-administered Supplemental Health Insurance Program (OPEB plan) within Teachers' Retirement System of Oklahoma (the OPEB system), which is a cost-sharing multiple-employer defined benefit OPEB plan administered by the TRS Title 74 O. S. Sec. 1316.3 defines the health insurance benefits. The authority to establish and amend benefit provisions rests with the State Legislature. OTRS issues a publicly available financial report that can be obtained at www.ok.gov/OTRS.

Benefits provided - OTRS pays a medical insurance supplement to eligible members who elect to continue their employer provided health insurance. The supplement payment is between \$100 and \$105 per month, remitted to the Oklahoma Management Enterprise Services Employees Group Insurance Division, provided the member has ten (10) years of Oklahoma service prior to retirement.

Contributions - Employer and employee contributions are made based upon the TRS Plan provisions contained in Title 70, as amended. However, the statutes do not specify or identify any particular contribution source to pay the health insurance subsidy. Based on the contribution requirements of Title 70, employers and employees contribute a single amount based on a single contribution rate as described in Note 4; from this amount OTRS allocates a portion of the contributions to the supplemental health insurance program.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Notes to Financial Statements
June 30, 2024

Note 5 -- Other Post-Employment Benefits (OPEB) (continued)

OPEB plan fiduciary net position - Detailed information about the OPEB plan's fiduciary net position is available in the separately issued TRS financial report that can be obtained at <http://www.ok.gov/trs/>.

Note 6 -- 403(b) Retirement Savings Plan

The District sponsors a 403(b) retirement savings plan in which all employees of the District are eligible to participate. Internal Revenue Code Section 403(b) annuity contracts are a retirement vehicle available to public school district employees. The annuity contracts supplement and are separate from the Oklahoma Teachers' Retirement System. Annuity contracts and 403(b) contributions are tax deferred and are funded through elective pre-income tax deductions up to limits set by federal law. The District does not make contributions into the plan. Participants may choose their investment provider from a list of approved investment providers under the plan. The plan provides for withdrawals only upon attainment of age 59½, severance from employment, total and permanent disability, death, a "qualified reservist" distribution, or financial hardship as defined by the plan. The district has contracted a third party administrator to provide administrative services. The agreement provides for a charge of \$12 per year for each participant, to be paid by the participants.

Note 7 -- Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year, and insurance settlements have not exceeded coverage.

Note 8 -- Contingencies

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

The District is defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, the District believes the resolution of these matters will not have a material adverse effect on the financial condition of the District. Should a judgment be

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Notes to Financial Statements
June 30, 2024

awarded against the District, it would be levied through the District's sinking fund over a three-year period pursuant to state law.

The District had \$30,368,439 in outstanding construction commitments in the capital project funds as of June 30, 2024.

Note 9 -- Schedule of Transfers

Transfer From	Transfer To	Amount	Nature of Transfer
Child Nutrition Fund	General Fund	\$ 121,888	Operating Transfer
Student Activity Fund	General Fund	2,622,708	Operating Transfer
Gift Fund	General Fund	3,504	Operating Transfer
General Fund	General Fund	92,969	Operating Transfer
Student Activity Fund	Student Activity Fund	1,116,967	Operating Transfer
Student Activity Fund	Child Nutrition Fund	17,116	Operating Transfer
Child Nutrition Fund	Child Nutrition Fund	4,570	Operating Transfer
Debt Service Fund	Building Fund	3,236,311	Operating Transfer
2020A Bond Fund	Bond Residual Fund	812,089	Operating Transfer
2020B Bond Fund	Bond Residual Fund	2,586,203	Operating Transfer
		<u>\$ 10,614,325</u>	

Note 10 -- Capital Assets

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

	Beginning Balances	Increases	Decreases	Ending Balances
Government Activities:				
Capital assets not being depreciated				
Land	\$ 21,726,242	\$ -	\$ -	\$ 21,726,242
Construction in progress	53,149,733	36,652,335	53,489,503	36,312,565
Total capital assets not being depreciated	<u>\$ 74,875,975</u>	<u>\$ 36,652,335</u>	<u>\$ 53,489,503</u>	<u>\$ 58,038,807</u>
Capital assets being depreciated:				
Buildings	\$ 680,308,931	\$ 53,978,110	\$ -	\$ 734,287,041
Furniture	4,508,982	218,045	-	4,727,027
Musical Instruments	1,464,964	141,193	-	1,606,157
Equipment	32,817,518	6,174,181	41,451	38,950,248
Vehicles/Buses	18,867,217	2,321,167	-	21,188,384
Total capital assets being depreciated	<u>\$ 737,967,612</u>	<u>\$ 62,832,696</u>	<u>\$ 41,451</u>	<u>\$ 800,758,857</u>
Less accumulated depreciation	<u>249,878,541</u>	<u>20,134,093</u>	<u>36,884</u>	<u>269,975,750</u>
Total capital assets being depreciated, net	<u>\$ 488,089,071</u>	<u>\$ 42,698,603</u>	<u>\$ 4,567</u>	<u>\$ 530,783,107</u>
Governmental activity capital assets, net	<u>\$ 562,965,046</u>	<u>\$ 79,350,938</u>	<u>\$ 53,494,070</u>	<u>\$ 588,821,914</u>
Total Primary Government	<u>\$ 562,965,046</u>	<u>\$ 79,350,938</u>	<u>\$ 53,494,070</u>	<u>\$ 588,821,914</u>

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Notes to Financial Statements
June 30, 2024

Note 11 – Tax Abatement

The State of Oklahoma has authorized by Oklahoma State Statutes Title 31 to offer Homestead and Veterans exemptions to ad valorem property taxes. These exemptions reduce the ad valorem taxes remitted to the District. For the year ended June 30, 2024, the District had \$4,334,309 in abated ad valorem tax revenues.

Note 12 – Subsequent Events

Subsequent to the fiscal year end, the District issued the first installment of bonds from the February 13, 2024 bond election. Voters in the District approved the issuance of bonds totaling \$147,000,000, to be issued in four series. Construction projects included classroom additions at Scissortail Elementary and Boulevard Academy, renovations and improvements at Sunset, John Ross, Orvis Risner, Clegern and Charles Haskell elementary schools. The bond would also fund Phase I improvements for a new elementary school and a new middle school, construct a transition academy for special education, construct a multi-use safe room at the Early Childhood Center, improvements at the Mitch Park competitive pool area, and upgrade the baseball and softball playing surfaces at North, Memorial, and Santa Fe high schools. Equipment projects include technology, transportation, school security, roofing, flooring, lighting, school instructional equipment, textbooks, HVAC replacement, classroom furnishings, child nutrition equipment and playground improvements. Funding is planned in four installments: \$49 million was received in April 2024, \$10 million was received in August 2024, \$21 million to be received in April 2025, and \$67 million to be received in August 2025.

Construction commitments subsequent to year end totaled \$7,489,291 from bond funds.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Notes to Financial Statements
June 30, 2024

The District has a public employee dishonesty bond with Ohio Casualty Insurance Company covering all district employees not individually bonded. This bond coverage is \$100,000 per loss with a \$2,500 deductible per employee. The bond number is LSFO62011/3884485 and the term is from July 1, 2017 until cancelled.

The treasurer was bonded under Ohio Casualty Insurance Company surety bond number LSF041210/3863216 with a coverage amount of \$500,000, effective June 30, 2022 through June 30, 2023 and renewed through June 2024.

The assistant treasurer was bonded under Ohio Casualty Insurance Company surety bond number 999089293 with a coverage amount of \$500,000 effective June 1, 2022 through June 30, 2023 and renewed through June 30, 2024.

The superintendent was bonded under Ohio Casualty Insurance Company surety bond number 999113924 with a coverage amount of \$100,000. The bond is effective for the period from July 1, 2022 through July 1, 2023 and renewed through June 30, 2024.

Required Supplementary Information

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Budgetary Comparison Schedule - General Fund - Regulatory Basis
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance With Final Budget
REVENUE				
Property Taxes	\$ 89,177,769	\$ 89,177,769	\$ 95,225,314	\$ 6,047,545
Interest	1,816,500	1,816,500	4,102,944	2,286,444
County Revenue	11,203,899	11,203,899	10,494,369	(709,530)
State Revenue	94,928,820	94,928,820	95,156,603	227,783
Federal Revenue	18,529,000	18,529,000	13,039,826	(5,489,174)
Other	3,928,000	3,928,000	4,222,306	294,306
Total Revenue	<u>\$ 219,583,988</u>	<u>\$ 219,583,988</u>	<u>\$ 222,241,362</u>	<u>\$ 2,657,374</u>
EXPENDITURES				
Current				
Instruction	\$ 146,194,860	\$ 146,194,860	\$ 136,355,558	\$ (9,839,302)
Support Services	81,762,580	81,762,580	80,501,271	(1,261,309)
Non-instruction Services	3,797,926	3,797,926	3,831,839	33,913
		0	--	--
Other Outlays	<u>44,692,043</u>	<u>44,692,043</u>	<u>259,713</u>	<u>(44,432,330)</u>
Total Expenditures	<u>\$ 276,447,409</u>	<u>\$ 276,447,409</u>	<u>\$ 220,948,381</u>	<u>\$ (55,499,028)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (56,863,421)	(56,863,421)	1,292,981	58,156,402
Fund Balance - Beginning	<u>56,863,421</u>	<u>56,863,421</u>	<u>57,011,827</u>	<u>148,406</u>
Fund Balance - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 58,304,808</u>	<u>\$ 58,304,808</u>

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Budgetary Comparison Schedule - Other Appropriated Funds- Regulatory Basis
For the Year Ended June 30, 2024

	Building Fund		Child Nutrition Fund		Sinking Fund	
	Original and Final Budget	Actual	Original and Final Budget	Actual	Original and Final Budget	Actual
Budgetary Fund Balance, July 1						
REVENUE						
Property Taxes	\$ 12,740,052	\$ 13,595,113	\$ -	\$ -	\$ 57,894,663	\$ 60,110,139
Interest	172,800	559,755	108,500	305,640	-	3,553,644
County Revenue	-	-	-	-	-	-
State Revenue	260	196	105,900	88,288	-	868
Federal Revenue	978,794	978,794	5,502,300	5,696,312	-	-
Other	1,062,700	3,366,560	5,046,500	4,882,064	-	(413,158)
Total Revenue	<u>\$ 14,954,606</u>	<u>\$ 18,500,418</u>	<u>\$ 10,763,200</u>	<u>\$ 10,972,304</u>	<u>\$ 57,894,663</u>	<u>\$ 63,251,493</u>
EXPENDITURES						
Current						
Instruction	\$ 47,583	\$ 1,326	\$ -	\$ -	\$ -	\$ -
Support Services	16,990,191	15,635,928	-	-	-	-
Non-instruction Services	-	-	11,404,242	12,380,635	-	-
Capital Outlays	-	-	-	-	-	-
Other Outlays	9,519,243	-	4,501,331	126,458	13,009	13,439
Debt Service						
Interest Paid					5,197,035	4,715,038
Principal Retirement					57,100,000	58,130,000
Total Expenditures	<u>\$ 26,557,017</u>	<u>\$ 15,637,254</u>	<u>\$ 15,905,573</u>	<u>\$ 12,507,093</u>	<u>\$ 62,310,044</u>	<u>\$ 62,858,477</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,602,411)	2,863,164	(5,142,373)	(1,534,789)	(4,415,381)	393,016
Fund Balance - Beginning	<u>11,602,411</u>	<u>11,947,057</u>	<u>5,142,373</u>	<u>5,304,101</u>	<u>4,415,381</u>	<u>4,415,381</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 14,810,221</u>	<u>\$ -</u>	<u>\$ 3,769,312</u>	<u>\$ -</u>	<u>\$ 4,808,397</u>

See Accompanying Notes to Financial Statements

Other Supplementary Information

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Combining Balance Sheet
Other Governmental Funds
Regulatory Basis
June 30, 2024

	<u>Building</u>	<u>Child Nutrition</u>	<u>Activity</u>	<u>Gift</u>	<u>Total</u>	<u>Total Other Governmental Fund</u>
ASSETS						
Cash	\$ 8,940,658	\$ 2,208,778	\$ 6,780,367	\$ 126,476	\$ 18,056,279	\$ 18,056,279
Cash Investments	2,226,495	1,500,000	-	-	3,726,495	3,726,495
Investments	3,468,361	-	-	-	3,468,361	3,468,361
Other Receivables	-	-	-	-	-	-
Inventories - Supplies, materials	336,277	177,723	-	-	514,000	514,000
Total Assets	<u><u>\$ 14,971,791</u></u>	<u><u>\$ 3,886,501</u></u>	<u><u>\$ 6,780,367</u></u>	<u><u>\$ 126,476</u></u>	<u><u>\$ 25,765,135</u></u>	<u><u>\$ 25,765,135</u></u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Warrants Outstanding	\$ 161,570	\$ 31,702	\$ 148,827	\$ -	\$ 342,099	\$ 342,099
Accounts Payable	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-
Retainage Payable	-	-	-	-	-	-
Reserve for Encumbrances	-	85,487	-	-	85,487	85,487
Total Liabilities	<u><u>\$ 161,570</u></u>	<u><u>\$ 117,189</u></u>	<u><u>\$ 148,827</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 427,586</u></u>	<u><u>\$ 427,586</u></u>
Fund Balance						
Nonspendable	\$ 336,277	\$ 177,723	\$ -	\$ -	\$ 514,000	\$ 514,000
Restricted	14,473,944	2,425,451	-	126,476	17,025,871	17,025,871
Committed	-	1,166,138	6,631,540	-	7,797,678	7,797,678
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Fund Balances, End of Year	<u><u>\$ 14,810,221</u></u>	<u><u>\$ 3,769,312</u></u>	<u><u>\$ 6,631,540</u></u>	<u><u>\$ 126,476</u></u>	<u><u>\$ 25,337,549</u></u>	<u><u>\$ 25,337,549</u></u>
Total Liabilities and Fund Balances	<u><u>\$ 14,971,791</u></u>	<u><u>\$ 3,886,501</u></u>	<u><u>\$ 6,780,367</u></u>	<u><u>\$ 126,476</u></u>	<u><u>\$ 25,765,135</u></u>	<u><u>\$ 25,765,135</u></u>

See Accompanying Notes to Financial Statements

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
Regulatory Basis
For the Year Ended June 30, 2024

	Building	Child Nutrition	Activity	Gift	Total	Total Other Governmental Fund
Revenues						
Property Taxes	\$ 13,595,113	\$ -	\$ -	\$ -	\$ 13,595,113	\$ 13,595,113
Interest	559,755	305,640	325,618	6,537	1,197,550	1,197,550
County Revenue	-	-	-	-	-	-
State Revenue	196	88,288	-	-	88,484	88,484
Federal Revenue	978,794	5,696,312	-	-	6,675,106	6,675,106
Other	130,249	4,860,378	10,967,659	3,690	15,961,976	15,961,976
Total Revenues	<u>\$ 15,264,107</u>	<u>\$ 10,950,618</u>	<u>\$ 11,293,277</u>	<u>\$ 10,227</u>	<u>\$ 37,518,229</u>	<u>\$ 37,518,229</u>
Expenditures						
Instruction	\$ 1,326	\$ -	\$ 858,009	\$ 7,497	\$ 866,832	\$ 866,832
Support Services	15,635,928	-	5,300,940	9,899	20,946,767	20,946,767
Non-instruction Services	-	12,380,635	1,132,553	-	13,513,188	13,513,188
Capital Outlays	-	-	1,094	-	1,094	1,094
Other Outlays	-	-	-	-	-	-
Debt Service						
Interest Paid						-
Principal Retirement						-
Total Expenditures	<u>\$ 15,637,254</u>	<u>\$ 12,380,635</u>	<u>\$ 7,292,596</u>	<u>\$ 17,396</u>	<u>\$ 35,327,881</u>	<u>\$ 35,327,881</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (373,147)</u>	<u>\$ (1,430,017)</u>	<u>\$ 4,000,681</u>	<u>\$ (7,169)</u>	<u>\$ 2,190,348</u>	<u>\$ 2,190,348</u>
Adjustments to Prior Year Encumbrances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other Financing Sources (Uses)						
Transfers In	\$ 3,236,311	\$ 21,686	\$ 1,116,968	\$ -	\$ 4,374,965	\$ 4,374,965
Transfers Out	-	(126,458)	(3,756,791)	(3,504)	(3,886,753)	(3,886,753)
Proceeds of Bonds	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ 3,236,311</u>	<u>\$ (104,772)</u>	<u>\$ (2,639,823)</u>	<u>\$ (3,504)</u>	<u>\$ 488,212</u>	<u>\$ 488,212</u>
Net Change in Fund Balance	<u>\$ 2,863,164</u>	<u>\$ (1,534,789)</u>	<u>\$ 1,360,858</u>	<u>\$ (10,673)</u>	<u>\$ 2,678,560</u>	<u>\$ 2,678,560</u>
Beginning Fund Balance	11,947,057	5,304,101	5,270,682	137,149	22,658,989	22,658,989
Beginning Fund Balance	<u>\$ 11,947,057</u>	<u>\$ 5,304,101</u>	<u>\$ 5,270,682</u>	<u>\$ 137,149</u>	<u>\$ 22,658,989</u>	<u>\$ 22,658,989</u>
Ending Fund Balances	<u>\$ 14,810,221</u>	<u>\$ 3,769,312</u>	<u>\$ 6,631,540</u>	<u>\$ 126,476</u>	<u>\$ 25,337,549</u>	<u>\$ 25,337,549</u>

See Accompanying Notes to Financial Statements

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Combining Balance Sheet
Other Capital Project Funds
Regulatory Basis
June 30, 2024

	2021A	2021B	2022A	2022B	2023A	2023B	2024A	Bond Residual	Total Capital Project Funds
ASSETS									
Cash	\$ 6,188,564	\$ 1,177,369	\$ 11,722,872	\$ 9,636,803	\$ 18,215,968	\$ 13,770,998	\$ 8,787,258	\$ 3,606,592	\$ 73,106,424
Cash Investments	1,000,000	2,500,000	5,132,476	1,500,000	9,632,476	-	40,000,000	-	59,764,952
Investments	-	-	-	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-	-	-	-
Total Assets	\$ 7,188,564	\$ 3,677,369	\$ 16,855,348	\$ 11,136,803	\$ 27,848,444	\$ 13,770,998	\$ 48,787,258	\$ 3,606,592	\$ 132,871,376
LIABILITIES AND FUND BALANCES									
Liabilities									
Warrants Outstanding	\$ 8,853	\$ -	\$ 159,862	\$ 9,080	\$ 158,465	\$ 11,319	\$ 190,031	\$ 9,729	\$ 547,339
Total Liabilities	\$ 8,853	\$ -	\$ 159,862	\$ 9,080	\$ 158,465	\$ 11,319	\$ 190,031	\$ 9,729	\$ 547,339
Fund Balance									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	\$ 5,995,838	\$ 3,236,269	\$ 14,114,042	\$ 10,170,952	\$ 25,529,183	\$ 13,154,752	\$ 48,498,274	\$ 2,059,208	\$ 122,758,518
Committed	-	-	-	-	-	-	-	-	-
Assigned	1,183,873	441,100	2,581,444	956,771	2,160,796	604,927	98,953	1,537,655	9,565,519
Unassigned	-	-	-	-	-	-	-	-	-
Fund Balances, End of Year	\$ 7,179,711	\$ 3,677,369	\$ 16,695,486	\$ 11,127,723	\$ 27,689,979	\$ 13,759,679	\$ 48,597,227	\$ 3,596,863	\$ 132,324,037
Total Liabilities and Fund Balances	\$ 7,188,564	\$ 3,677,369	\$ 16,855,348	\$ 11,136,803	\$ 27,848,444	\$ 13,770,998	\$ 48,787,258	\$ 3,606,592	\$ 132,871,376

See Accompanying Notes to Financial Statements

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Capital Project Funds
Regulatory Basis
For the Year Ended June 30, 2024

	2020A	2020B	2021A	2021B	2022A	2022B	2023A	2023B	2024A	Bond Residual	Total Capital Project Funds
Revenues											
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ -	\$ -	\$ 654,550	\$ 300,408	\$ 1,411,770	\$ 606,107	\$ 1,767,153	\$ 604,927	\$ 98,953	\$ 259,145	\$ 5,703,013
County Revenue	-	-	-	-	-	-	-	-	-	-	-
State Revenue	-	-	-	-	-	-	-	-	-	-	-
Federal Revenue	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	124,489	124,489
Total Revenues	\$ -	\$ -	\$ 654,550	\$ 300,408	\$ 1,411,770	\$ 606,107	\$ 1,767,153	\$ 604,927	\$ 98,953	\$ 383,634	\$ 5,827,502
Expenditures											
Instruction	\$ -	\$ -	\$ 1,010,620	\$ -	\$ 3,840,309	\$ 1,051,629	\$ 1,765,240	\$ 824,750	\$ 233,553	\$ 229,791	\$ 8,955,892
Support Services	-	-	3,275,003	1,313,055	7,575,029	1,328,737	3,969,447	5,551	108,995	1,690,553	19,266,370
Non-instruction services	-	-	-	-	7,250	-	-	-	-	-	7,250
Capital Outlays	-	-	3,603,388	2,101,621	13,513,657	987,754	7,743,884	14,947	159,178	711,096	28,835,525
Other Outlays	-	-	-	-	-	-	-	-	-	5,029	5,029
Debt Service	-	-	-	-	-	-	-	-	-	-	-
Interest Paid	-	-	-	-	-	-	-	-	-	-	-
Principal Retirement	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ -	\$ -	\$ 7,889,011	\$ 3,414,676	\$ 24,936,245	\$ 3,368,120	\$ 13,478,571	\$ 845,248	\$ 501,726	\$ 2,636,469	\$ 57,070,066
Excess (Deficiency) of Revenues over Expenditures	\$ -	\$ -	\$ (7,234,461)	\$ (3,114,268)	\$ (23,524,475)	\$ (2,762,013)	\$ (11,711,418)	\$ (240,321)	\$ (402,773)	\$ (2,252,835)	\$ (51,242,564)
Adjustments to Prior Year Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Financing Sources (Uses)											
Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,398,292	\$ 3,398,292
Transfers Out	(812,089)	(2,586,203)	-	-	-	-	-	-	-	-	(3,398,292)
Proceeds of Bonds	-	-	-	-	-	-	-	14,000,000	49,000,000	-	63,000,000
Total Other Financing Sources (Uses)	\$ (812,089)	\$ (2,586,203)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,000,000	\$ 49,000,000	\$ 3,398,292	\$ 63,000,000
Net Change in Fund Balance	\$ (812,089)	\$ (2,586,203)	\$ (7,234,461)	\$ (3,114,268)	\$ (23,524,475)	\$ (2,762,013)	\$ (11,711,418)	\$ 13,759,679	\$ 48,597,227	\$ 1,145,457	\$ 11,757,436
Beginning Fund Balance	812,089	2,586,203	14,414,172	6,791,637	40,219,961	13,889,736	39,401,397	-	-	2,451,406	120,566,601
Ending Fund Balances	\$ -	\$ -	\$ 7,179,711	\$ 3,677,369	\$ 16,695,486	\$ 11,127,723	\$ 27,689,979	\$ 13,759,679	\$ 48,597,227	\$ 3,596,863	\$ 132,324,037

See Accompanying Notes to Financial Statements

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through	Balance 6/30/23	Federal Grant Receipts	Federal Grant Expenditures	Balance 6/30/24
		Grantor's Project Number				
<u>U.S. Department of Education</u>						
Direct Programs						
Indian Education, Grants to Local Educational Agencies	84.060	561	\$ (78,344)	\$ 412,054	\$ 395,194	\$ (61,484)
Passed Through Oklahoma Department of Career and Technology Education						
Vocational Education - Basic Grant to States	84.048	421/424	\$ (86,304)	\$ 225,314	\$ 202,035	\$ (63,025)
Passed Through Oklahoma State Department of Education						
Title I, Improving Basic Programs	84.010	511/512/518/785	\$ (509,375)	\$ 1,387,074	\$ 3,453,547	\$ (2,575,848)
Title I Cluster			\$ (509,375)	\$ 1,387,074	\$ 3,453,547	\$ (2,575,848)
		613/615/616/				
Special Education - Grants to States	84.027	621/623/625	\$ (1,053,164)	\$ 5,253,453	\$ 5,401,410	\$ (1,201,121)
Special Education - Preschool Grants	84.173	641/642	(474)	78,124	114,063	(36,413)
Special Education Cluster			\$ (1,053,638)	\$ 5,331,577	\$ 5,515,473	\$ (1,237,534)
Title II, Part A Teacher and Principal Training and Recruiting Fund	84.367	541	\$ (238,934)	\$ 595,161	\$ 640,934	\$ (284,707)
Part A, English Language Acquisition, Language Enhancement and Academic Achievement	84.365	571/572	\$ (1,174)	\$ 128,996	\$ 128,369	\$ (547)
Student Support and Academic Enrichment	84.424A	551/552	\$ (19,043)	\$ 180,745	\$ 171,528	\$ (9,826)
Education for Homeless Children and Youth	84.196	596	\$ -	\$ 48,999	\$ 53,971	\$ (4,972)
COVID 19 ESSER II Elementary & Secondary School Emergency Relief	84.425D	793/794	(1,845,449)	1,875,115	29,666	-
ARP IDEA B	84.027X	628/629	(267,932)	663,520	395,588	-
ARP IDEA B Preschool	84.027X	643/644	(29,693)	35,670	5,977	-
American Rescue Plan (ARP ESSER) School Counselor Corps Grant	84.425U	722	(81,984)	274,678	256,000	(63,306)
American Rescue Plan (ARP ESSER) Oklahoma Paid Student Teacher Stipend	84.425U	725	-	43,725	43,725	-
American Rescue Plan (ARP ESSER) Science of Reading Teacher Stipend	84.425U	726	-	25,194	23,902	1,292
American Rescue Plan (ARP ESSER) Afghan Refugee School Impact Support	84.425U	727	-	16,541	52,077	(35,536)
American Rescue Plan (ARP ESSER III)	84.425U	795	(1,633,576)	2,456,635	5,001,463	(4,178,404)
American Rescue Plan (ARP ESSER) Homeless	84.425U	796/797	(7,748)	47,105	39,833	(476)
COVID Relief Cluster			\$ (3,866,382)	\$ 5,438,183	\$ 5,848,231	\$ (4,276,430)
Passed Through Oklahoma Department of Rehabilitation Services						
Job Training	84.126	456	\$ 22,612	\$ 92,283	\$ 31,818	\$ 83,077
Total U.S. Department of Education			\$ (5,830,582)	\$ 13,840,386	\$ 16,441,100	\$ (8,431,296)
<u>U.S. Department of the Interior</u>						
Direct Programs						
Indian Education - Assistance to Schools						
Johnson O'Malley Program	15.130	563/564	\$ 45,172	\$ 53,517	\$ 61,395	\$ 37,294

See Accompanying Notes to Financial Statements

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Federal Grantor/Pass- Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Project Number	Balance 6/30/23	Federal Grant Receipts	Federal Grant Expenditures	Balance 6/30/24
U.S. Department of Agriculture						
Passed through the Oklahoma State Department of Education						
Breakfast Program	10.553	764	\$ 527,753	\$ 1,021,272	\$ 1,191,965	\$ 357,060
Lunch Program	10.555	763	2,778,678	4,011,696	4,682,203	2,108,171
Summer Food Program	10.559	766	-	-	42,090	(42,090)
Supply Chain Assistance	10.555	759	52,320	613,344	663,354	2,310
P-EBT Program	10.649	760	-	-	-	-
Emergency Operational Costs Reimbursement	10.555	762	-	-	-	-
Child Nutrition Cluster			\$ 3,358,751	\$ 5,646,312	\$ 6,579,612	\$ 2,425,451
Passed through the Oklahoma Department of Human Services						
Lunch Program	10.550		\$ 65,988	\$ -	\$ 65,988	\$ -
Summer Food Program	10.559		-	718,847	668,032	50,815
			65,988	718,847	734,020	50,815
Passed through the Oklahoma Department of Agriculture						
Local Food For Schools Cooperative Agreement Program	10.185	757	\$ -	\$ 50,000	\$ 50,000	\$ -
			-	50,000	50,000	-
Total U.S. Department of Agriculture			\$ 3,424,739	\$ 6,365,159	\$ 7,313,632	\$ 2,476,266
U.S. Department of Health and Human Services						
Passed Through the Oklahoma Department of Human Services						
Child Care and Development Block Grant	93.575	132	\$ 663,933	\$ -	\$ 366,103	\$ 297,830
Total Expenditures of Federal Awards			\$ (1,696,738)	\$ 20,309,062	\$ 24,232,230	\$ (5,619,906)

Note A: Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Edmond Independent School District No. 12, Oklahoma County, Oklahoma under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirement of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Award* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Edmond Independent School District No. 12 Oklahoma County, Oklahoma, it is not intended to and does not present the basic financial statements as listed in the table of contents.

Note B: Summary of Significant Accounting Policies

Expenditures reported on the schedule of expenditures of federal awards are reported using the same regulatory basis of accounting as used in the financial statements. The regulatory basis, which is fully described in the notes to the financial statements, includes encumbrances at year end as expenditures. Expenditures are recognized following the cost principles contained in the Uniform Guidance, where certain types of expenditures are not allowable or are limited as to reimbursement. Nonmonetary assistance is reported in the schedule at the fair market value of commodities received.

Note C: Indirect Cost Rate

Edmond Independent School District No. 12 Oklahoma County, Oklahoma has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note D: Subrecipients

Edmond Independent School District No. 12 Oklahoma County, Oklahoma did not have any awards that have been passed through to subrecipients.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
Oklahoma County, Oklahoma
Combining Statement of Changes in Assets and Liabilities - All Activity Funds
For the Year Ended June 30, 2024

ASSETS	Balance 6/30/23	Total Receipts	Total Disbursements	Balance 6/30/24
Activities:				
Academic Team	6,543	22,671	17,628	11,585
Advanced Placement/Enrichment	272,462	270,071	268,637	273,896
Alternative School	1,687	6,092	5,597	2,182
Archery Club	2,697	6,810	7,183	2,324
Art	48,195	73,160	62,657	58,698
Athletics	651,799	1,169,118	1,229,228	591,690
Before/After School Programs	1,342,864	4,477,724	3,881,157	1,939,431
Broadcasting Club	633	35,010	29,878	5,765
Central Office	57,708	56,095	56,727	57,076
Charitable/Community/Service	33,756	703,100	701,785	35,071
Cheerleading/Pom/Pep	70,133	197,009	160,499	106,643
Chess Club	8,379.50	-5,841.31	0.00	2,538.19
Concessions/Vending	340,936	341,991	297,889	385,037
Donations/Grants	127,517	72,833	113,493	86,857
Drama/Debate/Speech	50,031	90,894	64,551	76,373
E-Sports	3,926	5,294	3,905	5,315
Ethnic Heritage Clubs	5,310	5,096	4,216	6,190
Faculty	5,855	5,500	600	10,755
FBLA/DECA	27,321	170,108	175,415	22,014
FCCLA-Family, Career & Community Leaders	28,622	27,220	23,619	32,223
FFA Future Farmers of America	31,060	163,160	164,014	30,206
Foreign Language Clubs	17,032	5,786	5,653	17,165
Freshman Class	11,529	17,505	12,612	16,422
Games, Enrichment and Community (GEAC)	7	0	0	7
General Activity	382,866	537,024	582,941	336,949
Home Arts/Technology Ed/Wood Tech	50,742	86,255	88,200	48,796
Interest	278,508	268,365	119,462	427,411
Junior Class	1,364	0	0	1,364
Math Club	54	0	0	54
Media Center	137,913	237,792	230,227	145,478
Music	447,486	1,857,887	1,842,832	462,541
Musical Productions	61,993	136,202	93,314	104,881
National Forensic League	3,341	23,127	24,764	1,704
National Honor Society	26,654	22,136	15,463	33,327
Newspaper	1,174	3,047	2,179	2,042
Odyssey of the Mind	2,712.10	-2,712.10	0.00	0.00
Parking	3,700	157,900	157,303	4,297
Payments/Refunds on Account	88,943	8,812	2,165	95,590
Photo Lab	10,384	12,160	12,341	10,203
Prom Fund	116,202	57,907	69,967	104,142
PSAT Counselor	34,198	29,225	22,015	41,408
Refunds	3,729	29,424	30,646	2,507
Robotics Team	15,714.48	13,985.00	9,507.70	20,191.78
ROTC	14,491	85,342	65,503	34,330
Scholarships	10,604	0	1,200	9,404
Science/Environmental	13,246	3,918	3,195	13,969
Senior Class	19,479	30,807	34,877	15,409
Sophomore Class	733	0	0	733
Special Education	21,134	33,150	23,413	30,871
Special Projects	7,837	0	1,394	6,443
Student Council	24,489	136,126	135,581	25,034
Student Tech Protection Plan	4,251	491,032	2,380	492,903
Summer School	73,757	125,361	53,349	145,770
WEB - Where Everyone Belongs	3,234	5,337	4,181	4,390
Writing	4,112	2,212	2,182	4,142
Yearbook	258,667	102,019	131,863	228,823
Young Democrats/Republicans/Government	970	0	0	970
Total	\$ 5,270,682	\$ 12,410,245	\$ 11,049,387	\$ 6,631,540
FUND BALANCES				
Designated for School Organizations	\$ 5,270,682	\$ 12,410,245	\$ 11,049,387	\$ 6,631,540
Total Fund Balances	\$ 5,270,682	\$ 12,410,245	\$ 11,049,387	\$ 6,631,540

See Accompanying Notes to the Financial Statements

Reports Required by Government Auditing Standards

Patten & Odom, CPAs, PLLC

2101 N. Willow Ave.
Broken Arrow, OK 74012
Phone Number 918.250.8838
FAX Number 918.250.9853

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
Edmond Independent School District No. 12
Oklahoma County, Oklahoma

We have audited, 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, the accompanying fund type and account group financial statements-regulatory basis, within the combined financial statements of Edmond Independent School District No. 12, Oklahoma County, Oklahoma (District), as listed in the Table of Contents, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated January 28, 2025, which was adverse with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America because the presentation followed the regulatory basis of accounting for Oklahoma school districts and did not conform to the presentation requirements of the Governmental Accounting Standards Board. However, our report was unmodified with respect to the presentation of financial statements on the regulatory basis of accounting authorized by the Oklahoma State Board of Education.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the 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 District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

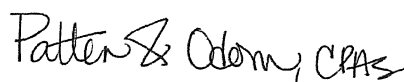
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 determination of financial statement amounts. 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

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.



Patten & Odom, CPAs, PLLC
Broken Arrow, Oklahoma
January 28, 2025

Patten & Odom, CPAs, PLLC

2101 N. Willow Ave.
Broken Arrow, OK 74012
Phone Number 918.250.8838
FAX Number 918.250.9853

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

January 28, 2025

The Honorable Board of Education
Edmond Independent School District No. 12
Oklahoma County, Oklahoma

Opinion of Each Major Federal Program

We have audited Edmond Independent School District No. 12, Oklahoma County, Oklahoma (District's) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Edmond Independent School District No. 12, Oklahoma County, 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, 2024.

Basis of 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* (Uniform Guidance). Our responsibilities under those standards and 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 Edmond Independent School District No. 12, Oklahoma County, 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 Edmond Independent School District No. 12, Oklahoma County, Oklahoma'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 Edmond Independent School District No. 12, Oklahoma County, Oklahoma's federal programs.

Auditor's Responsibility 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 Edmond Independent School District No. 12, Oklahoma County, Oklahoma'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 with 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 made by a reasonable user of the report on compliance about Edmond Independent School District No. 12, Oklahoma County, Oklahoma's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgement 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 Edmond Independent School District No. 12, Oklahoma County, Oklahoma'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 Edmond Independent School District No. 12, Oklahoma County, Oklahoma'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 Edmond Independent School District No. 12, Oklahoma County, Oklahoma'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.

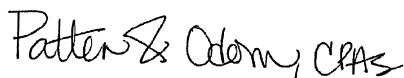
Report on Internal Control Over Compliance

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 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 Responsibility 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 considered 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Patten & Odom, CPAs, PLLC
Broken Arrow, Oklahoma
January 28, 2025

**EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an adverse opinion on the combined financial statements in conformity with accounting principles generally accepted in the United States of America and an unmodified opinion on the combined financial statements in conformity with a regulatory basis of accounting prescribed by the Oklahoma Department of Education.
2. There were no audit findings reported of deficiencies in internal control, which the auditor considers to be "significant deficiencies" as defined in A.I.C.P.A. standards.
3. No instances of noncompliance material to the financial statements of Edmond Independent School District No. 12 which would be required to be reported in accordance with Government Auditing Standards were disclosed during the audit.
4. There were no audit findings reported of deficiencies in internal control over major programs, which the auditor considers to be "significant deficiencies" as defined by A.I.C.P.A. standards.
5. The auditor's report on compliance for the major federal award programs for Edmond Independent School District No. 12 expresses an unmodified opinion on all major federal programs.
6. There were no audit findings relative to major federal award programs for Edmond Independent School District No. 12 that are required to be reported in accordance with Uniform Guidance.
7. The programs tested as major programs included: American Rescue Plan/ESSER (84.425) and Child Nutrition Cluster (10.555, 10.553 and 10.559).
8. A threshold for distinguishing Types A and B programs was \$750,000.00.
9. Edmond Independent School District No. 12 qualified as a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

1. No matters were reported.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

1. No matters were reported.

**EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
OKLAHOMA COUNTY, OKLAHOMA
SUMMARY OF PRIOR AUDIT FINDINGS
JULY 1, 2023 TO JUNE 30, 2024**

The summary of prior audit findings is required to report the status of all audit findings reported in the prior audit's schedule of findings and questioned costs relative to federal awards.

The school district had no prior year audit findings relative to federal award programs.

EDMOND INDEPENDENT SCHOOL DISTRICT NO. 12
OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE AFFIDAVIT
JULY 1, 2023 TO JUNE 30, 2024

State of Oklahoma)
County of Tulsa)

The undersigned auditing firm 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 Edmond Independent School District No. 12 for the audit year July 1, 2023 to June 30, 2024.


Patten & Odom, CPAs, PLLC
AUDITING FIRM

BY


AUTHORIZED AGENT

Subscribed and sworn to before me on this

28th day of January, 2025


NOTARY PUBLIC

My commission expires on:

26th day of September, 2027

ALICIA HAUGHT
Notary Public, State of Oklahoma
Commission # 23013029
My Commission Expires 09-26-2027