

NEW ISSUE – BOOK-ENTRY ONLY

Independent School District No. 41
of Oklahoma County, Oklahoma

(Western Heights Board of Education)

PRELIMINARY OFFICIAL STATEMENT

DATED: April 2, 2025

\$18,160,000 Combined Purpose Bonds of 2025
(Federally Taxable)

SEALED BIDS WILL BE RECEIVED UNTIL:
11:30 o'clock a.m., on the 16th day of April, 2025

The bids will be opened and read and shall be awarded at the first Board of Education meeting held after the bids are due. This is expected to occur at 5:30 o'clock p.m. on the 16th day of April, 2025

FINANCIAL ADVISOR
STEPHEN H. MCDONALD & ASSOCIATES, INC.

OFFICIAL BID FORM – Exhibit B

16th day of April, 2025

Board of Education
Independent School District No. 41
Oklahoma County, Oklahoma

For your issue of General Obligation Combined Purpose Bonds of 2025 (Federally Taxable), dated May 1, 2025, of the par value of \$18,160,000 with principal and semi-annual interest payable through The Depository Trust Company (“DTC”) by UMB Bank, n.a., Oklahoma City, Oklahoma, as Paying Agent and Registrar, we hereby agree to pay you therefor a price of par and accrued interest plus a total premium of \$ _____ for bonds maturing and bearing interest as follows:

\$4,500,000 due 5-1-2027 @ _____ %	\$4,500,000 due 5-1-2029 @ _____ %
\$4,500,000 due 5-1-2028 @ _____ %	\$4,660,000 due 5-1-2030 @ _____ %
Net Interest Cost: \$ _____	Average Interest Rate: _____ %

Delivery of the Bonds shall be made at our (the purchaser’s) expense through DTC against payment of the agreed upon purchase price under the following stipulations: (1) that said Bonds are to be in the hands of the Attorney General of the State of Oklahoma for examination within 30 days from this date without litigation pending; (2) that within 10 days after approval of said Bonds by the Attorney General, we are to be furnished with certified transcript of proceedings covering this issue; (3) that the Bonds shall be tendered to us for payment within 35 days after their approval by the Attorney General which shall not exceed 70 days from this date; and (4) after the expiration of the 30 day contest period we are to be furnished with such additional showings as may be necessary to establish legality, legal delivery and freedom from litigation all to the satisfaction of Floyd & Driver, PLLC, Attorneys at Law, Norman, Oklahoma, Bond Counsel, whose fee shall be paid by the School District, otherwise delivery shall be made to us but only at our option.

We agree to provide the Paying Agent and Registrar a complete and accurate list of bondholders, with such other information as it may require, at least five (5) business days prior to the date of closing. We further agree to indemnify and hold the School District and its Paying Agent and Registrar harmless for any loss or liability resulting from errors or omissions in the list so provided to said Paying Agent and Registrar.

We attach hereto certified or cashier's check in the sum of \$363,200.00 to be held by you uncashed and to be forfeited to you as full liquidated damages in the event we fail or refuse to comply with the terms of this agreement; said check to be returned to us (1) immediately if this proposal is rejected or (2) 70 days from this date if demanded by us, in the event you are unable to comply with the provisions hereof.

This bid is a firm offer for the purchase of the Bonds identified in the Notice of Sale of Bonds and is not subject to any conditions, except as permitted under the terms of the Notice of Sale of Bonds. This bid shall not be revocable. The undersigned has an established industry reputation for underwriting new issuances of municipal bonds.

This proposal is made for immediate acceptance or rejection.

Respectfully submitted,

By: _____

At a legal meeting held on the date first above written, the above proposal was considered and upon motion regularly made, seconded and carried was accepted and the bonds sold, awarded and ordered delivered in compliance with the terms and conditions hereof.

WITNESS our official hands and seal the date first above written.

President, Board of Education

ATTEST:

Clerk, Board of Education

(SEAL)

NOTICE OF SALE OF BONDS

Conditions of Sale

Independent School District No. 41 Oklahoma County, Oklahoma

\$18,160,000 Combined Purpose Bonds of 2025 (Federally Taxable)

Place and Time of Sale

The Board of Education of Independent School District No. 41 of Oklahoma County, Oklahoma (the "School District"), will receive sealed bids at the Board Room, Western Heights Administration Building, Western Heights Public Schools, 8401 SW 44th Street, Oklahoma City, Oklahoma, **until 11:30 o'clock a.m., Wednesday, the 16th day of April, 2025**, for the sale of its \$18,160,000 Combined Purpose Bonds of 2025 (the "Bonds"), more completely described in the "Preliminary Official Statement". The bids will be opened and read and shall be awarded at the first Board of Education meeting held after the bids are due. This is expected to occur at 5:30 o'clock p.m. on the 16th day of April, 2025.

Address of Bids

Sealed bids, plainly marked "Bid for Bonds", may be mailed either to "Dr. Brayden Savage, Superintendent of Schools, Western Heights Public Schools, 8401 Southwest 44th Street, Oklahoma City, Oklahoma 73179" or to the School District's Financial Advisor, Stephen H. McDonald & Associates, Inc., ATTN: Ron Fisher, 2200 McKown Drive, Norman, Oklahoma 73072. Sealed bids must be submitted in duplicate on the Official Bid Form furnished herein.

Types of Bids and Interest Rates

The Bonds will be sold in one block, all or none, and no bid of less than par and accrued interest will be considered. Bidders must specify the rate or rates of interest the Bonds will bear. No interest rate in excess of ten percent (10%) will be considered. Bidders shall specify the rate or rates of interest in multiples of one-eighth (1/8) or one-twentieth (1/20) of one percent per annum. Bidders are not restricted as to the number of rates that may be named, provided that the same rate shall be specified for all bonds of the same maturity.

Basis for Award

For the purpose of awarding the Bonds, the interest cost of each bid will be computed by determining, at the rate or rates specified therein, the total of all interest on the Bonds from the date thereof to their respective maturities, and deducting therefrom the premium bid, if any. The Bonds, if sold, will be awarded to the bidder whose bid, on the basis of the above computation produces the lowest interest cost to the School District. **THE BOARD OF EDUCATION RESERVES THE RIGHT TO REJECT ALL BIDS AND TO WAIVE ANY MINOR IRREGULARITIES.**

Good Faith Deposit

Each bid must be accompanied by a Good Faith Deposit ("Deposit") in the form of a Wire Transfer or Certified or Cashier's Check made payable to "**Treasurer, Independent School District No. 41 of Oklahoma County, Oklahoma**" in the amount of two percent (2%) of the par value of the Bonds, or **\$363,200.00**. The Deposit of the successful bidder will be retained by the School District to assure performance of the contract on the part of said bidder.

The School District will waive the Good Faith requirement prior to awarding the Bonds. The successful bidder will be required to wire the Good Faith deposit the afternoon of April 16, 2025, after the bids are due at 11:30 o'clock a.m. (Central Time).

In the event said bidder should fail or refuse to take up and pay for the Bonds in accordance with his bid, then said Deposit will be cashed as full liquidated damages. Otherwise, said Deposit will be returned to the purchaser upon payment for the Bonds, or credited to the purchase price. No interest on the Deposit will accrue to the Purchaser. Checks of unsuccessful bidders will be promptly returned.

Electronic Bids

Bids may be submitted through the facilities of PARITY in accordance with the Rules of Participation and other requirements of PARITY. Subscription to the BiDCOMP/PARITY Competitive Bidding System is required in order to submit a bid electronically. Bidders can contact PARITY at (212) 849-5021 to inquire about electronic bidding services. Any electronic bid submitted through other means shall be disregarded.

Bids submitted through PARITY shall be regarded as though the information were submitted by the bidder on the Bid Form and executed on the bidder's behalf by a duly authorized signatory. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale and the Official Bid Form.

If any provision of this Notice of Sale shall conflict with information provided by the electronic bidding system, the Notice of Sale shall control. The School District shall not be responsible for any malfunction or mistake made by, or as a result of the use of PARITY, the use of such facilities being the sole responsibility of the bidder.

For purposes of the electronic bidding process, the time as maintained by PARITY shall constitute the official time. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale and the Official Bid Form.

Book-Entry Only Bonds

The Bonds are being issued book-entry only and a complete transcript of the legal proceedings had in connection with the issuance of the Bonds will be furnished to the purchaser at no expense.

Legal Opinion

Bids may be submitted subject to the opinion of the Attorney General of the State of Oklahoma, and the approving opinion of Floyd & Driver, P.L.L.C., Attorneys at Law, Norman, Oklahoma, each of which will be provided by the School District without cost to the purchaser.

Ratings

S&P Global Ratings ("S&P") has assigned its municipal bond rating of "BBB" to this issue of bonds. Such rating will reflect only the view of S&P and an explanation of the significance of such rating may be obtained only from S&P. There is no assurance that such rating will remain in effect for any given period of time or that it may not be lowered or withdrawn entirely by S&P if in its judgment circumstances so warrant. The Financial Advisor has not undertaken any responsibility either to bring to the attention of the owners of the Bonds any proposed revision or withdrawal of the rating of the Bonds or to oppose any such revision or withdrawal. Any downward revision or withdrawal of such rating could have an adverse effect on the market price of the Bonds.

Tax Status of the Bonds

It is expected that interest on the Bonds will be included in gross income for federal income tax purposes, and that interest on the Bonds will be exempt from State of Oklahoma income taxation.

Non-Litigation Certificate

At the time of delivery of the Bonds, the School District will execute and furnish the purchaser with a certificate to the effect that no litigation of any nature has been filed or is then pending to restrain or enjoin the issuance of delivery of the Bonds, or affecting the provision made for their payment or security, or in any manner questioning the validity of the Bonds.

Compliance with SEC Rule 15c2-12

Official Statement. The School District has prepared the accompanying Preliminary Official Statement, and for the limited purpose of complying with Rule 15c2-12, promulgated by the Securities and Exchange Commission, deems such Preliminary Official Statement to be final as of its date within the meaning of such Rule for the purpose of review prior to bidding. The School District will furnish to the Purchaser or Purchasers acting through a designated senior representative, in accordance with instructions received from the Purchaser(s), within seven (7) business days from the sale date a maximum of 20 copies of a Final Official Statement reflecting interest rates and other terms relating to the initial reoffering of the Bonds. The cost of any Final Official Statements in excess of the number specified shall be prepared and distributed at the cost of the Purchaser(s). The Purchaser(s) shall be responsible for providing the initial reoffering prices and other terms, if any, to the Financial Consultant by the close of the next business day after the sale. Except as noted above, the School District assumes no responsibility or obligation for the distribution or delivery of any copies of the Final Official Statement in connection with the offering or reoffering of the Bonds.

Continuing Disclosure. The School District will undertake, pursuant to Rule 15c2-12, in a written agreement for the benefit of holders of the Bonds, to submit financial and operating information for the School District not later than ten months following the end of the fiscal year in which the bonds are issued (as of the date of this document, June 30 is the end of the fiscal year), and to provide notice of certain events to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) system. A description of such undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Final Official Statement.

CUSIP Numbers

CUSIP identification numbers will be printed on the Bonds if assigned by the CUSIP Service Bureau, but neither the failure to print the numbers nor any error with respect thereto shall constitute cause for refusal by the

purchaser to accept delivery of the Bonds. All expenses in relation to the printing of the CUSIP Service Bureau numbers shall be paid by the School District except that the CUSIP Service Bureau charge for the assignment of numbers shall be the responsibility of and paid by the purchaser of the Bonds.

Delivery

Delivery of the Bonds shall be made at the expense of the Purchaser through The Depository Trust Company (“DTC”) against payment of the agreed upon purchase price. Delivery of the Bonds to the purchaser is anticipated on or about the 29th day of May, 2025.

Additional Information

Additional information may be obtained from the School District’s Financial Advisor, Stephen H. McDonald & Associates, Inc., 2200 McKown Drive, Norman, Oklahoma 73072. Contact Ron Fisher at (405) 329-0123, ext. 25; or ronfisher@shmcdonald.net.

NEW ISSUE – BOOK-ENTRY ONLY

**Standard & Poor's Rating: BBB
Oklahoma #1**

In the opinion of Floyd & Driver, P.L.L.C., Attorneys at Law, Norman, Oklahoma, under existing law, interest on the Bonds is included in the gross income of the owners thereof for Federal income tax purposes, and interest on the Bonds is exempt from Oklahoma income taxation. See "Tax Matters" herein.

**\$18,160,000
Independent School District No. 41
Oklahoma County, Oklahoma
(Western Heights Public Schools)
Combined Purpose Bonds of 2025
(Federally Taxable)**

Dated: May 1, 2025

Due: May 1, as shown below

The Bonds are being issued by Independent School District No. 41 of Oklahoma County, Oklahoma (the "School District"). The Bonds are dated as of May 1, 2025. Interest on the Bonds is payable semiannually on May 1 and November 1 of each year (each an "Interest Payment Date"), commencing May 1, 2026. The Bonds will be initially issued, in fully registered form, in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. Purchases of the Bonds will be made in book-entry form only, through brokers and dealers who are, or who act through DTC participants. Purchases of the Bonds may be made in the denomination of \$5,000 or any integral multiple thereof. **Beneficial owners of the Bonds will not receive physical delivery of Bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Bonds.** So long as DTC or its nominee is the registered owner of the Bonds, payment of the principal and interest on the Bonds will be payable by UMB Bank, n.a., Oklahoma City, Oklahoma, as initial Paying Agent and Registrar (the "Paying Agent and Registrar"), to DTC or its nominee and disbursement of such payments to DTC Participants will be the responsibility of DTC and disbursement of such payments to beneficial owners of the Bonds will be the responsibility of DTC Participants and Indirect Participants. No physical delivery of the Bonds will be made to the owners thereof. (see "The Bonds – Book-Entry System" herein).

The Bonds are not callable prior to their stated maturities.

The proceeds from the Bonds will be used to construct, equip, repair and remodel school buildings, acquire school furniture, fixtures and equipment, acquire and improve school sites, and purchase transportation equipment, as well as to pay all legal, financial and other costs relating to the issuance of the Bonds, as described herein.

The Bonds are direct and general obligations of the School District and are payable as to principal and interest from ad valorem taxes which are required to be levied on all taxable property within the School District, without limitation as to rate or amount.

Maturity Schedule

Due May 1	Principal Amount	Interest Rate	Yield	Due May 1	Principal Amount	Interest Rate	Yield
2027	\$4,500,000			2029	\$4,500,000		
2028	\$4,500,000			2030	\$4,660,000		

This cover page contains only a brief description of the Bonds and the security therefor. It is not a summary of this issue. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if issued by the School District, and subject to the approving opinion of Floyd & Driver, P.L.L.C., Attorneys at Law, Norman, Oklahoma. It is expected that the Bonds will be available for delivery on or about the 29th day of May, 2025.

**FINANCIAL ADVISOR
STEPHEN H. MCDONALD & ASSOCIATES, INC.
Norman, Oklahoma**

**Board of Education
Independent School District No. 41
Oklahoma County, Oklahoma**

Briana Flatley, *President*
Darrin Dunkin, *Vice President*
Jerome Johnson, *Member*
Brayden Hunt, *Member*
Teresa Lewis, *Member*
LaToya Johnson, *Clerk and Non-Member*

SCHOOL ADMINISTRATION

Dr. Brayden Savage, *Superintendent of Schools*
Matthew A. Gindhart, *School District Treasurer*

FINANCIAL ADVISOR

Stephen H. McDonald & Associates, Inc.
Norman, Oklahoma

This Official Statement, which includes the cover page and the Exhibits hereto, does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

No dealer, broker, salesperson or other person has been authorized by the School District or the Financial Advisor to give information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing.

The information set forth herein has been obtained from the School District and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the Financial Advisor. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized.

The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the School District, or in the information or opinions set forth herein, since the date of this Official Statement.

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INTRODUCTORY STATEMENT

This Official Statement, including the Exhibits attached hereto (if any), has been prepared on behalf of Independent School District No. 41 of Oklahoma County, Oklahoma (the “School District”), in connection with the original issuance and sale by the School District of its Combined Purpose Bonds of 2025 (the “Bonds”).

All financial and other information presented in this Official Statement has been provided by the School District from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the School District. No representation is made that past experience, as is shown by such financial and other information, will necessarily continue or be repeated in the future.

Reference to provisions of Oklahoma law, whether codified in the Oklahoma Constitution or the Oklahoma Statutes are references to current provisions. These provisions are subject to amendment, repeal or supplement.

THE BONDS

Authorization and Purpose

The Bonds are being issued and offered pursuant to the authority set forth in Article 10, Section 26 of the Oklahoma Constitution, as amended, Oklahoma Statutes 2011, Title 62§353 and 354, Title 70§15-101ff and/or 106, and a Bond Resolution of the Board of Education of the School District to be adopted on the 16th day of April, 2025. The Bonds were authorized to be issued at a special election held in the School District on the 11th day of February, 2025.

Proceeds from the Bonds will be used to construct, equip, repair and remodel school buildings, acquire school furniture, fixtures and equipment, acquire and improve school sites, and purchase transportation equipment, as well as to pay all legal, financial and other costs relating to the issuance of the Bonds.

General Description

The Bonds are dated May 1, 2025, are fully registered bonds, and are in denominations of \$5,000 or any integral multiple thereof. The Bonds bear interest from May 1, 2025, and interest will be paid semiannually on May 1 and November 1 of each year (each an “Interest Payment Date”), commencing May 1, 2026. It is anticipated that the Bonds will be available for delivery on or about the 29th day of May, 2025.

The principal of the Bonds is payable, when due, at the designated corporate trust office of UMB Bank, n.a. (the “Registrar” and “Paying Agent”), in Oklahoma City, Oklahoma. Interest on the Bonds will be paid on each Interest Payment Date by check mailed to the registered owner thereof at the address shown on the registration books maintained by the Registrar and Paying Agent at the close of business on the 15th day of the calendar month preceding the Interest Payment Date, or if such day is a Saturday, Sunday or holiday, on the next preceding business day (the “Record Date”).

Redemption Prior to Maturity

The Bonds are not callable prior to their stated maturity.

Tax Status of the Bonds

It is expected that interest on the Bonds will be included in gross income for federal income tax purposes, and that interest on the Bonds will be exempt from State of Oklahoma income taxation. See the section titled “Tax Matters” herein.

Registration and Transfer

Bonds presented to the Registrar for transfer after the close of business on a Record Date and before the close of business on the next subsequent Interest Payment Date will be registered in the name of the transferee but the interest payment will be made to the registered owners shown on the books of the Registrar as of the close of business on the Record Date.

The Bonds will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York, which will act as securities depository for the Bonds. Principal and interest on the Bonds will be paid by the Paying Agent and Registrar to DTC. Disbursements of such payments to the DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants and the Indirect Participants, as more fully described in the section titled “Book-Entry System.”

Book-Entry System

THE INFORMATION IN THIS SECTION, “BOOK-ENTRY SYSTEM”, HAS BEEN FURNISHED BY THE DEPOSITORY TRUST COMPANY. NO REPRESENTATION IS MADE BY THE SCHOOL DISTRICT AS TO THE COMPLETENESS OR ACCURACY OF SUCH INFORMATION. THE SCHOOL DISTRICT SHALL HAVE NO RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR THE PERSONS FOR WHICH THEY ACT AS NOMINEES WITH RESPECT TO THE BONDS, OR FOR ANY PRINCIPAL, PREMIUM, IF ANY, OR INTEREST PAYMENT THEREOF.

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of each such maturity, and will be deposited with DTC at the office of the Paying Agent and Registrar on behalf of DTC utilizing the DTC FAST system of registration.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants

include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, AND EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a rating of “AA+” from S&P Global Ratings, a Standard and Poor’s Financial Services LLC business. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC (or the Paying Agent and Registrar on behalf of DTC utilizing the DTC FAST system of registration) are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC (or the Paying Agent and Registrar on behalf of DTC utilizing the DTC FAST system of registration) and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC’s Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the School District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

All payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts, upon DTC’s receipt of funds and corresponding detail information from the School District or Agent on payable date in accordance with their respective holdings shown on DTC’s

records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC, Agent, or the School District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of any payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the School District or Agent. Disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the School District or Agent. Under such circumstances, the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The School District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that the School District believes to be reliable, but the School District takes no responsibility for the accuracy thereof.

Security and Source of Payment

The Bonds, in the opinion of Bond Counsel, are direct and general obligations of the School District and are payable as to both principal and interest from ad valorem taxes to be levied against all taxable property within the School District, without limitation as to rate or amount.

Ad valorem taxes for the Bonds shall be levied annually beginning in Fiscal Year 2025-26, shall become delinquent one-half on January 1 and one-half on April 1 of each year, and are required to be collected by the County Treasurer, apportioned and paid over to the School District Treasurer, and then deposited directly and only into the Sinking Fund of the School District. IN NO EVENT MAY SUCH AD VALOREM TAXES BE DEPOSITED INTO THE GENERAL FUND OR ANY FUND OF THE SCHOOL DISTRICT OTHER THAN THE SINKING FUND.

As stated above, the Bonds are payable from ad valorem taxes on all taxable property within the School District including real, personal and public service property, and any other moneys available for such purpose. Real and personal property in the School District is currently assessed at a rate of approximately 11% of estimated full market value. Public service property assessments are determined by the Oklahoma State Tax Commission, and currently the assessment ratio is approximately 11.84% of estimated full market value of airline and railroad property and 22.85% of estimated full market value of all other public service property. Pursuant to Oklahoma statutes, County Assessors are required to reassess property within the County at least once each five years. The School District is required to pay its proportionate share of the cost of such reassessment.

Ad valorem tax rates for Sinking Fund purposes are determined by ascertaining the actual dollars of revenues required for payment of principal and interest on indebtedness, fees to fiscal and paying agents and judicial judgments. Such total amount may be reduced by any surplus from the prior fiscal year and any contributions made into the Sinking Fund. To the resulting net requirements a reserve for delinquent taxes, in an amount of not less than 5% nor more than 20% of the net required tax collection, shall be added to the required collections. Such final total

requirements shall then be divided by the total net assessed valuation of all real, personal and public service property in order to determine the appropriate tax rate for each property owner.

One hundred percent (100%) of the School District's Sinking (Debt Service) Fund revenues come from locally collected ad valorem taxes. None of these ad valorem taxes are collected or disbursed by the State of Oklahoma. Furthermore, as stated above, Sinking Fund taxes are collected by the County Treasurers of the counties in which the School District is situated, are apportioned and paid over to the School District Treasurer and cannot, by Oklahoma Law, be placed in any fund of the School District other than the Sinking Fund. They may be used only for the payment of principal of and interest on indebtedness (including judicial judgments) of the School District.

FINANCIAL MATTERS

Ad Valorem Taxes

Taxable property in the State of Oklahoma (the "State") is placed in one of three classifications: real property, personal property, and public service property. Assessment ratios for real and personal property are determined locally by each County Assessor within guidelines established by the State Board of Equalization and the Oklahoma Tax Commission. Real property assessment ratios may range from 11% to 13.5% of full market value, and personal property assessment ratios may range from 10% to 15%. The assessment ratio for public service property is determined on a statewide basis by the Oklahoma Tax Commission. Currently, real and personal property in the County is assessed at a ratio of 11% of full market value. Public service property is assessed at a ratio of 11.84% of estimated full market value of airline and railroad property and 22.85% of estimated full market value of all other public service property. County Assessors are required to reassess property within the County at least once each five years. The School District is required to pay its proportionate share of the cost of such reassessment.

School districts in Oklahoma are limited to a total of thirty-five (35) mills ad valorem tax for operating (General Fund) purposes, and five (5) mills for Building Fund purposes. In addition, Oklahoma statutes require that the School District each year make an ad valorem tax levy for a Sinking Fund which shall, with cash and investments in the fund, be sufficient to pay all the bonded indebtedness, interest and one-third of all outstanding judgments coming due in the following year. Such funds are placed in the School District's Sinking Fund and are expended only for these purposes. The ad valorem tax rates for Sinking Fund purposes are determined by ascertaining the actual dollars of revenues required for payment of principal and interest on indebtedness and judicial judgments. Such total amount may be reduced by any surplus from the prior fiscal year and any contributions made into the Sinking Fund in lieu of ad valorem taxes. To the resulting net requirements a reserve for delinquent taxes, in an amount of not less than 5% nor more than 20% of the net required tax collection, shall be added to the required collections. Such final total requirements shall then be divided by the total net assessed valuation of all taxable property in order to determine the appropriate tax rate for each property owner.

After review and approval by the Board of Education, copies of the Sinking Fund Estimate are submitted to the County Excise Board to determine the ad valorem tax levy and appropriations. This submission is required to be made by August 27th of each year. The estimates are for the purposes of determining ad valorem taxes required to fund the General, Building, and Sinking Funds. The amounts contained in the Estimate of Needs are verified by the County Excise Board and, upon verification, the levy contained therein is ordered to be certified to the County Assessor in order that the County Assessor may extend said levy upon the tax rolls for the year for which the Estimate of Needs is submitted. While the County Excise Board may make recommendations with respect to the levy request, it only has the authority to change the reserve for delinquent taxes.

The County Assessor is required to file a tax roll report on or before October 1 of each year with the County Treasurer indicating the net assessed valuation for each municipality within the County. This report includes the assessed valuation for all real, personal and public service property. The County Treasurer has fifteen days after receipt of the tax roll report to start collecting taxes. The first half of taxes is due and payable on November 1 of each year. The second half is due and payable on or before April 1 of each year. However, if the first half is not paid by January 1, both first and second half are declared delinquent as of January 1. If the first half taxes are paid in a timely manner and the second half taxes are not paid on or before April 1, the taxes are considered delinquent. Interest accrues on delinquent taxes at the rate of 1.5% monthly (18% annually), to a maximum of 100% of the taxes due and owing, until such time as the delinquent taxes are paid. In the event taxes and accrued interest are not paid, the property is sold at tax sale on October 1 and the purchaser is issued a certificate of tax lien; however, the original owner of the property has two years in which to redeem the property by paying the taxes, interest and penalties owed. If, at the end of two years he has not done so, the purchaser may then apply for a deed to the property. If there is no purchaser, then the county acquires the same lien and the property is auctioned after approximately two and one-half years.

Compliance with Constitutional Debt Limitation

The current, summary debt statement of the School District revised from that filed with the State of Oklahoma as of June 30, 2024, is shown below:

2024-25 Estimated Full Market Value	\$4,666,350,370
2024-25 Assessed Valuation, including Homestead Exemptions	\$530,926,944
2024-25 Assessed Valuation, excluding Homestead Exemption	\$528,720,368

The County or Counties indicated below, if any, have held an election under Oklahoma Constitution Article X, §6(B) approving an exemption of certain household and personal property from ad valorem taxation. Accordingly, said County or Counties have calculated the “millage adjustment factor” to be applied to debt percentage limits under Article 10, Section 26(b), resulting in an adjusted debt limit. The adjusted debt limit is as follows:

County	Net Assessed Valuation	District Unadjusted Legal Debt Limit (1)	Millage Adjustment Factor (If App.)	District Adjusted Legal Debt Limit (2)
Oklahoma County	\$528,720,368	\$52,872,036.80	1.00754300000	<u>\$53,270,850.57</u>
TOTAL ADJUSTED LEGAL DEBT LIMIT (BONDING CAPACITY)				<u>\$53,270,850.57</u>

(1) Net Assessed Valuation times 10%.

(2) District Unadjusted Legal Debt Limit times Millage Adjustment Factor.

Total Bonded Indebtedness (including the Bonds)	\$48,475,000
<u>Less: Current Sinking Fund Balance</u>	<u>7,128,095</u>
Net General Obligation Bonded Indebtedness	\$41,346,905
Remaining Bonding Capacity	\$11,923,946
Ratio of Net General Obligation Bonded Indebtedness to Net Assessed Valuation	7.82%
Ratio of Net General Obligation Bonded Indebtedness to Estimated Full Market Value	0.89%

Authorized but Unissued Bonds

The School District has an additional \$127,840,000 in bonds authorized to be issued. It is anticipated that the remaining bonds will be issued as follows: \$9,025,000 in June 2026; \$14,450,000 in June 2027; \$9,870,000 in June 2028; \$9,600,000 in June 2029; \$18,125,000 in June 2030; \$10,485,000 in June 2031; \$14,200,000 in June 2032; \$10,515,000 in June 2033; \$10,670,000 in June 2034; and \$20,900,000 in June 2035.

Composition and Growth of the Net Assessed Valuation

The composition of the Net Assessed Valuation of the School District for the Fiscal Year 2024-25 is as follows:

<u>Property</u>	<u>Oklahoma County</u>	<u>Percentage</u>
Real	\$281,211,669	53.19%
Personal	\$213,516,377	40.38%
Public Service	\$33,992,322	6.43%
TOTAL	<u>\$528,720,368</u>	<u>100.00%</u>

The growth of the Net Assessed Valuation of the School District for the past ten years has been as follows:

<u>Fiscal Year</u>	<u>Amount</u>	<u>Fiscal Year</u>	<u>Amount</u>
2024-2025	\$528,720,368	2019-2020	\$418,035,666
2023-2024	\$499,532,196	2018-2019	\$382,114,935
2022-2023	\$462,823,484	2017-2018	\$377,112,974
2021-2022	\$423,198,558	2016-2017	\$367,543,565
2020-2021	\$448,680,020	2015-2016	\$351,203,421

During this period, the Net Assessed Valuation of the School District increased \$177,516,947 or 50.55%.

General Obligation Bonded Debt Outstanding

Date of Issuance	Original Principal Amount	Remaining Maturities	Maturity Dates	Total Outstanding
1-1-21	\$13,100,000	\$3,300,000	1-1-26	\$3,300,000
3-1-22	\$6,000,000	\$1,500,000	3-1-26/27	\$3,000,000
4-1-23	\$5,660,000	\$2,000,000	4-1-26/27	\$4,000,000
6-1-23	\$5,665,000	\$1,665,000 \$2,000,000	6-1-25 6-1-26/27	\$5,665,000
2-1-24	\$6,520,000	\$1,600,000 \$1,640,000	2-1-26 2-1-27/29	\$6,520,000
6-1-24	\$7,830,000	\$1,830,000 \$2,000,000	6-1-26 6-1-27/29	\$7,830,000
5-1-25	\$18,160,000	\$4,500,000 \$4,660,000	5-1-27/29 5-1-30	\$18,160,000
TOTAL				<u>\$48,475,000</u>

Annual Debt Service Requirements of General Obligation Bonded Debt Outstanding

Fiscal Year	Existing Bonds		Combined Purpose Bonds*		Total New Debt Service Requirement
	Principal	Interest	Principal	Interest	
2024-2025	\$1,665,000.00	\$530,168.75			\$2,195,168.75
2025-2026	\$12,230,000.00	\$1,518,200.00		\$908,000.00	\$14,656,200.00
2026-2027	\$9,140,000.00	\$742,700.00	\$4,500,000.00	\$908,000.00	\$15,290,700.00
2027-2028	\$3,640,000.00	\$328,300.00	\$4,500,000.00	\$683,000.00	\$9,151,300.00
2028-2029	\$3,640,000.00	\$157,900.00	\$4,500,000.00	\$458,000.00	\$8,755,900.00
2029-2030			\$4,660,000.00	\$233,000.00	\$4,893,000.00
TOTAL	<u>\$30,315,000.00</u>	<u>\$3,277,268.75</u>	<u>\$18,160,000.00</u>	<u>\$3,190,000.00</u>	<u>\$54,942,268.75</u>

* The average annual interest rate on the Bonds is assumed to be 5.00%.

Net Direct, Overlapping and Underlying General Obligation Bonded Indebtedness (as of June 30, 2024)

Municipality	Net Indebtedness	Amount Applying to the School Dist.	Ratio to Assessed Value of the School Dist.	Per Capita Debt
Western Heights Sch. Dist.	\$41,346,905	\$41,346,905	7.82%	\$2,925.14
City of Oklahoma City	\$971,288,691	\$59,021,533	11.16%	\$4,175.56
Oklahoma County	\$43,508,863	\$2,314,753	0.44%	\$163.76
TOTAL	<u>\$1,056,144,459</u>	<u>\$102,683,191</u>	<u>19.42%</u>	<u>\$7,264.46</u>

Sinking Fund Tax Collections

Fiscal Year	Net Levy	Gross Levy	Current Collections	Total Collections
2024-2025	\$12,484,043	\$13,108,245	In process of collection	
2023-2024	\$10,905,522	\$11,450,798	\$10,636,087	\$10,766,578
2022-2023	\$10,374,389	\$10,893,108	\$10,370,065	\$10,746,754
2021-2022	\$11,069,719	\$11,623,205	\$11,079,544	\$11,401,716
2020-2021	\$9,714,869	\$10,200,613	\$9,791,651	\$9,964,441
2019-2020	\$9,514,678	\$9,990,412	\$8,064,606	\$9,885,705

Percentage of Taxes Collected

The ratio of Current and Total Sinking Fund Tax Collections to the Net Sinking Fund Levy (the levy prior to addition of the reserve for uncollected taxes) is as follows:

Fiscal Year	Ratio of Current Tax Collections to Net Levy	Ratio of Total Tax Receipts to Net Levy
2023-2024	97.53%	98.73%
2022-2023	99.96%	103.59%
2021-2022	100.09%	103.00%
2020-2021	100.79%	102.57%
2019-2020	84.76%	103.90%

The ratio of Current and Total Sinking Fund Tax Collections to the Gross Sinking Fund Levy (the levy after addition of the reserve for uncollected taxes) is as follows:

Fiscal Year	Ratio of Current Tax Collections to Gross Levy	Ratio of Total Tax Receipts to Gross Levy
2023-2024	92.89%	94.02%
2022-2023	95.20%	98.66%
2021-2022	95.32%	98.09%
2020-2021	95.99%	97.68%
2019-2020	80.72%	98.95%

Trend of Tax Rates of Major Taxing Units*

Fiscal Year	Western Heights Sch. Dist.	City of Oklahoma City	Oklahoma County	Technology Center	Total Levy
2015-2016	63.99	15.62	23.72	15.69	119.02
2016-2017	63.77	14.81	23.81	15.69	118.08
2017-2018	65.00	15.26	23.28	15.69	119.23
2018-2019	64.78	15.51	23.64	15.69	119.62
2019-2020	64.21	15.41	23.49	15.69	118.80
2020-2021	63.04	15.23	23.38	15.69	117.34
2021-2022	67.78	14.73	22.92	15.69	121.12
2022-2023	63.85	15.46	23.05	15.69	118.05
2023-2024	63.23	14.78	22.99	15.69	116.69
2024-2025	65.10	14.93	23.11	15.69	118.83

* Expressed in dollars per \$1,000 of net assessed valuation.

INDEPENDENT SCHOOL DISTRICT NO. 41, OKLAHOMA COUNTY, OKLAHOMA

General Information

Independent School District No. 41 of Oklahoma County, Oklahoma (Western Heights Public Schools) is a 26 square mile school district serving the northwestern portion of the City of Oklahoma City (Population: 709,330), the County Seat of Oklahoma County, and the State Capital of Oklahoma, and the surrounding rural area in Oklahoma County. The City of Oklahoma City is located at the crossroads of two of our country’s major interstates, I-35 and I-40. I-44 also intersects through the City. By valuation, approximately 99.79% of the School District is located inside the City Limits of the City of Oklahoma City and approximately 0.21% is located in the surrounding unincorporated areas of Oklahoma County. School District administrators estimate the population of the School District to be approximately 14,135 people. The School District employs approximately 240 certified teachers and has a current enrollment of 2,827.

Residents of the School District are employed at businesses throughout the Oklahoma City Metropolitan Area. No separate employment figures are available for the School District; however, preliminary figures provided by the United States Department of Labor’s Bureau of Labor Statistics indicate the current (January 2025) unemployment rate for the Oklahoma City Metropolitan Statistical Area is 3.3% and Oklahoma County is 3.4% compared to 3.5% in the State of Oklahoma as a whole, and 4.4% for the United States.

School District General Fund Revenues and Expenditures

Fiscal Year Ending 6-30	Beginning General Fund Balance	Total Revenue	Total Expenditures	Adjustments to Prior Year Encumbrances	Total Other Financing Sources (Uses)	Ending General Fund Balance
2020	\$3,886,298	\$30,674,900	\$31,508,380	\$175,668	\$5,779	\$3,234,266
2021	\$3,234,266	\$29,379,616	\$27,360,162	(\$408,374)	\$0	\$4,845,346
2022	\$4,844,027 +	\$33,281,353	\$31,683,619	\$43,076	\$47,973	\$6,532,810
2023	\$6,532,810	\$34,189,914	\$35,354,149	\$56,277	\$34,539	\$5,459,391
2024	\$5,459,391	\$36,452,871	\$40,079,730	\$15,698	\$68,242	\$1,916,472

+ Restated.

Detail of School District General Fund Revenues

Fiscal Year Ending 6-30	Local Sources	County Sources	State Sources	Federal Sources	Total Revenues
2020	\$15,197,342	\$934,613	\$9,975,399	\$4,567,546	\$30,674,900
2021	\$15,948,895	\$1,031,222	\$7,080,600	\$5,318,899	\$29,379,616
2022	\$15,609,585	\$923,321	\$8,745,758	\$8,002,689	\$33,281,353
2023	\$16,590,240	\$922,801	\$6,272,669	\$10,404,204	\$34,189,914
2024	\$17,353,908	\$1,032,403	\$8,313,149	\$9,753,411	\$36,452,871

Student Enrollment Trend

School Year	Total Enrollment	Percentage Change
2015-2016	3,750	
2016-2017	3,590	-4.27%
2017-2018	3,493	-2.70%
2018-2019	3,360	-3.81%
2019-2020	3,413	1.58%
2020-2021	2,761	-19.10%
2021-2022	2,747	-0.51%
2022-2023	2,847	3.64%
2023-2024	2,892	1.58%
2024-2025	2,827	-2.25%

Student Enrollment Projection

School Year	Total Enrollment	Percentage Change
2025-2026	2,900	2.58%
2026-2027	2,975	2.59%
2027-2028	3,075	3.36%
2028-2029	3,175	3.25%
2029-2030	3,275	3.15%

ECONOMIC INDICES

Unemployment Rate (Twelve Month Moving Average)

	January 2025	December 2024	January 2024
United States	4.4%	3.8%	4.1%
State of Oklahoma	3.5%	3.0%	3.6%
Oklahoma County	3.4%	3.0%	3.4%
Oklahoma City MSA	3.3%	2.8%	3.3%

Source: United States Department of Labor Bureau of Labor Statistics.

Sales Tax Collections - City of Oklahoma City

Fiscal Year Ending June 30	Sales Tax Collections
2015	\$427,497,808
2016	\$417,342,227
2017	\$405,420,499
2018	\$443,635,042
2019	\$472,473,376
2020	\$463,302,570
2021	\$485,601,547
2022	\$560,574,909
2023	\$594,817,593
2024	\$600,048,973

Source: Oklahoma Tax Commission.

Retail Sales - City of Oklahoma City

Fiscal Year Ending June 30	Retail Sales
2015	\$11,032,201,496
2016	\$10,770,121,987
2017	\$10,462,464,486
2018	\$11,091,318,975
2019	\$11,453,900,020
2020	\$11,231,577,456
2021	\$11,772,158,718
2022	\$13,589,694,766
2023	\$14,419,820,434
2024	\$14,546,641,760

Source: Oklahoma Tax Commission.

Largest Taxpayers

Name of Taxpayer	Type of Business	Net Assessed Valuation
Hobby Lobby Stores, Inc.	Miscellaneous Retail	\$52,145,465
HL American Investments LLC	Leased Metal Fabricated Buildings	\$39,308,171
Oklahoma Gas & Electric Co.	Public Service	\$13,786,362
McKesson Corp.	Wholesale Trade/Nondurable Goods	\$12,112,529
Associated Wholesale	Assoc. Grocers Wholesale Warehouse	\$11,210,694
OKC Outlets I LLC	OKC Outlet Malls	\$10,136,265
Global X Digital	Digital Currency Mining	\$7,038,683
Medline Industries Inc.	Healthcare Company	\$6,108,195
Kirby Smith Equipment	Construction Equipment	\$4,882,148
Malarkey Roofing	Roofing Materials	\$4,138,452
Total Net Assessed Valuation of Top Ten Taxpayers:		\$160,866,964
Percentage of School District's Net Assessed Valuation:		30.43%

Source: Oklahoma County Assessor's Office.

Largest Employers

Please visit the Greater Oklahoma City website <https://www.greateroklahomacity.com> to find out information about the Greater Oklahoma City Area's largest employers.

LITIGATION

To the knowledge of the School District, there is no litigation pending seeking to restrain or enjoin the issuance or delivery of the Bonds or questioning or affecting the legality of the Bonds or proceedings and authority under which the Bonds are to be issued. There is no litigation pending which in any manner questions the right of the School District to construct or finance the proposed improvements.

LEGAL MATTERS

All matters incident to the authorization and issuance of the Bonds are subject to the approval of the Attorney General of the State of Oklahoma and to the approval of Floyd & Driver, P.L.L.C., Attorneys at Law, Norman, Oklahoma, Bond Counsel. Bond Counsel has not participated in the preparation of the Official Statement. Accordingly, Bond Counsel has no responsibility for the accuracy, sufficiency or completeness of any information furnished in connection with any offer or sale of the Bonds.

CONTINUING DISCLOSURE

The School District has covenanted for the benefit of Bondholders to provide certain financial and operating information for the School District not later than ten months following the end of the fiscal year in which the bonds are issued (as of the date of this document, June 30 is the end of the fiscal year), or later as such information becomes publicly available, and each fiscal year thereafter, and to provide notice of the occurrence of certain events. The specific nature of the financial information and operating data to be provided and the events for which notice must be provided is described in the Continuing Disclosure Certificate (the "Disclosure Certificate"), the form of which is attached hereto as Appendix A. These covenants have been made in order to assist the Underwriters in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission ("Rule 15c2-12").

The financial information and event notices will be filed by the School District or its dissemination agent with the Municipal Securities Rulemaking Board (the "MSRB") through the MSRB's Electronic Municipal Market Access system ("EMMA"). EMMA is an internet-based, online portal for free investor access to municipal bond information, including offering documents, material event notices, real-time municipal securities trade prices and MSRB education resources, available at www.emma.msrb.org. Nothing contained on EMMA relating to the School District or the Bonds is incorporated by reference in this Official Statement.

A failure by the School District to comply with the Continuing Disclosure Certificate will not constitute an event of default with respect to the Bonds, although any holder will have any available remedy at law or in equity, including seeking specific performance by court order, to cause the School District to comply with its obligations under the Continuing Disclosure Certificate. Any such failure must be reported in accordance with Rule 15c2-12 and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Rule 15c2-12 requires that an issuer or other obligated party disclose in its official statement any instances in the previous five years in which such issuer or obligated party failed to

comply, in all material respects, with any previous undertakings in a written contract or agreement specified in paragraph (b)(5) of the Rule. In connection with one or more of the School District's previous bond issues or bond issues of an authority issued on behalf of the School District, the School District entered into individual continuing disclosure undertakings ("Undertakings") in written agreements specified in paragraph (b)(5)(i) of the Rule. In connection with the Oklahoma County Finance Authority's Educational Facilities Lease Revenue Bonds (Western Heights Public Schools Project), Series 2018A and 2018B, the School District failed to timely file notice of a rating change. S&P Global Ratings downgraded its long-term rating of Oklahoma County Finance Authority's educational facilities lease revenue bonds, issued on behalf of Independent School District No. 41, Oklahoma County, Oklahoma (Western Heights Public Schools) to A from A+ on November 12, 2021. In connection with the Oklahoma County Finance Authority's Educational Facilities Lease Revenue Bonds (Western Heights Public Schools Project), Series 2018A, the School District failed to timely file notice of a rating change on the School District's general obligation bonds. Moody's Investors Service downgraded the issuer and general obligation unlimited tax ratings to A3 from A2 on September 22, 2022, and withdrew the ratings for lack of sufficient information on September 23, 2022. It should be noted that the notice of rating change was timely filed in connection with the School District's general obligation bonds. The School District failed to timely file its audited financial statements for the fiscal year ended June 30, 2022, and failed to timely file notice of such failure.

POTENTIAL IMPACT OF COVID-19

Certain external events, such as pandemics, natural disasters, severe weather, technological emergencies, riots, acts of war or terrorism or other circumstances, could potentially disrupt the operations and effectiveness of municipal governments, such as the School District. One such external event is the global outbreak of COVID-19 ("COVID-19"), a respiratory disease declared in 2020 to be a pandemic (the "Pandemic") by the World Health Organization and an emergency by federal and state governments. Since the start of the Pandemic, Presidential administrations, Congress, the State, and various federal and State agencies and regulatory bodies have enacted legislation and/or issued orders or directives (collectively, "Governmental Actions") to alleviate the effects of the Pandemic. Such legislation and/or orders have been extended and/or modified, and others have expired or been rescinded and/or enjoined. While new legislation may be enacted, new orders may be issued, and existing and new orders may be extended, modified, litigated, or allowed to expire, no guarantee can be made with regards to the duration and/or effectiveness of any such legislation or orders.

The Governmental Actions, and other future federal, State, and local measures, may have both adverse and positive effects on the operations, financial condition and bond ratings of the School District. In addition, unemployment in the State, business closures and/or restrictions in the State and stock market fluctuation may have adverse effects, as well. The School District continue to assess the economic and social effects of the Pandemic and its impact on their respective operations, financial condition and bond ratings. At present, the School District has not experienced any materially adverse financial impacts from the Pandemic; however, there could be reductions in property tax receipts and other collections, including the corresponding disbursements thereof, as well as other disruptions for a period of time. The School District cannot predict (i) the duration or extent of the Pandemic or any other outbreak emergency or (ii) whether and to what extent the Pandemic or other outbreak or emergency may disrupt the local or global economy, manufacturing, or supply chain, or whether any such disruption may adversely impact the operations, financial condition and bond ratings of the School District.

TAX MATTERS

Tax Opinions

In the opinion of bond counsel, interest on the Bonds is included in gross income for federal income tax purposes.

In the opinion of bond counsel, interest on the Bonds is exempt from State of Oklahoma income taxation under present law.

Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the Bonds under the laws of the State or any other state or jurisdiction.

General Matters

The following is a summary of certain anticipated federal income tax consequences of the purchase, ownership and disposition of the Bonds under the Code and the Regulations, and the judicial and administrative rulings and court decisions now in effect, all of which are subject to change or possible differing interpretations. The summary does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances, nor certain types of investors subject to special treatment under the federal income tax laws. Potential purchasers of the Bonds should consult their own tax advisors in determining the federal, state or local tax consequences to them of the purchase, holding and disposition of the Bonds.

In general, interest paid on the Bonds, original issue discount, if any, and market discount, if any, will be treated as ordinary income to the owners of the Bonds, and principal payments (excluding the portion of such payments, if any, characterized as original issue discount or accrued market discount) will be treated as a return of capital.

Bond Premium

An investor which acquires a Bond for a cost greater than its remaining stated redemption price at maturity and holds such Bond as a capital asset will be considered to have purchased such Bond at a premium and, subject to prior election permitted by Section 171(c) of the Code, may generally amortize such premium under the constant yield method. Except as may be provided by regulation, amortized premium will be allocated among, and treated as an offset to, interest payments. The basis reduction requirements of Section 1016(a)(5) of the Code apply to amortizable Bond premium that reduces interest payments under Section 171 of the Code. Bond premium is generally amortized over the Bond's term using constant yield principles, based on the purchaser's yield to maturity. Investors of any Bond purchased with a Bond premium should consult their own tax advisors as to the effect of such Bond premium with respect to their own tax situation and as to the treatment of Bond premium for state tax purposes.

Market Discount

An investor that acquires a Bond for a price less than the adjusted issue price of such Bond (or an investor who purchases a Bond in the initial offering at a price less than the issue price) may be subject to the market discount rules of Sections 1276 through 1278 of the Code. Under these sections and the principles applied by the Regulations, "market discount" means (a) in the case of a Bond originally issued at a discount, the amount by which the issue price of such Bond, increased by all accrued original issue discount (as if held since the issue date), exceeds the initial tax basis of the owner therein, less any prior payments that did not constitute payments of qualified stated interest, and (b) in the case of a Bond not originally issued at a discount, the amount by which the

stated redemption price of such Bond at maturity exceeds the initial tax basis of the owner therein. Under Section 1276 of the Code, the owner of such a Bond will generally be required (i) to allocate each principal payment to accrued market discount not previously included in income and, upon sale or other disposition of the Bond, to recognize the gain on such sale or disposition as ordinary income to the extent of such cumulative amount of accrued market discount as of the date of sale or other disposition of such a Bond or (ii) to elect to include such market discount in income currently as it accrues on all market discount instruments acquired by such owner on or after the first day of the taxable year to which such election applies.

The Code authorizes the Treasury Department to issue regulations providing for the method for accruing market discount on debt instruments the principal of which is payable in more than one installment. Until such time as regulations are issued by the Treasury Department, certain rules described in the legislative history will apply. Under those rules, market discount will be included in income either (a) on a constant interest basis or (b) in proportion to the accrual of stated interest or, in the case of a Bond with original issue discount, in proportion to the accrual of original issue discount.

An owner of a Bond that acquired such Bond at a market discount also may be required to defer, until the maturity date of such Bond or its earlier disposition in a taxable transaction, the deduction of a portion of the amount of interest that the owner paid or accrued during the taxable year on indebtedness incurred or maintained to purchase or carry such Bond in excess of the aggregate amount of interest (including original issue discount) includable in such owner's gross income for the taxable year with respect to such Bond. The amount of such net interest expense deferred in a taxable year may not exceed the amount of market discount accrued on the Bond for the days during the taxable year on which the owner held such Bond and, in general, would be deductible when such market discount is includable in income. The amount of any remaining deferred deduction is to be taken into account in the taxable year in which the Bond matures or is disposed of in a taxable transaction. In the case of a disposition in which gain or loss is not recognized in whole or in part, any remaining deferred deduction will be allowed to the extent gain is recognized on the disposition. This deferral rule does not apply if the owner elects to include such market discount in income currently as it accrues on all market discount obligations acquired by such owner in that taxable year or thereafter.

Attention is called to the fact that Treasury regulations implementing the market discount rules have not yet been issued. Therefore, investors should consult their own tax advisors regarding the application of these rules as well as the advisability of making any of the elections with respect thereto.

Sales or Other Dispositions

If an owner of a Bond sells the Bond, such person will recognize gain or loss equal to the difference between the amount realized on such sale and such owner's basis in such Bond. Ordinarily, such gain or loss will be treated as a capital gain or loss. At the present time, the maximum capital gains rate for certain assets held for more than 12 months is 15%. However, if a Bond was, at its initial issuance, sold at a discount, a portion of such gain will be recharacterized as interest and therefore ordinary income. Neither the School District nor Bond Counsel can predict whether the President or Congress will propose legislation effecting the long-term capital gains rate.

If the terms of a Bond were materially modified, in certain circumstances, a new debt obligation would be deemed created and exchanged for the prior obligation in a taxable transaction. Among the modifications that may be treated as material are those that relate to redemption provisions and, in the case of a nonrecourse obligation, those which involve the substitution of collateral. Each potential owner of a Bond should consult its own tax advisor concerning the

circumstances in which such Bond would be deemed reissued and the likely effects, if any, of such reissuance.

Defeasance

The legal defeasance of the Bonds may result in a deemed sale or exchange of such Bond under certain circumstances. Owners of such Bonds should consult their tax advisors as to the federal income tax consequences of such a defeasance.

Backup Withholding

An owner of a Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to the Bonds, if such owner, upon issuance of the Bonds, fails to provide to any person required to collect such information pursuant to Section 6049 of the Code with such owner's taxpayer identification number, furnishes an incorrect taxpayer identification number, fails to report interest, dividends or other "reportable payments" (as defined in the Code) properly, or, under certain circumstances, fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

Foreign Investors

An owner of a Bond that is not a "United States person" (as defined below) and is not subject to federal income tax as a result of any direct or indirect connection to the United States of America in addition to its ownership of a Bond will generally not be subject to United States income or withholding tax in respect of a payment on a Bond, provided that the owner complies to the extent necessary with certain identification requirements (including delivery of a statement, signed by the owner under penalties of perjury, certifying that such owner is not a United States person and providing the name and address of such owner). For this purpose the term "United States person" means a citizen or resident of the United States of America, a corporation, partnership or other entity created or organized in or under the laws of the United States of America or any political subdivision thereof, or an estate or trust whose income from sources within the United States of America is includable in gross income for United States of America income tax purposes regardless of its connection with the conduct of a trade or business within the United States of America.

Except as explained in the preceding paragraph and subject to the provisions of any applicable tax treaty, a 30% United States withholding tax will apply to interest paid and original issue discount accruing on Bonds owned by foreign investors. In those instances in which payments of interest on the Bonds continue to be subject to withholding, special rules apply with respect to the withholding of tax on payments of interest on, or the sale or exchange of Bonds having original issue discount and held by foreign investors. Potential investors that are foreign persons should consult their own tax advisors regarding the specific tax consequences to them of owning a Bond.

Tax-Exempt Investors

In general, an entity that is exempt from federal income tax under the provisions of Section 501 of the Code is subject to tax on its unrelated business taxable income. An unrelated trade or business is any trade or business that is not substantially related to the purpose that forms the basis for such entity's exemption. However, under the provisions of Section 512 of the Code, interest may be excluded from the calculation of unrelated business taxable income unless the obligation that gave rise to such interest is subject to acquisition indebtedness. Therefore, except to the extent any owner of a Bond incurs acquisition indebtedness with respect to such Bond, interest paid or

accrued with respect to such owner may be excluded by such tax-exempt owner from the calculation of unrelated business taxable income. Each potential tax-exempt holder of a Bond is urged to consult its own tax advisor regarding the application of these provisions.

ERISA Considerations

The Employee Retirement Income Security Act of 1974, as amended (“ERISA”), imposes certain requirements on “employee benefit plans” (as defined in Section 3(3) of ERISA) subject to ERISA, including entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, “ERISA Plans”) and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA’s general fiduciary requirements, including the requirement of investment prudence and diversification and the requirement that an ERISA Plan’s investments be made in accordance with the documents governing the ERISA Plan. The prudence of any investment by an ERISA Plan in the Bonds must be determined by the responsible fiduciary of the ERISA Plan by taking into account the ERISA Plan’s particular circumstances and all of the facts and circumstances of the investment. Government and non-electing church plans are generally not subject to ERISA. However, such plans may be subject to similar or other restrictions under state or local law.

In addition, ERISA and the Code generally prohibit certain transactions between an ERISA Plan or a qualified employee benefit plan under the Code and persons who, with respect to that plan, are fiduciaries or other “parties in interest” within the meaning of ERISA or “disqualified persons” within the meaning of the Code. In the absence of an applicable statutory, class or administrative exemption, transactions between an ERISA Plan and a party in interest with respect to an ERISA Plan, including the acquisition by one from the other of the Bonds could be viewed as violating those prohibitions. In addition, Section 4975 of the Code prohibits transactions between certain tax-favored vehicles such as Individual Retirement Accounts and disqualified persons. Section 503 of the Code includes similar restrictions with respect to governmental and church plans. In this regard, the Authority or any dealer of the Bonds might be considered or might become a “party in interest” within the meaning of ERISA or a “disqualified person” within the meaning of the Code, with respect to an ERISA Plan or a plan or arrangement subject to Sections 4975 or 503 of the Code. Prohibited transactions within the meaning of ERISA and the Code may arise if the Bonds are acquired by such plans or arrangements with respect to which the Authority or any dealer is a party in interest or disqualified person.

In all events, fiduciaries of ERISA Plans and plans or arrangements subject to the above sections of the Code, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in the Bonds. The sale of the Bonds to a plan is in no respect a representation by the School District that such an investment meets the relevant legal requirements with respect to benefit plans generally or any particular plan. Any plan proposing to invest in the Bonds should consult with its counsel to confirm that such investment is permitted under the plan documents and will not result in a non-exempt prohibited transaction and will satisfy the other requirements of ERISA, the Code and other applicable law.

Health Care and Education Reconciliation Act of 2010

Pursuant to Section 1411 of the Code, as enacted by the Health Care and Education Reconciliation Act of 2010, an additional tax is imposed on individuals beginning January 1, 2013. The additional tax is 3.8% of the lesser of (i) net investment income (defined as gross income from interest, dividends, net gain from disposition of property not used in a trade or business, and certain other listed items of gross income), or (ii) the excess of “modified adjusted gross income” of the individual over \$200,000 for unmarried individuals (\$250,000 for married couples filing a joint return and a surviving spouse). Holders of the Bonds should consult with their tax advisor

concerning this additional tax as it may apply to interest earned on the Bonds as well as gain on the sale of a Bond.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to indebtedness issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds or the market value thereof would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel expresses no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

RATINGS

S&P Global Ratings (“S&P”) has assigned its municipal bond rating of “BBB” to this issue of bonds. Such rating will reflect only the view of S&P and an explanation of the significance of such rating may be obtained only from S&P. There is no assurance that such rating will remain in effect for any given period of time or that it may not be lowered or withdrawn entirely by S&P if in its judgment circumstances so warrant. The Financial Advisor has not undertaken any responsibility either to bring to the attention of the owners of the Bonds any proposed revision or withdrawal of the rating of the Bonds or to oppose any such revision or withdrawal. Any downward revision or withdrawal of such rating could have an adverse effect on the market price of the Bonds.

FINANCIAL STATEMENTS

The financial statements of the School District for the fiscal year ended June 30, 2024, which were examined by Mary E. Johnson & Associates, PLLC, Certified Public Accountants, Ardmore, Oklahoma, appear in this Official Statement as Exhibit A.

UNDERWRITING

The Bonds have been sold at public sale by the School District to the Underwriters, and the Underwriters have jointly and severally agreed, subject to certain conditions, to purchase all of the Bonds at a price equal to \$ _____. The successful proposal for the Bonds was submitted by _____, as representative of the Underwriters.

While the Underwriters expect, insofar as possible, to maintain a secondary market for the Bonds, no assurance can be given concerning the future maintenance of such a market by the Underwriters or others, and prospective purchasers of the Bonds should therefore be prepared to hold their Bonds to their maturity.

The Underwriters are not acting as a financial advisor to the School District in connection with the offer and sale of the Bonds.

CONCLUDING STATEMENT

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty and no representation is made that any of these statements have been or will be realized. Information in this Official Statement has been derived by the School District from official and other sources and is believed by the School District to be accurate and reliable. Information other than that obtained from official records of the School District has not been independently confirmed or verified by the School District and its accuracy is not guaranteed.

Neither this Official Statement nor any statement that may have been made orally or in writing in connection herewith is to be construed as or as a part of a contract with the original purchasers or subsequent owners of the Bonds.

Independent School District No. 41,
Oklahoma County, Oklahoma

/s/ Briana Flatley
President, Board of Education

ATTEST:

/s/ LaToya Johnson
Clerk, Board of Education

Appendix A – Continuing Disclosure Certificate

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by Independent School District No. 41 of Oklahoma County, Oklahoma (the “Issuer”) in connection with the issuance of \$18,160,000 General Obligation Combined Purpose Bonds of 2025 (the “Bonds”). The Bonds are being issued pursuant to a Resolution dated the 16th day of April, 2025. The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders, including beneficial owners, and in order to assist the Participating Underwriters in complying with paragraph (d)(2) of SEC Rule 15c2-12.

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“**Annual Report**” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“**Audited Financial Statements**” shall mean the Issuer’s annual financial statements, prepared on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma, which financial statements shall have been audited by such auditor as shall be then required or permitted by the laws of the State. Revenues are recorded as received in cash, except for revenues susceptible to accrual and material revenues that are not received at the normal time of receipt. Expenditures are recorded in the accounting period in which the fund liability is incurred and encumbered.

“**Dissemination Agent**” shall mean the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“**EMMA**” shall mean the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system.

“**Financial Obligation**” shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“**Listed Events**” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“**Material**” with respect to information, means information as to which a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy or sell a Bond or, if not disclosed, would significantly alter the total information otherwise available to an investor from the offering document related to the Bonds, information disclosed hereunder, or information generally available to the public. Notwithstanding the foregoing, “Material” information includes information that would be deemed “material” for purposes of the purchase or sale of a Bond within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the information.

“**MSRB**” means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Commission, filings with the MSRB are to be made through the EMMA website of the MSRB, currently located at <http://emma.msrb.org>.

“**Participating Underwriter**” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“**Prescribed Form**” means, with regard to the filing of Annual Financial Information, Audited Financial Statements and notices of Listed Events with the MSRB at www.emma.msrb.org (or such other address or addresses as the MSRB may from time to time specify), such electronic format, accompanied by such identifying information, as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of such information.

“**Rule**” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“**State**” shall mean the State of Oklahoma.

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than ten months following the end of the fiscal year in which the bonds are issued (as of the date of this Disclosure Certificate, June 30 is the end of the fiscal year), or later as such information becomes publicly available, and each fiscal year thereafter, provide annually to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. If the Issuer has retained a separate Dissemination Agent, then not later than fifteen (15) Business Days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate.

(b) If the Issuer is unable to provide to the MSRB an Annual Report by the date required in the first sentence of subsection (a), the Issuer shall send, in a timely manner, a notice to the MSRB in substantially the form attached as Exhibit A.

(c) If other than the Issuer, the Dissemination Agent shall file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate.

SECTION 4. Content of Annual Reports. The Issuer’s Annual Report shall contain or incorporate by reference certain financial information and operating data relating to the Issuer of the type included in Appendix B of the final official statement with respect to the Bonds attached hereto as Exhibit B, but only to the extent such information is customarily prepared by the Issuer annually and is made publicly available, and the Issuer’s Audited Financial Statements, when and if available, or its Unaudited Financial Statements. If the Audited Financial Statements are not available by the time the Annual Report must be provided, Unaudited Financial Statements will be provided and Audited Financial Statements will be provided, when and if available, to the MSRB.

The Issuer is required to deliver such information in Prescribed Form and by such time so that such entities receive the information by the dates specified.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to each of the MSRB or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Issuer shall clearly identify each such other document so incorporated by reference.

If any part of the Annual Report can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Issuer will disseminate a statement to such effect as part of its Annual Report for the year in which such event first occurs.

If any amendment is made to this Disclosure Certificate, the Annual Report for the year in which such amendment is made (or in any notice or supplement provided to the MSRB) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

SECTION 5. Reporting of Listed Events.

(a) Upon the occurrence of any of the following Listed Events, the Issuer (or the Dissemination Agent on behalf of the Issuer) shall give notice of the occurrence of such event to the MSRB in accordance with this Section 5:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if Material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modification to rights of Bondholders, if Material;
8. Bond calls, if Material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if Material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such

an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if Material;

14. Appointment of a successor or additional Trustee/Paying Agent or the change of name of a Trustee/Paying Agent, if Material;
15. Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, the Issuer shall file a notice of the occurrence of a Listed Event in Prescribed Form with the MSRB within 10 business days of the occurrence of the applicable event. Notwithstanding the foregoing: notice of the occurrence of any Listed Event described in (a)(8) above need not be given under this Section 5 any earlier than when notice (if any) of the underlying event is given to the registered owners of the affected Bonds pursuant to the resolution authorizing the issuance of the Bonds; and notice of any scheduled sinking fund redemption in accordance with the schedule set forth in such resolution or the Official Statement need not be given under this Disclosure Certificate.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligation under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the Issuer.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of the Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any bondholder, including beneficial owners, may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court

order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Duty To Update EMMA/MSRB. The Issuer shall determine, in the manner it deems appropriate, whether there has occurred a change in the MSRB's e-mail address or filing procedures and requirements under EMMA each time it is required to file information with the MSRB.

SECTION 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and Bondholders, including beneficial owners, from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Assignment. The Issuer shall not transfer its obligations under this Disclosure Certificate unless the transferee agrees to assume all obligations of the Issuer hereunder or to execute a continuing disclosure undertaking under the Rule.

SECTION 15. Recordkeeping. The Issuer shall maintain records of all Annual Report filings and Listed Events filings, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

SECTION 16. Issuer Contact. The Issuer designates as the person from whom its Annual Report and Listed Events disclosure can be obtained: Superintendent of Schools, Western Heights Public Schools, 8401 Southwest 44th Street, Oklahoma City, Oklahoma 73179 (405) 350-3410.

Dated this 29th day of May, 2025.

**Independent School District No. 41 of
Oklahoma County, Oklahoma**

By: _____
President, Board of Education

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Independent School District No. 41 of Oklahoma County,
Oklahoma

Name of Bond Issue: \$18,160,000 General Obligation Combined Purpose Bonds of 2025

Date of Issuance: _____

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate dated the 16th day of April, 2025. The Issuer anticipates that the Annual Report will be filed by .

Dated: _____

**Independent School District No. 41 of
Oklahoma County, Oklahoma**

By: _____
President, Board of Education

APPENDIX B

FINANCIAL INFORMATION AND OPERATING DATA

Composition and Growth of the Net Assessed Valuation

The composition of the Net Assessed Valuation of the School District for the Fiscal Year 2024-25 is as follows:

<u>Property</u>	<u>Oklahoma County</u>	<u>Percentage</u>
Real	\$281,211,669	53.19%
Personal	\$213,516,377	40.38%
Public Service	\$33,992,322	6.43%
TOTAL	\$528,720,368	100.00%

The growth of the Net Assessed Valuation of the School District for the past ten years has been as follows:

<u>Fiscal Year</u>	<u>Amount</u>	<u>Fiscal Year</u>	<u>Amount</u>
2024-2025	\$528,720,368	2019-2020	\$418,035,666
2023-2024	\$499,532,196	2018-2019	\$382,114,935
2022-2023	\$462,823,484	2017-2018	\$377,112,974
2021-2022	\$423,198,558	2016-2017	\$367,543,565
2020-2021	\$448,680,020	2015-2016	\$351,203,421

During this period, the Net Assessed Valuation of the School District increased \$177,516,947 or 50.55%.

General Obligation Bonded Debt Outstanding

Date of Issuance	Original Principal Amount	Remaining Maturities	Maturity Dates	Total Outstanding
1-1-21	\$13,100,000	\$3,300,000	1-1-26	\$3,300,000
3-1-22	\$6,000,000	\$1,500,000	3-1-26/27	\$3,000,000
4-1-23	\$5,660,000	\$2,000,000	4-1-26/27	\$4,000,000
6-1-23	\$5,665,000	\$1,665,000 \$2,000,000	6-1-25 6-1-26/27	\$5,665,000
2-1-24	\$6,520,000	\$1,600,000 \$1,640,000	2-1-26 2-1-27/29	\$6,520,000
6-1-24	\$7,830,000	\$1,830,000 \$2,000,000	6-1-26 6-1-27/29	\$7,830,000
5-1-25	\$18,160,000	\$4,500,000 \$4,660,000	5-1-27/29 5-1-30	\$18,160,000
TOTAL				<u>\$48,475,000</u>

Annual Debt Service Requirements of General Obligation Bonded Debt Outstanding

Fiscal Year	Existing Bonds		Combined Purpose Bonds*		Total New Debt Service Requirement
	Principal	Interest	Principal	Interest	
2024-2025	\$1,665,000.00	\$530,168.75			\$2,195,168.75
2025-2026	\$12,230,000.00	\$1,518,200.00		\$908,000.00	\$14,656,200.00
2026-2027	\$9,140,000.00	\$742,700.00	\$4,500,000.00	\$908,000.00	\$15,290,700.00
2027-2028	\$3,640,000.00	\$328,300.00	\$4,500,000.00	\$683,000.00	\$9,151,300.00
2028-2029	\$3,640,000.00	\$157,900.00	\$4,500,000.00	\$458,000.00	\$8,755,900.00
2029-2030			\$4,660,000.00	\$233,000.00	\$4,893,000.00
TOTAL	<u>\$30,315,000.00</u>	<u>\$3,277,268.75</u>	<u>\$18,160,000.00</u>	<u>\$3,190,000.00</u>	<u>\$54,942,268.75</u>

* The average annual interest rate on the Bonds is assumed to be 5.00%.

Net Direct, Overlapping and Underlying General Obligation Bonded Indebtedness (as of June 30, 2024)

Municipality	Net Indebtedness	Amount Applying to the School Dist.	Ratio to Assessed Value of the School Dist.	Per Capita Debt
Western Heights Sch. Dist.	\$41,346,905	\$41,346,905	7.82%	\$2,925.14
City of Oklahoma City	\$971,288,691	\$59,021,533	11.16%	\$4,175.56
Oklahoma County	\$43,508,863	\$2,314,753	0.44%	\$163.76
TOTAL	<u>\$1,056,144,459</u>	<u>\$102,683,191</u>	<u>19.42%</u>	<u>\$7,264.46</u>

Sinking Fund Tax Collections

Fiscal Year	Net Levy	Gross Levy	Current Collections	Total Collections
2024-2025	\$12,484,043	\$13,108,245	In process of collection	
2023-2024	\$10,905,522	\$11,450,798	\$10,636,087	\$10,766,578
2022-2023	\$10,374,389	\$10,893,108	\$10,370,065	\$10,746,754
2021-2022	\$11,069,719	\$11,623,205	\$11,079,544	\$11,401,716
2020-2021	\$9,714,869	\$10,200,613	\$9,791,651	\$9,964,441
2019-2020	\$9,514,678	\$9,990,412	\$8,064,606	\$9,885,705

Percentage of Taxes Collected

The ratio of Current and Total Sinking Fund Tax Collections to the Net Sinking Fund Levy (the levy prior to addition of the reserve for uncollected taxes) is as follows:

Fiscal Year	Ratio of Current Tax Collections to Net Levy	Ratio of Total Tax Receipts to Net Levy
2023-2024	97.53%	98.73%
2022-2023	99.96%	103.59%
2021-2022	100.09%	103.00%
2020-2021	100.79%	102.57%
2019-2020	84.76%	103.90%

The ratio of Current and Total Sinking Fund Tax Collections to the Gross Sinking Fund Levy (the levy after addition of the reserve for uncollected taxes) is as follows:

Fiscal Year	Ratio of Current Tax Collections to Gross Levy	Ratio of Total Tax Receipts to Gross Levy
2023-2024	92.89%	94.02%
2022-2023	95.20%	98.66%
2021-2022	95.32%	98.09%
2020-2021	95.99%	97.68%
2019-2020	80.72%	98.95%

Trend of Tax Rates of Major Taxing Units*

Fiscal Year	Western Heights Sch. Dist.	City of Oklahoma City	Oklahoma County	Technology Center	Total Levy
2015-2016	63.99	15.62	23.72	15.69	119.02
2016-2017	63.77	14.81	23.81	15.69	118.08
2017-2018	65.00	15.26	23.28	15.69	119.23
2018-2019	64.78	15.51	23.64	15.69	119.62
2019-2020	64.21	15.41	23.49	15.69	118.80
2020-2021	63.04	15.23	23.38	15.69	117.34
2021-2022	67.78	14.73	22.92	15.69	121.12
2022-2023	63.85	15.46	23.05	15.69	118.05
2023-2024	63.23	14.78	22.99	15.69	116.69
2024-2025	65.10	14.93	23.11	15.69	118.83

* Expressed in dollars per \$1,000 of net assessed valuation.

School District General Fund Revenues and Expenditures

Fiscal Year Ending 6-30	Beginning General Fund Balance	Total Revenue	Total Expenditures	Adjustments to Prior Year Encumbrances	Total Other Financing Sources (Uses)	Ending General Fund Balance
2020	\$3,886,298	\$30,674,900	\$31,508,380	\$175,668	\$5,779	\$3,234,266
2021	\$3,234,266	\$29,379,616	\$27,360,162	(\$408,374)	\$0	\$4,845,346
2022	\$4,844,027 +	\$33,281,353	\$31,683,619	\$43,076	\$47,973	\$6,532,810
2023	\$6,532,810	\$34,189,914	\$35,354,149	\$56,277	\$34,539	\$5,459,391
2024	\$5,459,391	\$36,452,871	\$40,079,730	\$15,698	\$68,242	\$1,916,472

+ Restated.

Detail of School District General Fund Revenues

Fiscal Year Ending 6-30	Local Sources	County Sources	State Sources	Federal Sources	Total Revenues
2020	\$15,197,342	\$934,613	\$9,975,399	\$4,567,546	\$30,674,900
2021	\$15,948,895	\$1,031,222	\$7,080,600	\$5,318,899	\$29,379,616
2022	\$15,609,585	\$923,321	\$8,745,758	\$8,002,689	\$33,281,353
2023	\$16,590,240	\$922,801	\$6,272,669	\$10,404,204	\$34,189,914
2024	\$17,353,908	\$1,032,403	\$8,313,149	\$9,753,411	\$36,452,871

Student Enrollment Trend

School Year	Total Enrollment	Percentage Change
2015-2016	3,750	
2016-2017	3,590	-4.27%
2017-2018	3,493	-2.70%
2018-2019	3,360	-3.81%
2019-2020	3,413	1.58%
2020-2021	2,761	-19.10%
2021-2022	2,747	-0.51%
2022-2023	2,847	3.64%
2023-2024	2,892	1.58%
2024-2025	2,827	-2.25%

Student Enrollment Projection

School Year	Total Enrollment	Percentage Change
2025-2026	2,900	2.58%
2026-2027	2,975	2.59%
2027-2028	3,075	3.36%
2028-2029	3,175	3.25%
2029-2030	3,275	3.15%

ECONOMIC INDICES

Unemployment Rate (Twelve Month Moving Average)

	January 2025	December 2024	January 2024
United States	4.4%	3.8%	4.1%
State of Oklahoma	3.5%	3.0%	3.6%
Oklahoma County	3.4%	3.0%	3.4%
Oklahoma City MSA	3.3%	2.8%	3.3%

Source: United States Department of Labor Bureau of Labor Statistics.

Sales Tax Collections - City of Oklahoma City

<u>Fiscal Year Ending June 30</u>	<u>Sales Tax Collections</u>
2015	\$427,497,808
2016	\$417,342,227
2017	\$405,420,499
2018	\$443,635,042
2019	\$472,473,376
2020	\$463,302,570
2021	\$485,601,547
2022	\$560,574,909
2023	\$594,817,593
2024	\$600,048,973

Source: Oklahoma Tax Commission.

Retail Sales - City of Oklahoma City

<u>Fiscal Year Ending June 30</u>	<u>Retail Sales</u>
2015	\$11,032,201,496
2016	\$10,770,121,987
2017	\$10,462,464,486
2018	\$11,091,318,975
2019	\$11,453,900,020
2020	\$11,231,577,456
2021	\$11,772,158,718
2022	\$13,589,694,766
2023	\$14,419,820,434
2024	\$14,546,641,760

Source: Oklahoma Tax Commission.

Largest Taxpayers

Name of Taxpayer	Type of Business	Net Assessed Valuation
Hobby Lobby Stores, Inc.	Miscellaneous Retail	\$52,145,465
HL American Investments LLC	Leased Metal Fabricated Buildings	\$39,308,171
Oklahoma Gas & Electric Co.	Public Service	\$13,786,362
McKesson Corp.	Wholesale Trade/Nondurable Goods	\$12,112,529
Associated Wholesale	Assoc. Grocers Wholesale Warehouse	\$11,210,694
OKC Outlets I LLC	OKC Outlet Malls	\$10,136,265
Global X Digital	Digital Currency Mining	\$7,038,683
Medline Industries Inc.	Healthcare Company	\$6,108,195
Kirby Smith Equipment	Construction Equipment	\$4,882,148
Malarkey Roofing	Roofing Materials	\$4,138,452
Total Net Assessed Valuation of Top Ten Taxpayers:		\$160,866,964
Percentage of School District's Net Assessed Valuation:		30.43%

Source: Oklahoma County Assessor's Office.

Exhibit A

Western Heights Independent School District No. 41
Oklahoma County, Oklahoma
Financial Statements
Year-End June 30, 2024

Western Heights School District I-41
Oklahoma County, Oklahoma
School District Officials
As of June 30, 2024

Board of Education

President	Briana Flatley
Vice-President	Darrin Dunkin
Member	Brayden Hunt
Member	Teresa Lewis
Member	Jerome Johnson

Board of Education Clerk

LaToya Johnson

School District Treasurer

Elizabeth Williams

Superintendent of Schools

Brayden Savage

Western Heights School District I-41
Oklahoma County, Oklahoma
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June 30, 2024

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Western Heights School District I-41
Oklahoma County, Oklahoma
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Independent Auditor's Report

The Honorable Board of Education
Western Heights Independent School District No. 41
Oklahoma City, Oklahoma 73179

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Western Heights Independent School District No. 41, Oklahoma County, Oklahoma which comprise the combined statement of assets, liabilities and fund balances – all fund types and account groups as of June 30, 2024, and the related combined statement of revenues collected and expenditures paid and changes in cash fund balances – regulatory basis for the year then ended, and the related notes to the financial statements.

Qualified Opinion on Account Groups

In our opinion, except for the effects of the matter described in the Basis for Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the assets and liabilities of the account groups in accordance with the financial reporting provisions of the Oklahoma State Department of Education as described in Note 1.

Unmodified Opinion on Fund Types

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and fund balances arising from regulatory basis transactions for each fund type of the Western Heights Independent School District No. 41, Oklahoma County, Oklahoma as of June 30, 2024, and the revenues it collected and expenditures it paid and budgetary results for the year then ended, in accordance with the financial reporting provisions of Oklahoma State Department of Education as 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 section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Western Heights Independent School District No. 41, Oklahoma County, Oklahoma as of June 30, 2024, or changes in net position, or cash flows thereof 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 responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Western Heights Independent School District No. 41, 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 Qualified Opinion on the Account Groups

As discussed in Note 1, the combined financial statements referred to above do not include the General Fixed Asset Account Group which should be included to conform with financial reporting provisions of Oklahoma State Department of Education. The amount that should be recorded in the General Fixed Asset Account Group has not been determined.

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

As described in Note 1, the financial statements are prepared by the School District, on the basis of the financial reporting provisions of Oklahoma State Department of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Oklahoma State Department of Education. 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.

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 Western Heights Independent School District No. 41's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Western Heights Independent School District No. 41's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Western Heights Independent School District No. 41'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 financial statements that collectively comprise School District's financial statements as a whole. The accompanying combining financial statements, combining statement of changes in cash balances – regulatory basis – activity funds, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining

financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

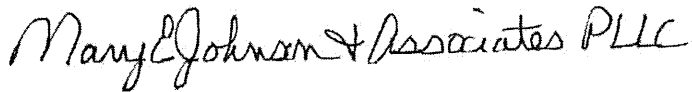
Other Information

Management is responsible for the other information included in the report. The other information comprises the statement of statutory fidelity and honesty bonds and schedule of accountant’s professional liability insurance but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2025, on our consideration of Western Heights Independent School District No. 41 Oklahoma County, Oklahoma’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contract 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 Western Heights Independent School District No. 41 Oklahoma County, Oklahoma’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering Western Heights Independent School District No. 41 Oklahoma County, Oklahoma’s internal control over financial reporting and compliance.



Norman, Oklahoma
March 21, 2025

Western Heights School District I-41
Oklahoma County, Oklahoma
Combined Statement of Assets, Liabilities and Fund Balances
Regulatory Basis – All Fund Types and Account Groups
June 30, 2024

ASSETS	Governmental Fund Types				Fiduciary	Account	Total
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency	General Long Term Debt	(memorandum only - Note 1) June 30, 2024
Cash	\$ 3,387,701	\$ 1,009,261	\$ 10,472,906	\$ 16,564,867	\$ 555,923	\$ -	\$ 31,990,658
Amount available in							
Debt service fund	-	-	-	-	-	10,472,906	10,472,906
Trustee fund for debt service	-	-	-	-	-	467,285	467,285
Amount to be provided for							
Financed purchases	-	-	-	-	-	10,987,715	10,987,715
Retirement of general long term debt	-	-	-	-	-	29,052,094	29,052,094
Total Assets	\$ 3,387,701	\$ 1,009,261	\$ 10,472,906	\$ 16,564,867	\$ 555,923	\$ 50,980,000	\$ 82,970,658
LIABILITIES AND FUND BALANCES							
Liabilities:							
Warrants payable	\$ 1,471,229	\$ 48,695	\$ -	\$ 63,240	\$ -	\$ -	\$ 1,583,164
Due to others	-	-	-	-	555,923	-	555,923
Encumbrances	-	-	-	-	-	-	-
Financed purchases payable	-	-	-	-	-	11,455,000	11,455,000
General obligation bonds payable	-	-	-	-	-	39,525,000	39,525,000
Total Liabilities	1,471,229	48,695	-	63,240	555,923	50,980,000	53,119,087
Fund Balances:							
Restricted For:							
Debt Service	-	-	10,472,906	-	-	-	10,472,906
Building Services	-	960,566	-	-	-	-	960,566
Child Nutrition Programs	1,102,471	-	-	-	-	-	1,102,471
Capital Projects	-	-	-	16,501,627	-	-	16,501,627
Unassigned	814,001	-	-	-	-	-	814,001
Total Cash Fund Balances	1,916,472	960,566	10,472,906	16,501,627	-	-	29,851,571
Total Liabilities and Fund Balances	\$ 3,387,701	\$ 1,009,261	\$ 10,472,906	\$ 16,564,867	\$ 555,923	\$ 50,980,000	\$ 82,970,658

The notes to the financial statements are an integral part of this statement.

Western Heights School District I-41
Oklahoma County, Oklahoma
Combined Statement of Revenues Collected, Expenditures Paid and Changes in Cash Fund Balances
Regulatory Basis – All Governmental Fund Types
For the Year Ended June 30, 2024

	Governmental Fund Types				Total
	General	Special Revenue	Debt Service	Capital Projects	(memorandum only - Note 1) June 30, 2024
Revenues collected:					
Local sources	17,353,908	2,865,162	10,797,737	\$ -	\$ 31,016,807
Intermediate sources	1,032,403	-	-	-	1,032,403
State sources	8,313,149	-	8,739	-	8,321,888
Federal sources	9,753,411	753,512	-	-	10,506,923
Other	-	-	-	-	-
Total Revenues Collected	<u>36,452,871</u>	<u>3,618,674</u>	<u>10,806,476</u>	<u>-</u>	<u>50,878,021</u>
Expenditures paid:					
Instruction	20,022,976	-	-	-	20,022,976
Support services	17,514,566	4,278,770	-	130,897	21,924,233
Non-Instructional services	2,378,612	-	-	-	2,378,612
Capital outlay	163,576	176,784	-	12,048,341	12,388,701
Other outlays	-	-	96,311	-	96,311
Debt service:					
Principal payments	-	-	10,140,000	-	10,140,000
Interest and fiscal agent fees	-	-	1,088,618	-	1,088,618
Total expenditures paid	<u>40,079,730</u>	<u>4,455,554</u>	<u>11,324,929</u>	<u>12,179,238</u>	<u>68,039,451</u>
Excess of revenues collected over (under) expenditures paid	(3,626,859)	(836,880)	(518,453)	(12,179,238)	(17,161,430)
Other financing sources:					
Estopped warrants	68,242	-	-	-	68,242
Bond sale proceeds	-	-	-	14,350,000	14,350,000
Adjustments to prior year encumbrances	<u>15,698</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,698</u>
Excess of revenues collected and other sources over (under) expenditures paid and other uses	(3,542,919)	(836,880)	(518,453)	2,170,762	(2,727,490)
Cash fund balances, beginning of year	<u>5,459,391</u>	<u>1,797,446</u>	<u>10,991,359</u>	<u>14,330,865</u>	<u>32,579,061</u>
Cash fund balances, end of year	<u>\$ 1,916,472</u>	<u>\$ 960,566</u>	<u>\$ 10,472,906</u>	<u>\$ 16,501,627</u>	<u>\$ 29,851,571</u>

The notes to the financial statements are an integral part of this statement.

Western Heights School District I-41
Oklahoma County, Oklahoma
Combined Statement of Revenues Collected, Expenditures Paid and Changes in Cash Fund Balances – Budget and Actual
Regulatory Basis – Budgeted Governmental Fund Types
For the Year Ended June 30, 2024

	General Fund				Special Revenue-Building Funds			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Beginning cash fund balances - ry basis	\$ 5,713,247	\$ 5,713,247	\$ 5,459,391	\$ (253,856)	\$ 1,454,244	\$ 1,454,244	\$ 1,797,446	\$ 343,202
Revenues collected:								
Local sources	16,902,839	16,902,839	17,353,906	451,067	2,362,266	2,362,266	2,865,162	502,896
Intermediate sources	833,000	833,000	1,032,403	199,403	-	-	-	-
State sources	8,184,500	8,184,500	8,313,149	128,649	9,100	9,100	0	(9,100)
Federal sources	10,745,066	10,745,066	9,753,411	(991,655)	913,000	913,000	753,512	(159,488)
Total Revenues Collected	<u>36,665,405</u>	<u>36,665,405</u>	<u>36,452,869</u>	<u>(212,536)</u>	<u>3,284,366</u>	<u>3,284,366</u>	<u>3,618,674</u>	<u>334,308</u>
Expenditures paid:								
Instruction	21,676,652	21,676,652	20,022,976	1,653,676	-	-	-	-
Support services	18,200,000	18,200,000	17,514,566	685,434	4,389,110	4,389,110	4,278,770	110,340
Non-Instructional services	2,400,500	2,400,500	2,378,610	21,890	-	-	-	-
Capital outlay	185,000	185,000	163,576	21,424	350,000	350,000	176,784	173,216
Other outlays	-	-	-	-	-	-	-	-
Total Expenditures paid	<u>42,462,152</u>	<u>42,462,152</u>	<u>40,079,728</u>	<u>2,382,424</u>	<u>4,739,110</u>	<u>4,739,110</u>	<u>4,455,554</u>	<u>283,556</u>
Excess of revenues collected over (under) expenditures paid	<u>(5,796,747)</u>	<u>(5,796,747)</u>	<u>(3,626,859)</u>	<u>2,169,888</u>	<u>(1,454,744)</u>	<u>(1,454,744)</u>	<u>(836,880)</u>	<u>617,864</u>
Other financing sources:								
Estopped warrants	<u>83,500.00</u>	<u>83,500.00</u>	<u>68,242</u>	<u>15,258</u>	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
Adjustment to prior year encumbrances	<u>-</u>	<u>-</u>	<u>15,698</u>	<u>(15,698)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending cash fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,916,472</u>	<u>\$ (2,849,256)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 960,566</u>	<u>\$ 394,454</u>

The notes to the financial statements are an integral part of this statement.

Western Heights School District I-41
Oklahoma County, Oklahoma
Combined Statement of Revenues Collected, Expenditures Paid and Changes in Cash Fund Balances – Budget and Actual
Regulatory Basis – Budgeted Governmental Fund Types
For the Year Ended June 30, 2024

	Debt Service Fund			
	Original Budget	Final Budget	Actual	Variance
Beginning cash fund balances - Budgetary basis	\$ 447,277	\$ 447,277	\$ 10,991,359	\$ 10,544,082
Revenues collected:				
Local sources	10,905,522	10,905,522	10,797,737	(107,785)
Intermediate sources	-	-	-	-
State sources	-	-	8,739	8,739
Other sources	-	-	-	-
Total Revenues Collected	<u>10,905,522</u>	<u>10,905,522</u>	<u>10,806,476</u>	<u>(99,046)</u>
Expenditures paid:				
Other Outlays	-	-	96,311	(96,311)
Debt service:				
Principal payments	10,356,250	10,356,250	10,140,000	216,250
Interest and fiscal agent fees	996,549	996,549	1,088,618	(92,069)
Total expenditures paid	<u>11,352,799</u>	<u>11,352,799</u>	<u>11,324,929</u>	<u>124,181</u>
Excess of revenues collected over (under) expenditures paid	<u>(447,277)</u>	<u>(447,277)</u>	<u>(518,453)</u>	<u>25,135</u>
Ending cash balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,472,906</u>	<u>\$ 10,569,217</u>

The notes to the financial statements are an integral part of this statement.

Western Heights School District I-41
Oklahoma County, Oklahoma
Notes to Combined Financial Statements
June 30, 2024

1. *Summary of Significant Accounting Policies*

The basic financial statements of the Western Heights Independent School District No. 41, Oklahoma County, Oklahoma (the "District") have been prepared in conformity with an other comprehensive basis of accounting as prescribed by the Oklahoma State Department of Education. The more significant of the District's accounting policies are described below.

A. *The Reporting Entity*

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

The governing body of the District is the Board of Education composed of five elected members. The appointed superintendent is the executive officer of the District.

In evaluating how to define the district, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the District and/or its citizens, or whether the activity is conducted within the geographic boundaries of the district and is generally available to its patrons. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, there are no potential component units included in the District's reporting entity.

Western Heights School District I-41
Oklahoma County, Oklahoma
Notes to Combined Financial Statements
June 30, 2024

1. Summary of Significant Accounting Policies – (continued)

B. Fund Accounting

The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain district functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into two categories: governmental and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental Fund Types

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

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

Special Revenue Fund - The special revenue fund consists of the District's Building Fund. The Building fund consists of monies derived from property taxes levied for the purpose of erecting, remodeling, or repairing buildings and for purchasing furniture and equipment.

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

Western Heights School District I-41
Oklahoma County, Oklahoma
Notes to Combined Financial Statements
June 30, 2024

1. Summary of Significant Accounting Policies – (continued)

B. Fund Accounting – (continued)

Capital Projects Fund - The capital projects fund is the District's Bond Funds and is used to account for the proceeds from bond sales to be used exclusively for acquiring school sites, constructing and equipping new school facilities, renovating existing facilities, and acquiring transportation equipment.

Fiduciary Fund Types

Agency Fund - The Agency fund is the School Activities fund which is used to account for monies collected principally through fundraising efforts of the students and District-sponsored groups. The administration is responsible, under the authority of the Board, of collecting, disbursing and accounting for these activity funds.

Account Groups

Account groups are not funds and consist of a self-balancing set of accounts used only to establish accounting control over long-term debt and general fixed assets not accounted for in proprietary funds.

General Long-Term Debt Account Group - This account group was established to account for all long-term debt of the District, which is offset by the amount available in the debt service fund and the amount to be provided in future years to complete retirement of the debt principal.

General Fixed Asset Account Group - This account group is used to account for property, plant and equipment of the school district. The District does not maintain the fixed asset records necessary to account for this account group.

Memorandum Only - Total Column

The total column on the basic regulatory financial statements is captioned "memorandum only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Western Heights School District I-41
Oklahoma County, Oklahoma
Notes to Combined Financial Statements
June 30, 2024

1. Summary of Significant Accounting Policies – (continued)

C. Basis of Accounting and Presentation

The District prepares its financial statements in a presentation format that is prescribed by the Oklahoma State Department of Education. This format is essentially the generally accepted form of presentation used by state and local governments prior to the effective date of GASB Statement No. 34, *Basic Financial Statements-Management's Discussion and Analysis-for State and Local Governments*. This format significantly differs from that required by GASB 34.

The basic financial statements are essentially prepared on a basis of cash receipts and disbursements modified as required by the regulations of the Oklahoma State Department of Education (OSDE) as follows:

- Encumbrances represented by purchase orders, contracts, and other commitments for the expenditure of monies and are recorded as expenditures when approved.
- Investments are recorded as assets when purchased.
- Warrants payable are recorded as liabilities when issued.
- Long-term debt is recorded when incurred.
- 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 require revenues to be recognized when they become available and measurable, or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred for governmental fund types.

Estimates - The preparation of financial statements in conformity with the regulatory basis of accounting requires the District to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Noncash Transactions - The District received federal food commodities in the amount of \$168,396.

Western Heights School District I-41
Oklahoma County, Oklahoma
Notes to Combined Financial Statements
June 30, 2024

1. Summary of Significant Accounting Policies – (continued)

D. 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 the second regularly scheduled board meeting. No later than 15 days prior to adoption of a final budget, the board must conduct a public hearing for the purposes of taking public comments. The final budget may be revised upon approval of the board of education in open meeting.

Under current Oklahoma Statutes a formal budget is required for general, building and debt service fund. Budgets are presented for general, building and debt service fund that include the originally approved budgeted appropriations for expenditures and final budgeted appropriations as adjusted for supplemental appropriations and approved transfers between budget categories. Budgets generally assume the expenditure of all available resources. Therefore, when the legal budget is prepared, it is assumed these funds will not have a carryover balance to subsequent year.

E. Assets Liabilities and Fund Balances

Investments – The District’s investment policies are governed by Oklahoma Statutes. Permissible investments include direct obligations of the United States government and agencies, certificates of deposits of savings and loan associations, and bank and trust companies; and savings accounts or savings certificates of savings and loan associations, banks and trust companies. Collateral is required for all amounts not covered by FDIC insurance.

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 and the second half is due prior to April 1. 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 for a period of three years or more as of the date such taxes first become due, the property is offered for sale for the amount of taxes due.

Western Heights School District I-41
Oklahoma County, Oklahoma
Notes to Combined Financial Statements
June 30, 2024

1. Summary of Significant Accounting Policies – (continued)

Inventories - The value of consumable inventories at June 30, 2024 is not material to the financial statements.

Compensated Absences - Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure of the governmental funds that will pay it. There are no amounts of vested or accumulated vacation leave.

Long-Term Debt - Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group.

Fund Balance - Fund balance represents the funds not encumbered by purchase order, legal contracts, and outstanding warrants.

E. Revenue, Expenses and Expenditures

State Revenues - Revenues from state sources for current operations are primarily governed by the state aid formula under the provisions of Article XVIII, Title 70, Oklahoma Statutes. The State Board of Education administers the allocation of state aid funds to school districts based on information accumulated from the districts. Approximately 18% 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 program for which the money is provided and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical programs. The State Department of Education requires that categorical education program revenues be accounted for in the general fund.

Western Heights School District I-41
Oklahoma County, Oklahoma
Notes to Combined Financial Statements
June 30, 2024

1. Summary of Significant Accounting Policies – (continued)

Interfund Transactions - Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund or expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions which are reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of The District has continued to emphasize the importance of the purchasing procedures with staff. Employees receive a manual with policies as well as receive annual training on District procedures. are reported as residual equity transfers.

2. Cash

Custodial Credit Risk - Custodial credit risk for deposits is the risk that in the event of a bank failure, the District’s deposits may not be returned or the District will not be able to recover collateral securities in the possession of an outside party. The District’s policy requires collateral for demand deposits and certificates of deposit for all amounts not covered by federal deposit insurance. As of June 30, 2024, cash deposits were fully insured or collateralized by a pledging bank’s agent in the District’s name.

3. General Long Term Debt

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

General long-term debt of the District consists of bonds payable and financed lease purchases. Debt service requirements for bonds are payable solely from fund balance and future revenues of the debt service fund. The following is a summary of the long-term debt transactions of the District for the year ended June 30, 2024:

	<i>Bonds Payable</i>	<i>Financed Lease</i>
	<i>(Direct Placement)</i>	<i>Purchases (Direct Borrowing)</i>
Balance July 1, 2023	\$ 35,315,000	\$ 21,891,832
Additions	14,350,000	-
Retirements	(10,140,000)	(10,436,832)
Balance June 30, 2024	<u>\$ 39,525,000</u>	<u>\$ 11,455,000</u>

Western Heights School District I-41
Oklahoma County, Oklahoma
Notes to Combined Financial Statements
June 30, 2024

3. General Long Term Debt – (continued)

General Obligation Bonds

A brief description of the outstanding general obligations bond issues at June 30, 2024, is set forth below:

	<i>Amount Outstanding</i>
Western Heights Independent School District, I-41 School General Obligation Building Bonds, Series A, of 2023, original issue \$5,660,000 interest rates 5.25% due in installments of \$1,660,000 starting April 1, 2025 with two additional annual payments of \$2,000,000 due on April 1 with final payment on April 1, 2027.	\$ 5,660,000
Western Heights Independent School District, I-41 School General Obligation Building Bonds, Series B, of 2023, original issue \$5,665,000 interest rates from 5.00-5.75% due in installments of \$1,665,000 starting June 1, 2025 with two additional annual payments of \$2,000,000 due on June 1 with final payment on June 1, 2027.	5,665,000
Western Heights Independent School District, I-41 School General Obligation Building Bonds, Series A of 2024, original issue \$6,520,000 interest rates from 4.750-5.125% due in installments of \$1,600,000 starting February 1, 2026 with three additional annual payments of \$1,640,000 due on February 1 with final payment on February 1, 2029.	6,520,000
Western Heights Independent School District, I-41 School General Obligation Building Bonds, Series B of 2024, original issue \$7,830,000 interest rates from 4.000-6.000% due in installments of \$1,830,000 starting June 1, 2026 with three additional annual payments of \$2,000,000 due on June 1 with final payment on June 1, 2029.	7,830,000
Western Heights Independent School District, I-41 School General Obligation Combined Purpose Bonds of 2020, original issue \$10,935,000 interest rates of 2.000% due in installments of \$2,685,000 starting February 1, 2022 with three additional annual payments of \$2,750,000 due on February 1 with final payment on February 1, 2025.	2,750,000
Western Heights Independent School District, I-41 School General Obligation Combined Purpose Bonds of 2021, original issue \$13,100,000 interest rates of 1.000% due in installments of \$3,200,000 starting January 1, 2023 with three additional annual payments of \$3,300,000 due on January 1 with final payment on January 1, 2026.	6,600,000
Western Heights Independent School District, I-41 School General Obligation Combined Purpose Bonds of 2022, original issue \$6,000,000 interest rates from 2.000-2.625% due in four annual installments of \$1,500,000 starting March 1, 2024 with final payment on March 1, 2027.	4,500,000
	<u>\$ 39,525,000</u>

Western Heights School District I-41
Oklahoma County, Oklahoma
Notes to Combined Financial Statements
June 30, 2024

3. General Long Term Debt – (continued)

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

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 10,875,000	\$ 1,171,188	\$ 12,046,188
2026	12,230,000	1,501,700	13,731,700
2027	9,140,000	742,700	9,882,700
2028	3,640,000	328,300	3,968,300
2029	3,640,000	157,900	3,797,900
Total	<u>\$ 39,525,000</u>	<u>\$ 3,901,788</u>	<u>\$ 43,426,788</u>

Pledged Revenues

Property Tax Revenues collected by the District are pledged to repay the District’s General Obligation Bonds. As of June 30, 2024, \$39,525,000 general obligations were outstanding. Principal and interest paid for current year and revenues collected were \$11,228,618 and \$10,797,737 respectively.

Financed Lease Purchases

The District enters into lease agreements as lessee for financing the acquisition of equipment. For accounting purposes since the title transfers at the end of the lease term, it has been recorded at the present value of the future minimum lease payments. The leases contain a clause which provides the ability to terminate the agreement at the end of each fiscal year. The District has recorded the liability for future lease payments in the general long-term debt group.

The District has entered into a lease purchase agreement in the amount of \$1,000,000 pursuant to the provisions of federal legislation which authorizes the issuance of Qualified Zone Academy Bonds (QZABs). The funding is to be used for equipment and for renovations. Those assets are leased from Zions First National Bank for a period of ten years beginning February 28, 2015, with annual payments of \$108,434. These payment will include an interest rate of 1.50% for a total of \$84,342 over the term of the agreement. This was paid off during Fiscal year 2024.

Western Heights School District I-41
Oklahoma County, Oklahoma
Notes to Combined Financial Statements
June 30, 2024

3. General Long Term Debt – (continued)

The District has also entered financing arrangements with the Oklahoma County Finance Authority 2018 (see Note 8). These financing arrangements are accounted for as financed lease purchases, since for accounting purposes the title transfers at the end of lease term. The leases contain a clause which gives the District the ability to terminate the lease agreements at the end of each fiscal year. The District has a rental payment of \$1,500 due semi-annually on March 1 and September 1 which started September 1, 2018. District will have varying annual payments with imputed interest rate of 2.895%, with first payment due September 1, 2020.

Scheduled payments under the lease/purchase agreements for each fiscal year ended June 30, are as follows:

<u>Year Ended June 30,</u>	<u>Amount Due</u>
2025	\$ 11,455,000
	11,455,000
Less: Interest	<u>(297,985)</u>
Total	<u>\$ 11,157,015</u>

Interest expense on general long-term debt incurred during the current year totaled \$1,943,915.

4. Employee Retirement System

Teachers' Retirement System of Oklahoma

Plan Description – The System provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The ability to establish and amend benefit provisions is the responsibility of the state legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the employees of the District. The System issues a publicly available financial report that can be obtained at <http://www.ok.gov/trs/>.

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.

Western Heights School District I-41
Oklahoma County, Oklahoma
Notes to Combined Financial Statements
June 30, 2024

Sec. 17-105 defines all retirement benefits. The authority to establish and amend benefit provisions rests with the State Legislature.

Funding Policy—Under the System, contributions are made by the District, the State of Oklahoma and participating employees. Participation is required for all teachers and other certified staff and is options for all other employees of public education institutions who work at least 20 hours per week.

Contributions – In accordance with *Oklahoma Statutes*, System members are required to contribute 7.00% of applicable compensation. For the year ended June 30, 2024, qualifying employee contributions were reduced by a retirement credit of \$149,698 provided by Enrolled House Bill 1873 and paid by the State of Oklahoma as on-behalf payments. For the year ended June 30, 2024, the District had a statutory contribution rate of 9.5% plus 8.40% as a match for salaries funded by federal programs. The contribution requirements of System members and the District are established and may be amended by the state legislature. For the year ended June 30, 2024, the District contributions to the System for were \$2,424,673.

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/>.

5. *Other Post-Employment Benefits (OPEB)*

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 Teacher Retirement System (TRS).

Plan Description – The OPEB System provides pays a monthly health insurance premium supplement for each retired member who is enrolled in the health insurance plan provided by the State and Education Employees Group Health and Dental Insurance plan or in an insurance program provided by a participating education employer who provides health insurance coverage to former employees, provided the retired member had at least ten (10) years of Oklahoma service prior to retirement.

Benefits Provided – All retirees are eligible except for special retirees (as defined) and spouses and beneficiaries as long as they have at least 10 years of service. Retirees who elect such coverage receive the smaller of (i) a Medicare supplement benefit, if eligible, or (ii) an amount between \$100 and \$105 per month, depending on service and final average compensation. Payments made on the retirees’ behalf to the Employees Group Insurance Division of the Office of Management and Enterprise Services, if the member continues

Western Heights School District I-41
Oklahoma County, Oklahoma
Notes to Combined Financial Statements
June 30, 2024

health coverage under that Plan, or (ii) to the member's former employer, if the member retains health coverage under a plan maintained by the former employer.

Contributions – Employer and employee contributions are made based upon the TRS Plan provisions contained in State Statute Title 70, as amended. However, the statutes do not specify or identify any particular contribution source to pay the health insurance subsidy. The cost of the subsidy averages 0.13% of normal cost, as determined by an actuarial valuation.

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/>.

6. *Commitments and 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 a defendant in 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 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 entered into several commitments related to repair and maintenance contracts during the fiscal year. As of June 30, 2024, the District had outstanding commitments totaling \$201,246 that will be funded from building funds and \$1,544,418 that will be fund from Capital Projects Funds.

7. *Risk Management*

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

Western Heights School District I-41
Oklahoma County, Oklahoma
Notes to Combined Financial Statements
June 30, 2024

8. *Ground Lease and Sublease Agreements*

February 2018, the District executed a Ground Lease Agreement and Sublease agreement with Oklahoma County Finance Authority, a public trust, (the Authority). The District will lease the land upon which the improvements are to be constructed for so long as there are obligations outstanding. The Authority will issue the Bonds and apply the proceeds thereof to acquire, construct, furnish, and equipment the improvements as approved by voters in October, 2017. The premises, including the Improvements, will then be leased by the Authority to the District pursuant to the Sublease Agreement for an initial term expiring on June 30, 2018, provided that the District has the option to renew for successive one-year periods, or until such time as the Sublease agreement is terminated in accordance with its terms.

The Authority will issue Bonds in the amount of \$25,030,000 Tax -exempt series 2018A and \$8,810,000 federally taxable series 2018B Bonds for a total of \$33,840,000 to finance a portion of the Improvements costs. This amount, together with separate issuance by the District of the first series of its general obligation bonds, is expected to fund the costs of the Improvements. If improvements costs exceed the proceeds of the Bonds and the District's general obligation bonds, those costs will be paid out of other legally available monies of the District.

The District intends to issue the balance of the October 2017 voter-approved general obligation bonds over the next eight years. The monies derived from the issuance and sale of such bonds will be used to make Lease Purchase Acquisition Payments under the Sublease and thereby periodically acquire from the Authority title to portions of the Improvements. The proceeds of the general obligation bonds authorized at the special election can be used only to finance the costs of the Improvements, including the Lease Purchase Acquisition Payments.

As of report date, there is \$2,960,000 authorized but unissued general obligation bonds from the bond election held in October 2017 of which all of bond proceeds are pledged for the Ground and Sublease agreement with Oklahoma County Finance Authority 2018 as discussed in prior paragraphs.

9. *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 the \$133,632 in abated ad valorem tax revenues.

Western Heights School District I-41
Oklahoma County, Oklahoma
Notes to Combined Financial Statements
June 30, 2024

10. Subsequent Events

February 2025 the District had a \$146 million Bond election that was approved by voters.

The District has evaluated subsequent events through the date which the financial statements were available to be issued.

Western Heights School District I-41
Oklahoma County, Oklahoma
Supplementary Schedule
Combining Statement of Assets, Liabilities and Fund Balances – Regulatory Basis
All Special Revenue Funds
June 30, 2024

	Building Fund	Special Revenue Total
ASSETS		
Cash	\$ 1,009,261	\$ 1,009,261
Total Assets	\$ 1,009,261	\$ 1,009,261
LIABILITIES AND FUND BALANCES		
Liabilities:		
Warrants payable	\$ 48,695	\$ 48,695
Total Liabilities	48,695	48,695
Fund Balances:		
Restricted:		
Building Services	\$ 960,566	\$ 960,566
Total Cash Fund Balances	960,566	960,566
Total Liabilities and Fund Balances	\$ 1,009,261	\$ 1,009,261

Western Heights School District I-41
Oklahoma County, Oklahoma
Supplementary Schedule
Combining Statement of Revenues Collected, Expenditures Paid and
Changes in Cash Fund Balances – Regulatory Basis
All Special Revenue Funds
For the Year Ended June 30, 2024

	<u>Building Fund</u>	<u>Special Revenue Total</u>
Revenues collected:		
Local sources	\$ 2,865,162	\$ 2,865,162
Federal Sources	<u>753,512</u>	<u>753,512</u>
Total revenues collected	3,618,674	3,618,674
Expenditures paid:		
Support Services	<u>4,278,770</u>	<u>4,278,770</u>
Total expenditures paid	<u>4,455,554</u>	<u>4,455,554</u>
Excess of revenues collected over (under) expenditures paid	<u>(836,880)</u>	<u>(836,880)</u>
Excess of revenues collected and other sources over (under) expenditures paid and other uses	(836,880)	(836,880)
Cash fund balances, beginning of year	<u>1,797,446</u>	<u>1,797,446</u>
Cash fund balances, end of year	<u>\$ 960,566</u>	<u>\$ 960,566</u>

Western Heights School District I-41
Oklahoma County, Oklahoma
Supplementary Schedule
Combining Statement of Assets, Liabilities and Fund Balances – Regulatory Basis
All Capital Project Funds
For the Year Ended June 30, 2024

	Bond Fund 31	Bond Fund 33	Bond Fund 34	Total Capital Project Funds
<u>ASSETS</u>				
Cash	\$ 2,981,250	\$ 82,333	\$ 13,501,284	\$ 16,564,867
Total Assets	\$ 2,981,250	\$ 82,333	\$ 13,501,284	\$ 16,564,867
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Warrants payable	\$ -	\$ -	\$ 63,240	\$ 63,240
Total Liabilities	-	-	63,240	\$ 63,240
 Fund Balances:				
Restricted:				
Restricted for capital projects	2,981,250	82,333	13,438,044	\$ 16,501,627
Total Cash Fund Balances	2,981,250	82,333	13,438,044	\$ 16,501,627
Total Liabilities and Fund Balances	\$ 2,981,250	\$ 82,333	\$ 13,501,284	\$ 16,564,867

Western Heights School District I-41
Oklahoma County, Oklahoma
Supplementary Schedule
Combining Statement of Revenues Collected, Expenditures Paid and
Changes in Cash Fund Balances – Regulatory Basis
All Capital Project Funds
For the Year Ended June 30, 2024

	<u>Bond Fund 31</u>	<u>Bond Fund 33</u>	<u>Bond Fund 34</u>	<u>Total Capital Project Funds</u>
Revenues collected:				
Local sources	\$ -	\$ -	\$ -	\$ -
Total Revenues Collected	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures paid:				
Instruction	-	-	-	-
Support services	-	-	130,897	130,897
Non-Instructional services	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>12,048,341</u>	<u>12,048,341</u>
Total expenditures paid	<u>-</u>	<u>-</u>	<u>12,179,238</u>	<u>12,179,238</u>
Excess of expenditures paid over revenues collected	-	-	(12,179,238)	(12,179,238)
Other financing sources:				
Transfers	-	-	-	-
Estopped Warrants	-	-	-	-
Bond sales proceeds	<u>2,960,000</u>	<u>-</u>	<u>11,390,000</u>	<u>14,350,000</u>
Excess of revenues collected and other sources over (under) expenditures paid and other uses	2,960,000	-	(789,238)	2,170,762
Cash fund balances, beginning of year	<u>21,250</u>	<u>82,333</u>	<u>14,227,282</u>	<u>14,330,865</u>
Cash fund balances, end of year	<u>\$ 2,981,250</u>	<u>\$ 82,333</u>	<u>\$ 13,438,044</u>	<u>\$ 16,501,627</u>

Western Heights School District I-41
Oklahoma County, Oklahoma
Supplementary Schedule
Combining Statement of Changes in Cash Balances – Regulatory Basis
Activity Funds
For the Year Ended June 30, 2024

	BEGINNING			ENDING
	BALANCE	RECEIPTS	CHECKS	BALANCE
802 HS Multi-Cultural (102)	\$ 563	\$ -	\$ -	\$ 563
803 HS Yearbook (103)	2,508	4,160	3,701	2,967
804 MS Girls Golf (104)	100	-	-	100
805 MS Yearbook (105)	386	840	1,000	226
806 Athletics (106)	44,039	178,102	151,902	70,239
807 Bidder Plan Deposit Acct (107)	10	-	-	10
808 HS Wrestling (109)	1,542	-	220	1,322
809 HS Football (110)	556	-	-	556
810 HS Boys Basketball (111)	2,743	1,000	-	3,743
811 HS Girls Basketball (112)	1,002	-	-	1,002
812 HS Baseball (113)	3,136	2,460	276	5,319
813 HS Cross Country Track (114)	337	-	145	192
814 HS Tech Now Club (115)	218	-	-	218
815 HS Key Club (116)	4,143	255	1,119	3,279
816 HS Book Club (117)	237	-	-	237
817 Band Director/Hospitality (119)	4,749	184	-	4,933
820 MS Student Store (122)	820	-	-	820
821 HS Library (123)	3,302	413	79	3,636
822 MS Library (124)	142	861	-	1,004
823 Choir (125)	17,494	3,115	15,664	4,944
825 Class of 2023 (129)	2,226	-	-	2,226
826 Class of 2024 (130)	-	13,679	9,407	4,272
827 BS Gifted and Talented (131)	1,072	-	179	893
828 MS Choir Booster Club (132)	80	-	-	80
829 HS Flower Fund/Hospitality (134)	155	-	-	155
830 HS Lost Textbook (135)	180	-	-	180
831 HS Musical (136)	121	-	120	1
832 MS PE (137)	169	-	-	169
833 MS General Account (138)	3,197	1,138	2,094	2,240
834 HS Student Council (139)	5,155	927	2,661	3,421
835 MS Student Council (141)	2,231	205	756	1,680
836 Coca-Cola Scholarship Fund (143)	1,185	-	-	1,185
837 Council Grove General Account (145)	13,009	6,082	10,004	9,087
839 MS Baseball (148)	475	-	-	475
840 MS FCCLA (149)	92	-	-	92
841 ROTC (150)	67,775	62,903	59,860	70,818
842 Bridgestone Yearbook (151)	805	1,875	1,798	882
843 Vending Activity Account (152)	2,037	13,520	5,119	10,438
844 HS General Account (153)	188	842	60	969
845 HS FCA Club (154)	40	-	-	40
846 HS ART Club (155)	711	44	-	755
847 MS ART Club (156)	88	-	-	88
848 HS FCCLA (157)	381	-	125	256

Western Heights School District I-41
Oklahoma County, Oklahoma
Supplementary Schedule
Combining Statement of Changes in Cash Balances – Regulatory Basis
Activity Funds
For the Year Ended June 30, 2024

	BEGINNING			ENDING
	BALANCE	RECEIPTS	CHECKS	BALANCE
849 HS BPA (159)	\$ 879	\$ 100	\$ -	978
850 HS Testing Account (161)	445	-	-	445
851 Winds West General Account (162)	14,626	3,627	1,687	16,567
852 YMCA Youth Sports (164)	45	-	-	45
853 HS Cheerleaders (165)	2,769	1,196	3,338	627
854 MS Football (166)	56	-	-	56
855 HS National Honor Society (167)	87	-	-	87
856 MS Honor Society (168)	262	-	-	262
857 HS Science (169)	529	-	-	529
858 HS Foreign Language (170)	245	-	-	245
859 HS Math Club (171)	107	-	-	107
860 Greenvale General Account (173)	15,593	1,345	2,754	14,184
861 Cheerleader Booster (174)	30	120	94	56
862 John Glenn General Account (175)	30,733	7,443	18,842	19,333
863 John Glenn Special Olympics (176)	548	-	-	548
864 WHIRE (177)	3,848	-	-	3,848
866 HS Golf (179)	832	-	-	832
867 HS Golf (180)	483	-	-	483
868 Summer Health Insurance (182)	6	-	-	6
869 Bridgestone Teacher Fund (183)	113	17	-	130
871 HS Comp Tech (185)	373	-	-	373
872 HS Special Olympics & Class (186)	2,957	-	-	2,957
873 Misc - Admin (187)	6,733	2,541	4,842	4,432
874 Bridgestone Library (188)	338	1,655	1,628	365
875 Bridgestone General Account (189)	3,091	3,978	2,810	4,259
876 Bridgestone Choir (190)	5,322	4,944	3,953	6,313
877 Athletic Concessions (191)	24,622	76,750	27,174	74,198
878 Bridgestone PE (192)	5,561	2,182	3,664	4,079
880 HS Chess Club (194)	22	-	-	22
881 Council Grove Teacher Fund (195)	609	-	-	609
882 MS TSA (196)	447	21	-	468
883 Class of 2024 (197)	3,673	230	-	3,903
884 HS Academic Bowl (198)	425	460	132	753
885 Title I (199)	147	-	-	147
887 WH Homerun Club (202)	109	-	-	109
888 Grid Iron Club (204)	202	-	-	202
889 HS Boys Soccer (206)	2,137	102	-	2,239
890 Indian Club (207)	2,872	633	1,211	2,294
891 John Glenn Teacher Fund (208)	83	-	-	83
892 Winds West Teacher Fund (209)	1,166	1,000	632	1,534
893 Greenvale Teacher Fund (210)	1,736	-	435	1,301
894 Council Grove Teacher Fund (211)	168	-	-	168
895 MS Teacher Fund (212)	25	-	-	25

Western Heights School District I-41
Oklahoma County, Oklahoma
Supplementary Schedule
Combining Statement of Changes in Cash Balances – Regulatory Basis
Activity Funds
For the Year Ended June 30, 2024

	BEGINNING			ENDING
	BALANCE	RECEIPTS	CHECKS	BALANCE
896 Admin Bldg Sunshine (213)	\$ 2	\$ 360	\$ 147	215
897 HS Teacher Account (214)	1,463	-	-	1,463
898 HS Spanish Club (215)	33	-	-	33
899 John Glenn Vending Account (218)	196	-	100	95
900 Class of 2025 (219)	926	12,659	9,164	4,421
901 Louise Jay Memorial (220)	84	-	-	84
902 Habitat Trail (222)	1,366	-	-	1,366
903 MS Academic Bowl (223)	149	-	-	149
904 Charitable Donation Fund (225)	146	-	-	146
905 9th Grade Ctr General Account (229)	8	-	-	8
906 MS Girls Basketball (231)	456	-	-	456
908 MS Wrestling (233)	11	-	-	11
909 MS Archery (234)	83	-	-	83
910 MS Softball (235)	190	-	-	190
911 MS Boys Golf (236)	63	-	-	63
912 HS Youth & Government (238)	59	-	-	59
913 MS Special Olympics (239)	408	-	-	408
914 Deaf Education (241)	20	-	-	20
915 HS Drama (242)	896	888	1,559	225
916 HS Exchange Club (243)	2,255	62	147	2,170
917 WH Alumni (244)	2,717	-	-	2,717
918 HS Tennis (245)	3,733	2,340	3,457	2,616
919 Council Grove Library (247)	4,093	111	-	4,204
920 Council Grove Gifted & Talented (248)	199	-	-	199
921 Winds West Gifted & Talented (249)	785	-	-	785
922 Winds West Library (250)	3,906	2,383	2,639	3,649
923 Greenvale Gifted & Talented (251)	358	-	-	358
924 Greenvale Library (252)	5,148	4,379	338	9,189
925 John Glenn Library (253)	2,045	428	-	2,473
926 John Glenn Gifted & Talented (254)	1,004	-	257	747
927 Bridgestone Special Ed (255)	1,565	-	-	1,565
928 Bridgestone National Honor Society (256)	62	-	-	62
929 Football/Thammavongsa (258)	21	-	-	21
930 Elementary Sports (259)	3,697	3,492	3,896	3,293
931 Greenvale PE (260)	150	-	-	150
932 MS/HS Dance Program (261)	186	751	581	357
933 Piano (262)	1,262	2,326	1,866	1,722
934 Pennock-James Nursery & PS (263)	3,648	-	-	3,648
935 Hobby Lobby (264)	2,355	-	-	2,355
936 HS Girls Soccer (265)	1,437	457	-	1,894
937 MS Girls Soccer (266)	77	802	160	719
938 MS Boys Soccer (267)	27	445	-	472
939 District (268)	6	37,789	460	37,334
940 Device Insurance (269)	26,388	-	-	26,388

Western Heights School District I-41
Oklahoma County, Oklahoma
Supplementary Schedule
Combining Statement of Changes in Cash Balances – Regulatory Basis
Activity Funds
For the Year Ended June 30, 2024

	BEGINNING			ENDING
	BALANCE	RECEIPTS	CHECKS	BALANCE
941 STEAM Center (270)	1,294	-	-	1,294
942 HS Softball (271)	2,114	75	-	2,189
943 OFASA HS STEAM Robotics Club (272)	4,110	-	118	3,992
944 OFASA HS STEAM Aeronautics Club (273)	2,771	-	-	2,771
945 Loves Donation (274)	6,184	-	180	6,004
947 Bridgestone Science (281)	995	1,050	-	2,045
948 HS Counseling Office (282)	1,200	-	-	1,200
949 District Enrollment (283)	350	200	508	42
950 Class of 2026 (284)	438	3,060	1,920	1,578
951 Bridgestone Cheer (285)	686	1,753	1,026	1,412
952 John Glenn Specials Fund (286)	20	-	-	20
953 WW Community Connections	-	1,949	183	1,766
	<u>\$ 448,348</u>	<u>\$ 521,504</u>	<u>\$ 413,929</u>	<u>\$ 555,923</u>

**Western Heights School District I-41
Oklahoma County, Oklahoma
Supplementary Schedule
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024**

<u>Federal Grant / Pass-Through Grantor / Program Title</u>	<u>Federal Assistance/ CFDA Number</u>	<u>Pass - Through Grantor's Project Number</u>	<u>Balance 6/30/2023</u>	<u>Federal Grant Receipts</u>	<u>Federal Grant Expenditures</u>	<u>Balance 6/30/2024</u>
U.S. Department of Interior						
477 Cluster						
<i>Direct Program:</i>						
Johnson O'Malley	15.130	563	\$ (10,101)	\$ 23,707	\$ 23,707	\$ (10,101)
477 Cluster			<u>(10,101)</u>	<u>23,707</u>	<u>23,707</u>	<u>(10,101)</u>
U.S. Department of Education						
<i>Direct Program:</i>						
Title VII - Indian Education	84.060A	561	-	72,102	72,102	-
<i>Passed Through State Department of Education:</i>						
Title I, Grants to Local Education Agencies, Part A Basic Program	84.010	511/785	(284,954)	1,919,500	1,957,500	(322,954)
Title I, Grants to Local Education Agencies, School Support	84.010	515	(50,785)	502,129	506,507	(55,163)
Total Title I			<u>(335,739)</u>	<u>2,421,629</u>	<u>2,464,007</u>	<u>(378,117)</u>
Special Education - Flow-Through	84.027	621	(2,866)	685,976	695,185	(12,075)
COVID-19 ARP- IDEA Flow Through	84.027X	628	-	2,393	2,393	-
Special Education Professional Development OSDE Sponsored	84.027	613	-	1,553	1,553	-
Special Education Professional Development District	84.027	615	-	1,895	1,895	-
Oklahoma Multi Tiered System of Support	84.027	619	-	-	2,368	(2,368)
Special Education - Preschool	84.173	641	-	11,462	14,327	(2,865)
Special Education Cluster			<u>(2,866)</u>	<u>703,279</u>	<u>717,721</u>	<u>(17,308)</u>

Western Heights School District I-41
Oklahoma County, Oklahoma
Supplementary Schedule
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Federal Grant / Pass-Through Grantor / Program Title	Federal Assistance/ CFDA Number	Pass - Through Grantor's Project Number	Balance 6/30/2023	Federal Grant Receipts	Federal Grant Expenditures	Balance 6/30/2024
U.S. Department of Education - continued						
COVID-19 Education Stabilization Fund-Elementary and Secondary School Emergency Relief Fund (ESSER III)- Community Partners in Reading	84.425U	716	-	17,893	17,893	-
COVID-19 Education Stabilization Fund-Elementary and Secondary School Emergency Relief Fund (ESSER III)- High Dosage Tutoring	84.425U	717	-	577	577	-
COVID-19 Education Stabilization Fund-Elementary and Secondary School Emergency Relief Fund (ESSER III)- OK Paid Student Teacher Stipend	84.425U	725	-	5,247	3,498	1,749
COVID-19 Education Stabilization Fund--American Rescue Plan Elementary and Secondary School Emergency Relief (ARP-ESSER III) -Homeless II	84.425U	797	-	18,745	20,613	(1,868)
COVID-19 Education Stabilization Fund- Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425D	793	(44,138)	1,206,700	1,160,521	2,041
COVID-19 Education Stabilization Fund--American Rescue Plan Elementary and Secondary School Emergency Relief (ARP-ESSERIII)	84.425U	795	(745,121)	3,688,756	3,268,023	(324,388)
Total Education Stabilization Fund (ESF)			(789,259)	4,937,918	4,471,125	(322,466)
<i>Passed Through Vocational Education:</i>						
Career and Technical Education - Basic Grant to States (Perkins IV)	84.048	421	(997)	18,000	75,359	(58,356)
Total U.S. Department of Education			\$ (1,128,861)	\$ 8,152,928	\$ 7,800,314	\$ (776,247)
U.S. Department of Agriculture:						
<i>Passed Through State Department of Education:</i>						
<i>Cash Assistance:</i>						
Commodity Credit Corporation (CCC) Supply Chain Assistance	10.555	759	139,360	71,386	210,746	-
Summer Food Service Program	10.559	766	31,735	29,576	-	61,311
National School Lunch Program	10.555	763	58,717	1,451,473	1,231,111	279,079
School Breakfast Program	10.553	764	428,920	504,260	428,630	504,550
Cash Assistance Subtotal:			658,732	2,056,695	1,870,487	844,940
<i>Passed Through State Department of Human Services:</i>						
<i>Non-Cash Assistance (Commodities)</i>						
National School Lunch Program	10.555		-	168,396	168,396	-
Non-Cash Assistance Subtotal:			-	168,396	168,396	-
Child Nutrition Cluster			658,732	2,225,091	2,038,883	844,940

**Western Heights School District I-41
Oklahoma County, Oklahoma
Supplementary Schedule
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024**

Federal Grant / Pass-Through Grantor / Program Title	Federal Assistance/ CFDA Number	Pass - Through Grantor's Project Number	Balance 6/30/2023	Federal Grant Receipts	Federal Grant Expenditures	Balance 6/30/2024
U.S. Department of Agriculture - continued						
<i>Passed Through State Department of Education:</i>						
Child and Adult Care Food Program	10.558	769	61,684	195,848	-	257,532
COVID-19 Emergency Operational Costs Reimbursement-Child & Adult Care Food Program	10.558	761	151,173	-	151,173	-
P-EBT Program	10.649	760	<u>6,198</u>	<u>-</u>	<u>6,198</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>\$ 877,787</u>	<u>\$ 2,420,939</u>	<u>\$ 2,196,254</u>	<u>\$ 1,102,472</u>
Total Expenditures of Federal Awards			<u>\$ (261,175)</u>	<u>\$ 10,597,574</u>	<u>\$ 10,020,275</u>	<u>\$ 316,124</u>

Western Heights School District I-41
Oklahoma County, Oklahoma
Supplementary Schedule
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Note A: Basis of Presentation

The District prepares the schedule in a presentation format that is prescribed by the Oklahoma State Department of Education. This regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, which require revenues to be recognized when they become available and measurable, or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred for governmental fund types.

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Western Heights Independent School District No. 41 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 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). Because the Schedule presents only a selected portion of the operations of Western Heights Independent School District No. 41 Oklahoma County, Oklahoma, it is not intended to and does not present the basic financial statements of Western Heights Independent School District No. 41 Oklahoma County, Oklahoma.

Note B: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on using the cash basis of accounting. Encumbrances are included when paid rather than when incurred. Some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. Such 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

Western Heights Independent School District No. 41 Oklahoma County, Oklahoma has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Western Heights School District I-41
Oklahoma County, Oklahoma
Supplementary Schedule
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Note D: Subrecipients

Western Heights Independent School District No. 41 Oklahoma County did not have any awards that have been passed through to subrecipients.

Note E: Transfers between Federal Programs

Western Heights Independent School District No. 41, Oklahoma County, Oklahoma received \$109,205 for program assistance number 84.424 Title IV, \$195,018 for program assistance number 84.367 Title II, Part A and \$69,053 for program assistance number 84.365 Title III which are allowed to be transferred to be used for Title I Assistance number 84.010 and thus was reported above in the Title I revenues agree with corresponding expenditures.



**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
Western Heights Independent School District No. 41
Oklahoma City, Oklahoma 73179

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 of Western Heights Independent School District No. 41, Oklahoma County Oklahoma, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Western Heights Independent School District No. 41, Oklahoma County Oklahoma's basic regulatory financial statements and have issued our report thereon dated March 21, 2025. Our report included an adverse opinion on U.S. Generally Accepted Accounting Principles and a qualified opinion due to the omission of the general fixed asset account group.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Western Heights Independent School District No. 41, Oklahoma County, Oklahoma's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on effectiveness Western Heights Independent School District No. 41, Oklahoma County, Oklahoma' internal control. Accordingly, we do not express an opinion on the effectiveness of Western Heights Independent School District No. 41, Oklahoma County, Oklahoma's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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

deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2024-001, 2024-002, 2024-003, 2024-005 and 2024-008 to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2024-006 and 2024-007 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Western Heights Independent School District No. 41, Oklahoma County Oklahoma's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2024-002, 2024-004, 2024-009 and 2024-008.

Western Heights Independent School District No. 41's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Western Heights Independent School District No. 41's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Western Heights Independent School District No. 41's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Mary E Johnson & Associates PLLC

Norman, Oklahoma
March 21, 2025



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

The Honorable Board of Education
Western Heights Independent School District No. 41
Oklahoma County, Oklahoma

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Western Heights Independent School District No. 41, Oklahoma County, Oklahoma's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Western Heights Independent School District No. 41, Oklahoma County, Oklahoma's major federal programs for the year ended June 30, 2024. Western Heights Independent School District No. 41, Oklahoma County, Oklahoma'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, Western Heights Independent School District No. 41, 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 other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2024.

Basis for Opinion of 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 the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Western Heights Independent School District No. 41, 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 audit opinions on compliance for each major federal program. Our audit does not provide a legal determination of Western

Heights Independent School District No. 41, 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 Western Heights Independent School District No. 41, Oklahoma County, Oklahoma's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Western Heights Independent School District No. 41, 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 when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for 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 Western Heights Independent School District No. 41, 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, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Western Heights Independent School District No. 41, 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 Western Heights Independent School District No. 41, 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 Western Heights Independent School District No. 41, 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.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2024-009. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Western Heights Independent School District No. 41, Oklahoma County, Oklahoma's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs Western Heights Independent School District No. 41, Oklahoma County, Oklahoma's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

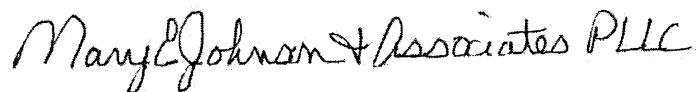
Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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



Norman, Oklahoma
March 21, 2025

Western Heights Independent School District No. 41
Oklahoma County, Oklahoma
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Section I – Summary of Auditor’s Results

Financial Statements:

Type of audit report: Qualified Opinion on Account Group -- Regulatory Basis
 Unmodified Opinion on Fund Types -- Regulatory Basis
 Adverse Opinion on U.S. Generally Accepted Accounting Principles

Internal control over financial reporting:

Material weakness(es) identified? _____ X _____ Yes _____ No

Significant Deficiency(ies) identified that are not considered to be material weaknesses? _____ X _____ Yes _____ None Reported

Noncompliance material to financial statement _____ X _____ Yes _____ No

Federal Awards:

Internal control over major program:

Material weakness(es) identified? _____ Yes _____ X _____ No

Significant Deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes _____ X _____ None Reported

Type of auditors' report issued on compliance for major programs: Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? _____ X _____ Yes _____ No

Identification of Major Programs:

<u>Assistance/CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.553; 10.555; 10.559	Child Nutrition Program Cluster
84.425D; 84.425U	COVID-19 Education Stabilization Funds- Elementary and Secondary School Emergency Relief (ESSER II) Fund; American Rescue Plan Elementary and Secondary School Emergency Relief (ARP-ESSER III)
84.027; 84.027X; 84.173	Special Education (IDEA) Cluster

Dollar threshold used to distinguish between Type A and \$ 750,000

Auditee qualified as a low-risk auditee? _____ Yes _____ X _____ No

Western Heights Independent School District No. 41
Oklahoma County, Oklahoma
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Section II – Financial Statement Findings

2024-001 Financial Reporting

Condition: The District had material audit adjustments to final fiscal year OCAS data to properly state the activity of the District. In addition, the District does not report a general fixed asset account group as required by the State Department of Education guidelines.

Criteria: The responsibility for the financial statements remains with management even when the preparation of the financial statements is transferred to a service provider.

Cause: The internal control structure of the District focuses primarily on daily operations. The District does have a system of financial reporting that determines the trial balances used in financial statement preparation are final but for fiscal year 2024 there were adjustments to balance the general fund plus adjustments between revenues. The District also does not have a system for accounting for general fixed assets.

Effect: Potential that financial statements are misstated. Scope limitation on the audit for the general fixed asset account group.

Recommendation: We recommend that the District evaluate the costs of providing for the additional assistance needed for the year-end financial reporting process to determine it is in accordance with accounting and regulatory requirements.

*Views of Responsible Officials
and Planned Corrective*

Action: District has hired an outside consultant to assist District with accounting and financial statement preparation. In addition, the District has added position of Chief Financial Officer for additional oversight over financial matters. District is still working on system to track the general fixed assets of the District.

2024-002 Coding of Revenues

Condition: Revenues were not properly coded in accordance with the Oklahoma Cost Accounting System (OCAS).

Criteria: Oklahoma Administrative Code (OAC) 210:25-5-4a The financial structure of an Oklahoma public school district consists of various classifications as referenced in Oklahoma Administrative Code

Western Heights Independent School District No. 41
Oklahoma County, Oklahoma
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

(OAC) 210:25-7-1, (Oklahoma Cost Accounting System [OCAS]). School District accounting systems shall be organized and operated on a basis that assures legal compliance by the recording and summarizing of financial transactions within funds, each of which is completely independent of any other. Each fund shall account for and continually maintain the identity of its revenues and expenditures.

Cause: Procedures for revenue receipts were not in place to properly identify sources of funds received.

Effect: Incorrect reporting of revenues submitted to the State Department of Education.

Context: General Fund had \$77,745 of funds reported as local sources that should have been reported in federal source.

Recommendation: We recommend that revenues be properly coded in OCAS. We also recommend that procedures be implemented to monitor revenues have been recorded to the proper sources and funds before finalizing OCAS data for fiscal year.

*Views of Responsible Officials
and Planned Corrective*

Action: The District has implemented new procedures to ensure that revenues are recorded in the proper sources. Finance staff has completed OCAS training and District has added Chief Financial Officer position to assist in monitoring activity.

2024-003 Employee Contracts

Condition: Employee contracts did not agree with amounts paid.

Criteria: To ensure that payroll is properly authorized, control activities should be developed and employed to reduce risks that improper amounts will be paid.

Cause: Data entry

Context: Four out of twenty five employees amounts paid did not agree with contract. Two of twenty five employees contracts did not agree to board approved pay scales.

Effect: Misappropriation of assets

Recommendation: We recommend that amounts paid to employees agree with contracts. We also recommend that completed contracts need to be reviewed to system.

Western Heights Independent School District No. 41
Oklahoma County, Oklahoma
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Views of Responsible Officials

and Planned Corrective

Action:

District has implemented new contract processing and review procedures. The Human Resource Director compares the contract with the established work day calendar, degree level to compare to the corresponding salary schedule. Additional Duty/Extra Duty is also reviewed based on assignment and established rate of pay. After review the contract is signed/initialed by the HR Director and delivered to payroll for processing.

2024-004

Retirement

Condition:

Teacher Retirement was not computed on all required amounts correctly.

Criteria:

70 O.S. Section 17-108 requires retirement match at a prescribed rate, 8.4% for 2024, on compensation paid with federal funds.

Context:

Six out of twenty five employees tested the required federal match was not paid on compensation paid with federal funds, resulting in an underpayment of retirement of \$5,047. Six out of twenty five employees tested the required federal match was over paid on compensation paid with federal funds, resulting in an overpayment of retirement of \$3,952.

Cause:

Retirement was not paid on compensation that was eligible and over paid on compensation not subject to federal match.

Effect:

Noncompliance with state law and understatement of federal match expenditures and overstatement of retirement federal match expenditures.

Recommendation:

We recommend that the District pay required retirement obligations on all eligible salaries. We recommend monthly reconciliation process be implemented for retirement computations and remittance to ensure retirement has been properly paid as required by statutes.

Views of Responsible Officials

and Planned Corrective

Action:

The District is working on process to reconcile monthly accounting records to the TRS submittal. District is also working on additional monitoring of when there are changes in coding that a worksheet is complete to ensure federal matches are completed if applicable.

Western Heights Independent School District No. 41
Oklahoma County, Oklahoma
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

2024-005 Purchase Procedures

Condition: Purchases did not follow District purchasing procedures.

Criteria: District Policy 2.001 The lowest and best purchase price will be determined and awarded. Three quotations by phone, catalog, or verbal will be required from vendors for any prospective purchase which is likely to exceed \$25,000. Sealed quotations shall be required on any single expenditure for goods, equipment or supplies that total \$5,000 or greater.

Cause: Failure to follow District policies and conflicting District policy.

Context: Three of twenty-five items examined did not meet the purchasing requirements for bids/quotes.

Effect: Lack of compliance with board policy and risk of misappropriation of assets

Recommendation: We recommend District policy be followed for all purchases. We recommend all staff, involved in the purchasing process, receive appropriate training. We also recommend that District's purchasing policy be reviewed to ensure compliance with state law and reduction of conflicting thresholds.

*Views of Responsible Officials
and Planned Corrective*

Action: The District has continued to emphasize the importance of the purchasing procedures with staff. Employees receive a manual with policies as well as receive annual training on District procedures. District has revised the Board policy to remove conflicting amounts. Also will make sure to document with purchase order if purchases are sole source, emergency, state contracts or the proper bids/quotes when processing the purchase order.

2024-006 Activity Fund Receipts

Condition: Activity Fund Receipts were not timely deposited.

Criteria: Oklahoma Statute 70-5-129 requires receipts equal or exceeding \$100 to be deposited by the following business day or weekly if less than \$100.

Cause: Activity Fund Sponsors are holding funds collected rather than depositing timely.

Context: Six teacher/sponsors receipts, out of 25 tested, did not turn funds in timely which caused amounts to not be deposited within one day.

Western Heights Independent School District No. 41
Oklahoma County, Oklahoma
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Effect: Lack of compliance with state law and risk of misappropriation of assets

Recommendation: We recommend that all activity fund receipts be deposited within state law requirements. We recommend sponsors turn in receipts on a timely basis and not hold amounts collected.

*Views of Responsible Officials
and Planned Corrective*

Action: The District has yearly training and will reinforce the activity fund receipt procedures. In addition to training, they have also provided examples for staff to follow.

2024-007 Activity Fund Purchases

Condition: Activity Fund expenditures did not follow District procedures.

Criteria: District Activity Fund manual requires a purchase order be issued before purchase can be initiated. Receipt of merchandise be completed and documented by signed receipt of merchandise form before payment can be completed.

Cause: Employees didn't follow requirements of activity fund purchases.

Context: One out of 25 purchase orders were issued prior to invoice date; Four out of 25 did not have proper receipt of goods/services and 2 out of 25 did not have proper support for amounts paid.

Effect: Lack of compliance with District policy.

Recommendation: We recommend that activity fund procedures be followed. We also recommend that staff be reminded of requirements for activity fund purchases.

*Views of Responsible Officials
and Planned Corrective*

Action: The District has continued to emphasize the importance of the purchasing procedures with staff. Employees receive a manual with policies as well as receive annual training on District procedures.

2024-008 Appropriated Funds Expenditures

Condition: Expenditures were not properly encumbered prior to purchase for all funds requiring purchase orders.

Criteria: Oklahoma State Statute 70-5-135e before any purchase is completed, a purchase order or encumbrance must be issued.

Cause: Failure to issue purchase order prior to purchase

Western Heights Independent School District No. 41
Oklahoma County, Oklahoma
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Context: Four out of twenty five purchase orders tested were not properly encumbered prior to purchase.

Effect: Lack of compliance with state statute.

Recommendation: We recommend that purchase orders be completed prior to ordering good/services for all funds when required by state law or District policy. We also recommend all staff, involved in the purchasing process, receive appropriate training.

*Views of Responsible Officials
and Planned Corrective*

Action: District will continue to reiterate the importance of the purchasing procedures. District completes yearly training for employees to ensure they are aware of requirements.

Section III—Federal Award Findings and Questioned Costs

Overall Federal Program Finding

2024-009 Data Collection Form on Federal Clearinghouse

Condition: District did not meet deadline as required by Uniform Guidance.

Criteria: CFR 200.512(a)(1) The audit must be completed and the data collection form describe in paragraph (b) of this section and reporting package described in paragraph (c) of this section must be submitted within the earlier of 30 calendar days after receipt of the auditor’s report(s), or nine months after the end of the audit period.

Cause: Due to delays in FY22 audit, District was behind in getting information gathered and reconciled.

Context: June 30, 2023 complete audit report was not filed with the Federal Clearinghouse until April 14, 2024. Due to the fact that financial audit was not completed until April 2024 due to timing of information received.

Effect: Noncompliance with Uniform Guidance and risk of pass-thru entities holding federal funds.

**Western Heights Independent School District No. 41
Oklahoma County, Oklahoma
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024**

Recommendation: We recommend that the District file the Clearinghouse form within deadlines required by Uniform Guidance. Controls need to be put into place to ensure that financial information is completed within 9 months of year-end.

Repeat Finding from Prior Year: Yes

Views of Responsible Officials and Planned Corrective Action: District has continued to complete financial information on a more timely basis to ensure audits are able to be performed within expected timelines.

Western Heights School District I-41
Oklahoma County, Oklahoma
Summary of Prior Year Findings
For the Year Ended June 30, 2024

2023-004YB

Segregation of Duties-Treasurer

Condition:

The treasurer currently performs all aspects of handling cash receipts.

Recommendation:

The Auditor recommended the treasurer not handle all aspects of cash receipts. The Auditor also recommend another staff member open the mail and prepare a mail log of checks received. Then the checks received can be given to the treasurer for deposit. At month-end, someone other than the treasurer needs to reconcile the mail log to the deposits on the bank statement.

Current Status:

Condition has been resolved.

2023-005YB

Employee Contracts

Condition:

Employee contracts did not agree with amounts paid.

Recommendation:

The Auditor recommended that employee contracts be completed consistently using Board approved District pay scales. Completed contracts need to be reviewed.

Current Status:

Condition still exists, see 2024-003

2023-006YB

Retirement

Condition:

District overpaid retirement.

Recommendation:

The Auditor recommended that the District pay required retirement obligations on all eligible salaries. The Auditor also recommended monthly reconciliation process be implemented for retirement computations and remittance to ensure retirement has been properly paid as required by statutes

Current Status:

Condition still exists, see 2024-004

2023-007YB

Purchase Procedures

Condition:

Purchases did not follow District purchasing procedures.

Recommendation:

The Auditor recommended District policy be followed for all purchases. The Auditor recommended all staff, involved in the purchasing process, receive appropriate training. The Auditor also recommended that District's purchasing policy be reviewed to ensure compliance with state law and reduction of conflicting thresholds.

Current Status:

Condition still exists, see 2024-005

Western Heights School District I-41
Oklahoma County, Oklahoma
Summary of Prior Year Findings
For the Year Ended June 30, 2024

Current Status: Condition has been resolved

2023-002 Data Collection Form on Federal Clearinghouse

Condition: District Did not meet deadline as required by Uniform Guidance

Recommendation: The Auditor recommended that the District file the Clearinghouse form within deadlines required by Uniform Guidance. Controls need to be put into place to ensure that financial information is completed within 9 months of year-end.

Current Status: Condition still exists, see 2024-009

U.S. Department of Agriculture

2023-003 **Federal Agency:** U.S. Department of Agriculture
Pass Thru Entity: Oklahoma State Department of Education
Program: Child Nutrition Cluster
Assistance Listing: 10.553 & 10.555 & 10.559
Grant Period: Year ending June 30, 2023
Compliance Requirement: I. Procurement
Type of Finding: Non-Compliance & Material Weakness

Condition: Food Service Management Company contract was not properly executed and monitored during FY23.

Recommendation: The Auditor recommended that written contracts need to be obtained on an annual basis for contract services provided by outside companies on a recurring basis. Controls need to be implemented to insure those amounts paid under these contracts agrees with detail supporting invoices.

Current Status: Condition has been resolved.

Western Heights Independent School District No. 41
Oklahoma County, Oklahoma
Statement of Statutory Fidelity, and Honesty Bonds (unaudited)
For the Year Ended June 30, 2024

The superintendent is bonded by RLI Surety, bond number LSM1698204, for the penal sum of \$100,000 for the term February 1, 2023 to February 1, 2024.

The treasurer is bonded by RLI Surety, bond number LSM1517504, for the penal sum of \$100,000 for the term July 1, 2023 to July 1, 2024.

The minutes clerk is bonded by RLI Surety, bond number LSM1439173, for the penal sum of \$100,000 for the term July 1, 2023 to July 1, 2024.

The encumbrance clerk is bonded by RLI Surety, bond number LSM1021699, for the penal sum of \$100,000 for the term July 1, 2023 to July 1, 2024.

The activity fund custodian is bonded by RLI Surety, bond number LSM1345469, for the penal sum of \$100,000 for the term July 1, 2023 to July 1, 2024.

Western Heights School District No. I-41
Oklahoma County, Oklahoma
Schedule of Accountant's Professional Liability Insurance (unaudited)
For the Year Ended June 30, 2024

State of Oklahoma)

County of Cleveland)

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 Western Heights School District No. I-41 for the audit year 2023-2024.

MARY E. JOHNSON & ASSOCIATES, PLLC

Mary E. Johnson

BY: _____
Authorized Agent

Subscribed and sworn to before me on this 29th day of, October, 2024.

Jillian Luker

Notary Public

Commission Number: 17008742

My commission expires on: 9/20/2025

