

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 13, 2026

NEW ISSUE – Book-Entry-Only

Ratings: Moody's _____
Oklahoma #1

*It is anticipated that prior to delivery of the Bonds, Bond Counsel will render an opinion which states, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the 2026 Combined Purpose Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the 2026 Combined Purpose Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals under the Code. **Interest on the 2026 Building Bonds is included in gross income for Federal income tax purposes.** In the opinion of Bond Counsel, interest on the 2026 Building Bonds and the 2026 Combined Purpose Bonds is exempt from State of Oklahoma income tax under existing law. See "TAX MATTERS RESPECTING THE 2026 COMBINED PURPOSE BONDS" and "TAX MATTERS RESPECTING THE 2026 BUILDING BONDS" herein.*

THE BONDS WILL NOT BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS

**INDEPENDENT SCHOOL DISTRICT NUMBER 29
CLEVELAND COUNTY, OKLAHOMA
(Norman School District)**

\$39,060,000

General Obligation

Combined Purpose Bonds, Series 2026

\$3,940,000

General Obligation

Building Bonds, Federally Taxable Series 2026

Dated: March 1, 2026

Due: March 1, As Shown Below

Interest on the \$39,060,000 Independent School District Number 29, Cleveland County, Oklahoma, General Obligation Combined Purpose Bonds, Series 2026 (the "2026 Combined Purpose Bonds") and its \$3,940,000 General Obligation Building Bonds, Federally Taxable Series 2026, (the "2026 Building Bonds") (collectively, the "Bonds" or "2026 Bonds") will accrue from March 1, 2026, (the "Dated Date") and will be payable March 1 and September 1 of each year commencing March 1, 2027, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of the Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the owners thereof. Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "The Bonds – Book Entry System" herein. The initial Paying Agent/Registrar is BOKF, NA, (the "Paying Agent/Registrar").

The 2026 Bonds constitute direct and general obligations of Independent School District No. 29 of Cleveland County, Oklahoma, payable from ad valorem taxes levied against all taxable property located therein, excepting homestead exemptions, without limitation as to rate or amount. The 2026 Bonds are being issued in accordance with the provisions contained in the Oklahoma Constitution, and laws of the State of Oklahoma supplementary and amendatory thereto.

\$39,060,000
General Obligation
Combined Purpose Bonds, Series 2026
Base CUSIP: 186072

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
3-1-2028	\$9,765,000		
3-1-2029	\$9,765,000		
3-1-2030	\$9,765,000		
3-1-2031	\$9,765,000		

\$3,940,000
General Obligation
Building Bonds, Federally Taxable Series 2026
Base CUSIP: 186072

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
3-1-2028	\$985,000		
3-1-2029	\$985,000		
3-1-2030	\$985,000		
3-1-2031	\$985,000		

The 2026 Bonds are offered subject to the approval of legality by the Attorney General of the State of Oklahoma and _____, _____, Oklahoma, Bond Counsel. It is anticipated that the 2026 Bonds in definitive form will be available for delivery on or about April 8, 2026.

Financial Advisor



Official Statement Dated February __, 2026

REGARDING USE OF THE OFFICIAL STATEMENT

This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy within any jurisdiction to any person to whom it is unlawful to make such offer or solicitation within such jurisdiction. In connection with the offering of the 2026 Bonds, no dealer, salesman or any other person has been authorized to give any information or to make any representation other than contained herein. If given or made, such information or representation must not be relied upon.

The information contained in this Official Statement, including the cover page and exhibits hereto, has been obtained from public officials, official records and from other sources which are deemed to be reliable. No representation or warranty is made, however, as to the accuracy or completeness of such information and nothing contained in this Official Statement is or shall be relied upon as a promise or representation by the Financial Advisor. The delivery of this Official Statement does not at any time imply that information contained herein is correct as of any time subsequent to its date.

Any statements, contained in this Official Statement involving matters of opinion, estimations or projections, whether or not expressly so stated, are intended as such and not as representations of facts. This Official Statement shall not be construed as a contract or agreement between the Board of Education of Independent School District No. 29 of Cleveland County, Oklahoma, (the "School District") and the purchasers, holders or beneficial owners of any of the 2026 Bonds.

THIS PRELIMINARY OFFICIAL STATEMENT IS DEEMED TO BE FINAL (EXCEPT FOR PERMITTED OMISSIONS) BY THE SCHOOL DISTRICT FOR PURPOSES OF COMPLYING WITH RULE 15c2-12 OF THE SECURITIES AND EXCHANGE COMMISSION.

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OFFICIAL STATEMENT

INDEPENDENT SCHOOL DISTRICT NO. 29 CLEVELAND COUNTY, OKLAHOMA (Norman School District)

relating to

**\$39,060,000 General Obligation Combined Purpose Bonds, Series 2026
and
\$3,940,000 General Obligation Building Bonds, Federally Taxable Series 2026**

INTRODUCTION

Independent School District No. 29 of Cleveland County, Oklahoma, also known as the Norman School District (the "School District") is issuing its \$39,060,000 General Obligation Combined Purpose Bonds, Series 2026 (the "2026 Combined Purpose Bonds") and its \$3,940,000 General Obligation Building Bonds, Federally Taxable Series 2026 (the "2026 Building Bonds") (collectively, the "Bonds" or "2026 Bonds") to provide funds for the purpose of acquiring capital improvements and equipment within and for the benefit of the School District. The 2026 Bonds are being issued in accordance with the provisions of the Oklahoma Constitution and laws of the State of Oklahoma supplementary and amendatory thereto. The 2026 Bonds constitute direct and general obligations of the School District payable from ad valorem taxes levied against all taxable property, excepting homestead exemptions, located therein without limitation as to rate or amount.

The School District is located primarily in the City of Norman and Cleveland County. The City of Norman is the state's third largest city and lies approximately 20 miles south of Oklahoma City in the center of the State of Oklahoma. According to the U.S. Census Bureau, the population of the School District as of 2024 was 128,227 people.

The School District has included herein, as Exhibit A, a copy of its Financial Statements as of June 30, 2025, together with Auditor's Report. Exhibit A should be read in its entirety.

THE BONDS

Description

The 2026 Bonds shall bear interest at the rates and mature on the dates as shown on the cover of this Official Statement. Interest on the Bonds will accrue from March 1, 2026, and will be payable March 1 and September 1 of each year commencing March 1, 2027, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of the Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the owners thereof. Principal of, premium, if any, and interest on the Bonds will be payable by The Commerce Trust Company, as paying agent and registrar (the "Paying Agent/Registrar") to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "The Bonds – Book Entry System" herein.

Record Date

The record date ("Record Date") for the interest payable on the Bonds on any interest payment date means the close of business on the 15th day preceding any interest payment date.

No Redemption Prior to Maturity

The 2026 Bonds are not subject to redemption prior to maturity.

Registration

The 2026 Bonds will be initially registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository for the 2026 Bonds. Individual purchases may be made in book entry form only, in the principal amount of \$5,000 and integral multiples thereof. Purchasers will not receive certificates representing their interest in the 2026 Bonds purchased. See “Book-Entry System” below.

The 2026 Bonds are transferable by their registered owner(s) in person or by their attorney(ies) duly authorized in writing at the principal office of the Paying Agent/Registrar but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of the Series 2026 Bond(s). Upon such transfer a new Bond or Bonds of the same maturity or maturities, interest rate or rates and of authorized denomination or denominations, for the same aggregate principal amount, will be issued to the transferee in exchange therefor. The School District and the Paying Agent/Registrar may deem and treat the registered owner(s) as the absolute owner(s) (whether or not the Series 2026 Bond(s) shall be overdue) for the purpose of receiving payment thereof and for all other purposes and neither School District nor Registrar shall be affected by any notice to the contrary.

Book-Entry System

The information in this section concerning DTC and DTC’s book-entry system has been obtained from DTC, and none of the School District, the Financial Advisor, the Paying Agent/Registrar or the Underwriters take any responsibility for the accuracy thereof.

DTC will act as securities depository for the 2026 Bonds. The 2026 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 Series 2026 Bond certificate will be issued for each maturity of the 2026 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC at the office of the Paying Agent/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 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments from over 85 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, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, 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 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.

Purchases of 2026 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2026 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2026 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 2026 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 2026 Bonds, except in the event that use of the book-entry system for the 2026 Bonds is discontinued.

To facilitate subsequent transfers, all 2026 Bonds deposited by Direct Participants with DTC (or the Paying Agent/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 2026 Bonds with DTC (or the Paying Agent/Registrar on behalf of DTC utilizing the DTC FAST system of registration) and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2026 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2026 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.

Redemption notices shall be sent to DTC. If less than all the 2026 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the 2026 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 2026 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions and dividend payments on the 2026 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 the Paying Agent/Registrar on the 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, the Paying Agent/Registrar or the School District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments on the 2026 Bonds 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 the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the 2026 Bonds at any time by giving reasonable notice to the School District or the Paying Agent/Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2026 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, Series 2026 Bond certificates will be printed and delivered to DTC.

The School District, Financial Advisor, Bond Counsel, the Paying Agent/Registrar and the Underwriters cannot and do not give any assurances that the DTC Participants will distribute to the Beneficial Owners of the 2026 Bonds: (i) payments of principal of or interest on the 2026 Bonds; (ii) certificates representing an ownership interest or other confirmation of Beneficial Ownership interests in the 2026 Bonds; or (iii) redemption or other notices sent to DTC or its nominee, as the Registered Owners of the 2026 Bonds; or that they will do so on a timely basis or that DTC or its participants will serve and act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

None of the School District, Financial Advisor, Bond Counsel, the Paying Agent/Registrar or the Underwriters will have any responsibility or obligation to such DTC Participants (Direct or Indirect) or the persons for whom they act as nominees with respect to: (i) the 2026 Bonds; (ii) the accuracy of any records maintained by DTC or any DTC Participant; (iii) the payment by any DTC Participant of any amount due to any Beneficial Owner in respect of the principal amount of or interest on the 2026 Bonds; (iv) the delivery by any DTC Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Bond Indenture to be given to Registered Owners; (v) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the 2026 Bonds; or (vi) any consent given or other action taken by DTC as Registered Owner.

CUSIP numbers have been assigned to the Bonds by CUSIP Global Services, which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence, a part of S&P Global Inc., and are included solely for the convenience of the purchasers of the Bonds. None of the School District, Financial Advisor, Bond Counsel, the Paying Agent/Registrar or the Underwriters shall be responsible for the selection or correctness of the CUSIP numbers. Neither the failure to print such numbers on any Bonds, nor any error in the printing of such numbers shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and payment for any Bonds.

In reading this Official Statement, it should be understood that while the 2026 Bonds are in the Book Entry system, references in other sections of this Official Statement to Registered Owner should be read to include the Beneficial Owners of the 2026 Bonds, but: (i) all rights of ownership must be exercised through DTC and the Book Entry system; and (ii) notices that are to be given to Registered Owners by the School District or the Paying Agent/Registrar will be given only to DTC.

(Remainder of this page intentionally left blank)

Security for the Bonds

The 2026 Bonds are payable from ad valorem taxes levied annually on all taxable property, **without limitation as to rate or amount**, within the School District including real, personal and public service property, and any other monies available for such purpose. Pursuant to Oklahoma statutes, the Assessor is required to visually inspect all property on a 4-year cycle and determine adjustments due to current market increases or decreases on a yearly cycle. The School District is required to pay a portion of the cost of such reassessment. The current assessment ratios for Cleveland and McClain Counties are shown below:

	Cleveland County	McClain County
Real Estate	12.00%	11.00%
Personal	12.00%	11.00%
Public Service	22.85%	22.85%

* Exceptions: the assessment ratio for Airlines and Railroads is 11.84%, and the assessment ratio for Video Services Providers is 12.00%.

The ad valorem tax rates are set by determining the actual dollars of revenues required for payment of principal and interest payments on indebtedness and judicial judgments. Such total amount may be reduced by any surplus from the prior fiscal year and any contribution 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.

Authority for Issuance and Purpose of Bonds

The Bonds are issued pursuant to the provisions of and in full compliance with the Constitution and Laws of the State of Oklahoma, particularly Article X, Section 26 of the Constitution of the State of Oklahoma and Title 70, Article XV of the Oklahoma Statutes, and laws supplementary and amendatory thereto, and resolutions of the Board of Education to be adopted on February 23, 2026.

Under state law, school districts cannot become indebted beyond one year for an amount in excess of the income and revenue provided in such year without the approval of three-fifths (60 percent) of the voters within the district at an election held for such purpose. The School District had a successful bond election on February 14, 2023. The special election authorized the issuance of a total of \$353,900,000 in bonds. Pursuant to such authorization, the District has previously issued \$19,660,000 of bonds authorized at this election. The School District anticipates issuing the remaining bonds under this authorization in varying amounts and in separate series annually from 2027 through 2033.

Tax Levy and Collection Procedures

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.

After review and approval by the Board of Education, copies of the Sinking Fund Estimates are submitted to the County Excise Board to determine the ad valorem tax levy appropriations. This submission is required to be made by September 1st of each year. The estimates are for the purposes of determining ad valorem taxes required to fund the Sinking Fund. The amounts contained in the estimate of needs are verified by the County Excise Board and, upon verification, the levies contained therein are ordered to be certified to the County Assessor in order that the County Assessor may extend said levies upon the tax rolls for the year for which the estimate of needs is being submitted. The County Excise Board further certifies that the appropriations contained in the estimate of needs and the mill rate levies are within the limitations provided by law.

The County Assessor is required to file a tax roll report on or before October 1 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 (public service property assessed valuations are determined by the Oklahoma Tax Commission). The County Treasurer must begin collecting taxes by July 1. The first half of taxes is due and payable on or before January 1. The second half becomes due and payable on or before April 1. If the first half is not paid by January 1, it all becomes due and payable on January 2.

Ad valorem taxes not paid on or before April 1 are considered delinquent. If not paid by the following October 1, the property is offered for sale for the amount of taxes due. The purchaser is issued a tax lien; however, the original owner of the property has two (2) years in which to redeem the property by paying the taxes 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 (2 1/2) years.

(Remainder of this page intentionally left blank)

THE NORMAN SCHOOL DISTRICT

The Norman School District is comprised of approximately 119 square miles located primarily in Cleveland County. The U.S. Census Bureau estimated the 2024 population of the School District to be 128,227. The School District is located primarily in the City of Norman, approximately 20 miles south of downtown Oklahoma City, the state's largest city. Norman is the state's third largest city and has an estimated population of 131,010 according to the 2024 Census estimate. The City of Norman is perhaps best known as the home of the main campus of the University of Oklahoma, which currently has approximately 28,000 students enrolled in Norman campus programs.

The School District consists of 16 elementary schools, 4 middle schools, 2 high schools and 1 alternative school. The School District's average daily membership enrollment for the school year ending 2025 was 15,839. As of October 1, 2025, the average daily membership enrollment was 16,545.

Residents of the School District are employed at the University and businesses located throughout the City of Norman. Additionally, many Norman residents commute daily to jobs in Oklahoma City. No separate employment figures are available for the School District; however, as of December 2025 unemployment rates for the counties included in the School District are as follows:

<u>Area</u>	<u>Unemployment Rate*</u>
Cleveland County	3.4%
McClain County	3.2%
State of Oklahoma	3.6%
United States	4.4%

** State and federal data seasonally-adjusted; Preliminary
Source: Oklahoma Employment Security Commission*

Board of Education and School Administration

The School District is governed by an elected five-member Board of Education. Members of the Board of Education are as follows.

Board of Education

Dirk O'Hara	President & Member
Alex Ruggiers	Vice President & Member
Annette Price	Member
Dawn Brockman	Member
Tori Collier	Member
Savannah Todd	Clerk & Non-Member

School Administration

Dr. Nick Migliorino	Superintendent of Schools
Tyler Jones, CPA	Chief Financial Officer

Payment Record

The School District has never defaulted on the payment of its outstanding indebtedness.

FINANCIAL INFORMATION

Computation of Legal Debt Margin

2025-26	Estimated Market Value			\$12,612,301,429
		<u>Cleveland Co.</u>	<u>McClain Co.</u>	<u>Total</u>
2025-26	Net Assessed Valuation (NAV)	\$1,426,873,979	\$51,236,886	\$1,478,110,865
	Millage Adjustment Factor (MAF)	101.114%	102.514%	
	Legal Debt Limitation (NAV * MAF * 10%)	<u>\$144,276,936</u>	<u>\$5,252,498</u>	<u>\$149,529,434</u>
	General Obligation Bonds Outstanding ⁽¹⁾ :			\$179,790,000
	Less: Estimated Sinking Fund Balance (January 22, 2026)			<u>\$66,765,622</u>
	Net General Obligation Bonds Outstanding			\$113,024,378
	Remaining Legal Debt Margin			\$36,505,056
	Ratio of Net G.O. Indebtedness to Legal Debt Limitation			90.36%

(1) This figure is as of January 22, 2026, and includes the 2026 Bonds.

SOURCE: School District.

Direct Indebtedness

Upon the issuance of the 2026 Bonds, the School District will have gross outstanding general obligation bonded indebtedness of \$179,790,000. Such bonded indebtedness matures as follows:

<u>Series</u>	<u>Dated Date</u>	<u>Final Scheduled Maturity</u>	<u>Original Principal Amount</u>	<u>Principal Amount Outstanding</u>
2021CP	3/1/2021	3/1/2026	\$26,540,000	\$6,635,000
2021BL	3/1/2021	3/1/2026	2,400,000	600,000
2022CP	3/1/2022	3/1/2027	30,100,000	15,050,000
2022BL	3/1/2022	3/1/2027	1,900,000	950,000
2023CP	3/1/2023	3/1/2028	5,580,000	4,185,000
2023BL	3/1/2023	3/1/2028	3,480,000	2,610,000
2024CP	3/1/2024	3/1/2029	58,500,000	58,500,000
2024BL	3/1/2024	3/1/2029	4,640,000	4,640,000
2025CP	3/1/2025	3/1/2030	40,845,000	40,845,000
2025BL	3/1/2025	3/1/2030	2,775,000	2,775,000
2026CP	3/1/2026	3/1/2031	39,060,000	39,060,000
2026BL	3/1/2026	3/1/2031	3,940,000	3,940,000
				<u>\$179,790,000</u>

Direct, Overlapping and Underlying Indebtedness

	Total Net Assessed Valuation (by Municipal Entity)	Total Net Assessed Valuation in Norman District	Percent of Municipality Net Assessed Valuation in Norman District	Percent of Total District Net Assessed Valuation	Total Municipality Net Indebtedness	Total Municipality Net Indebtedness Underlying or Overlapping Norman District
Norman Public Schools	\$1,478,110,865	\$1,478,110,865	100.00%	100.00%	\$113,024,378	\$113,024,378
<u>Counties</u>						
Cleveland County	\$3,343,154,945	\$1,426,873,979	42.68%	96.53%	\$0	\$0
McClain County	\$582,417,939	51,236,886	8.80%	3.47%	\$0	\$0
		\$1,478,110,865		100.00%		
<u>Career Tech Districts</u>						
Moore Norman Tech Cnt.	\$3,235,169,724	\$1,478,110,865	45.69%	100.00%	\$95,791,828	\$43,766,156
<u>Cities & Towns</u>						
City of Norman (est.)	\$1,447,801,409	\$1,382,020,278	95.46%	93.50%	\$91,453,775	\$87,298,555
Other & Unincorporated Areas (est.)		96,090,587		6.50%	\$0	\$0
		\$1,478,110,865		100.00%	\$300,269,981	\$244,089,089

Notes: Debt figures for the Norman School District are as of January 22, 2026, and include the 2026 Bonds. Debt figures for all other entities are as of June 30, 2025.

Figures for "Total Net Assessed Valuation in Norman District" for the City of Norman and Other & Unincorporated Areas are estimates based on previous year figures.

2025-26 Net Assessed Valuation

(A) The Composition

Classification	Cleveland County	McClain County	Total	Percentage
Real (net)	\$1,317,097,486	\$46,537,505	\$1,363,634,991	92.26%
Personal	74,330,430	4,313,980	78,644,410	5.32%
Public Service	35,446,063	385,401	35,831,464	2.42%
Total	\$1,426,873,979	\$51,236,886	\$1,478,110,865	100.00%

SOURCE: Cleveland & McClain County Assessors.

(B) The Growth

FY Beg. July 1,	Net Assessed Valuation	% Change
2025	\$1,478,110,865	6.57%
2024	1,386,932,879	5.92%
2023	1,309,362,915	8.44%
2022	1,207,402,833	6.28%
2021	1,136,052,500	3.76%
2020	1,094,891,075	6.64%
2019	1,026,735,004	3.63%
2018	990,817,050	3.10%
2017	961,036,061	1.26%
2016	949,083,515	

SOURCE: Cleveland & McClain County Assessors.

Major Property Taxpayers (Cleveland County Only)

<u>Taxpayer</u>	<u>Assessed Value</u>
1 Oklahoma Gas & Electric	\$17,523,790
2 Wal-Mart/Sam's	10,596,005
3 ACC OP (Callaway)	9,310,334
4 Avara Pharma Technologies Inc.	8,111,976
5 Links at Norman LP	8,097,096
6 Rainier UTC Acquisitions	7,182,866
7 2025 Student LL, LLC	6,720,393
8 Inland OK Student Housing	5,783,962
9 Oklahoma Natural Gas	5,493,986
10 Sysco Food Services of OK, Inc.	5,309,013

SOURCE: Cleveland County Assessor.

Sinking Fund Tax Collections

FY Beg July 1,	Net Levy	Delinquency Reserve	Gross Levy	Current Collections	Collection Percentage
2025	\$39,544,359	\$1,977,218	\$41,521,577	n.a.	n.a.
2024	34,514,096	1,725,705	36,239,801	\$35,550,899	98.10%
2023	32,173,068	1,608,653	33,781,722	32,824,080	97.17%
2022	29,435,662	1,471,783	30,907,445	30,304,692	98.05%
2021	29,171,232	1,458,562	30,629,794	30,006,484	97.97%
2020	29,089,006	1,454,450	30,543,456	29,995,956	98.21%
2019	28,157,145	1,407,857	29,565,002	28,888,939	97.71%
2018	23,128,814	1,156,441	24,285,254	23,888,466	98.37%
2017	22,396,493	1,119,825	23,516,318	23,082,103	98.15%
2016	21,208,314	1,060,416	22,268,730	21,521,425	96.64%
2015	22,144,069	1,107,203	23,251,273	23,220,534	99.87%

SOURCE: School District Administration and Budgets.

Trend of Tax Rates for Major Taxing Units (For those residing in the School District and in the City of Norman)

FY Beg. July 1,	Norman Schools	City of Norman	Cleveland County	Career Tech	Total
2025	69.09	10.42	23.07	17.42	120.00
2024	67.13	12.06	23.07	17.51	119.77
2023	66.80	12.53	23.07	17.68	120.08
2022	66.60	7.70	23.07	17.79	115.16
2021	67.96	12.10	23.07	20.77	123.90
2020	68.90	8.49	23.07	18.33	118.79
2019	69.80	9.44	23.07	18.51	120.82
2018	65.51	10.02	23.07	18.57	117.17
2017	65.47	11.14	23.07	18.80	118.48
2016	64.46	14.00	23.07	18.90	120.43

Dollars per \$1,000 of Net Assessed Valuation.

SOURCE: Cleveland County Assessor and School District Administration.

ECONOMIC AND DEMOGRAPHIC INDICES

Retail Sales (City of Norman)

FY Ending June 30,	Total Retail Sales	Sales Tax Revenue	Sales Tax Rate
2025	\$2,369,608,994	\$97,746,371	4.125%
2024	2,399,982,521	98,999,279	4.125%
2023	2,405,769,285	99,237,983	4.125%
2022	2,389,048,780	98,548,262	4.125%
2021	1,990,205,944	82,095,995	4.125%
2020	1,856,071,758	74,409,034	4.125% ¹
2019	1,871,037,699	74,841,508	4.000%
2018	1,838,674,029	73,546,961	4.000%
2017	1,836,713,775	73,468,551	4.000%
2016	1,908,117,610	69,820,699	4.000% ²

¹ The sales tax rate was raised to 4.125% in April 2020.

² The sales tax rate was raised to 4.000% in January 2016.

SOURCE: Oklahoma Tax Commission.

Major Employers (City of Norman)

<u>Employer Name</u>	<u>Estimated No. of Employees</u>
The University of Oklahoma	11,917
Norman Regional Hospital	3,000
Norman Public Schools	2,251
Advanced Call Center Technology	1,500
Walmart / Sam's Club	1,300
York International / Johnson Controls / Bosch	1,300
City of Norman	954
Cleveland County	526
Oklahoma Veteran's Center	380

SOURCE: City of Norman, Oklahoma FY 2025 Annual Comprehensive Financial Report

School Enrollment

<u>School Year Ending June</u>	<u>Average Daily Membership</u>	<u>% Change</u>
2025	15,839	1.19%
2024	15,653	-0.41%
2023	15,717	1.45%
2022	15,492	7.11%
2021	14,463	-10.69%
2020	16,195	1.02%
2019	16,032	0.43%
2018	15,963	0.65%
2017	15,860	-0.38%
2016	15,921	

As of October 1, 2025, the average daily membership enrollment was 16,545.

SOURCE: School District Administration.

Population

	<u>Year</u>	<u>City of Norman</u>	<u>Cleveland County</u>
Historical	1960	33,412	47,600
	1970	52,117	81,839
	1980	68,020	133,173
	1990	80,071	174,253
	2000	95,694	208,016
	2010	110,925	255,758
	2020	128,026	295,528
Estimated	2024	131,010	303,952

SOURCE: U.S. Census Bureau.

ABSENCE OF MATERIAL LITIGATION

No litigation is pending (a) seeking to restrain or enjoin the issuance or delivery of the 2026 Bonds, (b) contesting or affecting any authority for or the validity of the 2026 Bonds, (c) contesting the power of the School District to issue the 2026 Bonds or the power of the School District to offer and sell them, (d) affecting the power of the School District to levy and collect taxes to pay the 2026 Bonds, or (e) contesting the corporate existence or boundaries of the School District.

LEGAL MATTERS

All legal matters incidental to the authorization and issuance of the 2026 Bonds are subject to the approving opinion of _____, _____, Oklahoma, Bond Counsel, and the Attorney General of the State of Oklahoma.

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 eight 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 Agreement (the "Disclosure Agreement"), the form of which is attached hereto as Appendix C. 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, Listed 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 Agreement 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 Agreement. 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 person disclose in an official statement any instances in the previous five years in which such issuer or other obligated person failed to comply, in all material respects, with any previous undertakings in a written contract or agreement specified in paragraph (b)(5)(i) of Rule 15c2-12. In connection with certain bonds previously issued by or for the benefit of the School District, the School District agreed to provide certain annual financial information and notice of certain events pursuant to continuing disclosure undertakings similar to the Disclosure Agreement (the "Prior Undertakings"). The School District does not believe it has failed to comply in all material respects with any of the Prior Undertakings within the previous five years.

TAX MATTERS RESPECTING THE 2026 COMBINED PURPOSE BONDS

Opinion of Bond Counsel

In the opinion of Bond Counsel, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the 2026 Combined Purpose Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the 2026 Combined Purpose Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals under the Code; however, it should be noted that with respect to certain corporations (as defined for federal income tax purposes), for taxable years beginning before January 1, 2018, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. No federal alternative minimum tax applies to corporations for taxable years beginning after December 31, 2017. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the School District in connection with the 2026 Combined Purpose Bonds, and Bond Counsel has assumed compliance by the School District with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the 2026 Combined Purpose Bonds from gross income under Section 103 of the Code.

The Code provides that commercial banks, thrift institutions and other financial institutions may not deduct the portion of their interest expense allocable to tax-exempt obligations acquired after August 7, 1986, (other than certain "qualified" obligations). **The 2026 Combined Purpose Bonds are not "qualified" obligations for this purpose.**

In addition, under existing statutes interest on the 2026 Combined Purpose Bonds shall be exempt from Oklahoma income taxation pursuant to Section 2358.5 of Title 68, Oklahoma Statutes, 2011.

Certain Ongoing Federal Tax Requirements and Covenants

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the 2026 Combined Purpose Bonds in order that interest on the 2026 Combined Purpose Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the 2026 Combined Purpose Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the 2026 Combined Purpose Bonds to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The School District has covenanted to comply with certain applicable requirements of the Code to assure the exclusion of interest on the 2026 Combined Purpose Bonds from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the 2026 Combined Purpose Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a 2026 Combined Purpose Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the 2026 Combined Purpose Bonds.

Prospective owners of the 2026 Combined Purpose Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the 2026 Combined Purpose Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

“Original issue discount” (“OID”) is the excess of the sum of all amounts payable at the stated maturity of a 2026 Combined Purpose Bond (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the “issue price” of a maturity (a bond with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the 2026 Combined Purpose Bonds. In general, the issue price for each maturity of 2026 Combined Purpose Bonds is expected to be the initial public offering price set forth on the cover page of the Official Statement. Bond Counsel further is of the opinion that, for any 2026 Combined Purpose Bonds having OID (a “Discount Bond”), OID that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the 2026 Combined Purpose Bonds.

In general, under Section 1288 of the Code, OID on a Discount Bond accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Bond. An owner’s adjusted basis in a Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such 2026 Combined Purpose Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining

various other tax consequences of owning a Discount Bond even though there will not be a corresponding cash payment.

Owners of Discount Bonds should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Bonds.

Bond Premium

In general, if an owner acquires a 2026 Combined Purpose Bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the 2026 Combined Purpose Bond after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “bond premium” on that 2026 Combined Purpose Bond (a “Premium Bond”). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner’s yield over the remaining term of the Premium Bond determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost. Owners of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, including the 2026 Combined Purpose Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification,” or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a 2026 Combined Purpose Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the 2026 Combined Purpose Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner’s federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the 2026 Combined Purpose Bonds under federal or state law or otherwise prevent beneficial owners of the 2026 Combined Purpose Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions

(whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the 2026 Combined Purpose Bonds.

No Other Opinion

Bond Counsel expresses no opinion regarding any other federal or state tax consequences with respect to the 2026 Combined Purpose Bonds. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action hereafter taken or not taken, or any facts or circumstances that may hereafter come to its attention, or changes in law or in interpretations thereof that may hereafter occur, or for any other reason. Bond Counsel expresses no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for federal income tax purposes of interest on the 2026 Combined Purpose Bonds, or under state and local tax law.

Prospective purchasers of the 2026 Combined Purpose Bonds should consult their own tax advisors as to the consequences of their acquisition, holding, or disposition of the 2026 Combined Purpose Bonds.

TAX MATTERS RESPECTING THE 2026 BUILDING BONDS

Opinion of Bond Counsel

In the opinion of bond counsel, interest on the 2026 Building Bonds is included in gross income for federal income tax purposes.

In the opinion of bond counsel, under existing statutes interest on the 2026 Building Bonds shall be exempt from Oklahoma income taxation pursuant to Section 2358.5 of Title 68, Oklahoma Statutes, 2011.

Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the 2026 Building 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 2026 Building 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 2026 Building 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 2026 Building Bonds.

In general, interest paid on the 2026 Building Bonds, original issue discount, if any, and market discount, if any, will be treated as ordinary income to the owners of the 2026 Building 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 2026 Building Bond for a cost greater than its remaining stated redemption price at maturity and holds such 2026 Building Bond as a capital asset will be considered to have purchased such 2026 Building 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 2026 Building Bond premium that reduces interest payments under Section 171 of the Code. 2026 Building Bond

premium is generally amortized over the 2026 Building Bond's term using constant yield principles, based on the purchaser's yield to maturity. Investors of any 2026 Building Bond purchased with a 2026 Building Bond premium should consult their own tax advisors as to the effect of such 2026 Building Bond premium with respect to their own tax situation and as to the treatment of 2026 Building Bond premium for state tax purposes.

Market Discount

An investor that acquires a 2026 Building Bond for a price less than the adjusted issue price of such 2026 Building Bond (or an investor who purchases a 2026 Building 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 2026 Building Bond originally issued at a discount, the amount by which the issue price of such 2026 Building 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 2026 Building Bond not originally issued at a discount, the amount by which the stated redemption price of such 2026 Building Bond at maturity exceeds the initial tax basis of the owner therein. Under Section 1276 of the Code, the owner of such a 2026 Building 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 2026 Building 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 2026 Building 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 2026 Building Bond with original issue discount, in proportion to the accrual of original issue discount.

An owner of a 2026 Building Bond that acquired such 2026 Building Bond at a market discount also may be required to defer, until the maturity date of such 2026 Building 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 2026 Building 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 2026 Building Bond. The amount of such net interest expense deferred in a taxable year may not exceed the amount of market discount accrued on the 2026 Building Bond for the days during the taxable year on which the owner held such 2026 Building 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 2026 Building 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 2026 Building Bond sells the 2026 Building 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 2026

Building 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 2026 Building 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 2026 Building 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 2026 Building Bond should consult its own tax advisor concerning the circumstances in which such 2026 Building Bond would be deemed reissued and the likely effects, if any, of such reissuance.

Defeasance

The legal defeasance of the 2026 Building Bonds may result in a deemed sale or exchange of such 2026 Building Bond under certain circumstances. Owners of such 2026 Building Bonds should consult their tax advisors as to the federal income tax consequences of such a defeasance.

Backup Withholding

An owner of a 2026 Building Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to the 2026 Building Bonds, if such owner, upon issuance of the 2026 Building 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 2026 Building 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 2026 Building Bond will generally not be subject to United States income or withholding tax in respect of a payment on a 2026 Building 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 2026 Building Bonds owned by foreign investors. In those instances in which payments of interest on the 2026 Building 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 2026 Building 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 2026 Building 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 2026 Building Bond incurs acquisition indebtedness with respect to such 2026 Building 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 2026 Building 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 2026 Building 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 2026 Building 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 School District or any dealer of the 2026 Building 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 2026 Building Bonds are acquired by such plans or arrangements with respect to which the School District 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 2026 Building Bonds. The sale of the 2026 Building 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 2026 Building 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 2026 Building

Bonds should consult with their tax advisor concerning this additional tax as it may apply to interest earned on the 2026 Building Bonds as well as gain on the sale of a 2026 Building 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 2026 Building 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 2026 Building 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 2026 Building Bonds or the market value thereof would be impacted thereby. Purchasers of the 2026 Building 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 2026 Building Bonds, and Bond Counsel expresses no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

GLOBAL RISKS

Certain external events, such as pandemics, natural disasters, severe weather, riots, acts of war or terrorism, technological emergencies, or other circumstances, could potentially disrupt the operations and effectiveness of municipal governments, such as the School District.

CREDIT RATINGS

The 2026 Bonds have been rated “___” by Moody's Investors Service, Incorporated ("Moody's"), 99 Church Street, New York, New York, and the District is currently rated Oklahoma #1 by the Municipal Rating Committee of Oklahoma. The ratings assigned by Moody's and the Municipal Rating Committee of Oklahoma express only the view of each respective rating agency. The explanation of the significance of each rating may be obtained from Moody's and the Municipal Rating Committee of Oklahoma, respectively. There is no assurance that any rating will continue for any period of time or that it will not be revised or withdrawn. Except as set forth in EXHIBIT C – FORM OF CONTINUING DISCLOSURE AGREEMENT, none of the School District, the Financial Advisor, the Paying Agent/Registrar or the Underwriters has undertaken any responsibility either to bring to the attention of the owners of the 2026 Bonds any proposed revision or withdrawal of the rating of the 2026 Bonds or to oppose any such proposed revision or withdrawal. Any revision or withdrawal of ratings may have an effect on the market price of the 2026 Bonds.

UNDERWRITING

The 2026 Combined Purpose Bonds are being purchased at competitive sale by _____. The underwriter of the 2026 Combined Purpose Bonds has agreed to purchase the 2026 Combined Purpose Bonds at a price equal to \$_____ plus accrued interest from March 1, 2026.

The 2026 Building Bonds are being purchased at competitive sale by _____. The underwriter of the 2026 Building Bonds has agreed to purchase the 2026 Building Bonds at a price equal to \$_____ plus accrued interest from March 1, 2026.

FINANCIAL ADVISOR

BOK Financial Securities, Inc. is employed as Financial Advisor to the District in connection with the issuance of the 2026 Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the 2026 Bonds is contingent upon the issuance and delivery of the bonds. In the normal course of

business, the Financial Advisor may also from time to time sell investment securities to the District for the investment of debt proceeds or other funds of the District, upon the request of the District.

BOK Financial Securities, Inc., in its capacity of Financial Advisor, has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the 2026 Bonds or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Financial Advisor to the District has provided the following sentence for inclusion in the Official Statement. The Financial Advisor has reviewed the information in the Official Statement in accordance with, and as part of, its responsibilities to the District and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy of such information.

MISCELLANEOUS

All quotations from and summaries and explanations of law herein do not purport to be complete and reference is made to said laws for full and complete statements of their provisions.

The Official Statement is not to be construed as a contract or agreement between the School District and the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion are intended merely as opinion and not as representation of fact. The information and expressions of opinion 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 its agencies and authorities, since the date hereof.

INDEPENDENT SCHOOL DISTRICT NO. 29
OF CLEVELAND COUNTY, OKLAHOMA

BY: _____
President, Board of Education

EXHIBIT A

**FINANCIAL STATEMENTS WITH ACCOUNTANT'S REPORT
FOR THE YEAR ENDED JUNE 30, 2025**

Financial Statements

Norman Independent School District No. 29

June 30, 2025

Norman Independent School District No. 29

Cleveland County, Oklahoma

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Independent Auditor's Report

To the Board of Education
Norman Independent School District No. 29
Norman, Oklahoma

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Norman Independent School District No. 29 (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Norman Independent School District No. 29, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Norman Independent School District No. 29 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.

Correction of Error

As discussed in Note 14 to the financial statements, a certain error resulting in an understatement of amounts previously reported for accounts payable and expenses as of June 30, 2024, was discovered by management of the District during the current year. Accordingly, a restatement has been made to the lease revenue bond fund balance and governmental activities net position as of July 1, 2024, to correct the error. Our opinions are not modified with respect to that matter.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* for the year ended June 30, 2025. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Norman Independent School District No. 29'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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Norman Independent School District No. 29'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 Norman Independent School District No. 29's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Norman Independent School District No. 29's basic financial statements. The combining non-major fund financial statements and the combining schedule of changes in assets and liabilities – all activity funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate 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 non-major fund financial statements and the combining schedule of changes in assets and liabilities – all activity funds 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 annual report. The other information comprises the budgetary comparison schedule – Building Fund; the budgetary comparison schedule – Child Nutrition Fund; the schedule of statutory, fidelity and honesty bonds; and schedule of accountant's professional liability insurance affidavit 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 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 November 10, 2025 on our consideration of the Norman Independent School District No. 29's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Norman Independent School District No. 29's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Norman Independent School District No. 29's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Oklahoma City, Oklahoma
November 10, 2025

This section of Norman Independent School District's (NISD or the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2025. Please read it in conjunction with the District's financial statements, which immediately follow this section.

These statements reflect the implementation of GASB statements 68 and 71 all addressing the accounting and presentation of pension plans which impacts the district-wide financial statements but not the fund financial statements for both years presented. For the District, this includes the District's portion of the unfunded liability of the Oklahoma Teachers Retirement System (OTRS) to the district-wide financial statements. While the implementation of these standards have had a significant impact on the statements by decreasing net position, management does not believe that it indicates a true negative impact on the financial condition of the institution.

FINANCIAL HIGHLIGHTS

- The District's financial status increased by approximately \$12.7 million from last year (including the restatement to FY2024's net position). Total net position increased approximately 7 percent over the course of the year.
 - Overall revenues were \$227.5 million and overall expenses were \$214.8 million in FY2025. This is compared to FY2024 revenues of \$242.9 million and expenses of \$206.3 million (including the consideration of the restatement).
 - The District's portion of the net pension liability decreased by \$16.7 million to \$106.1 million due to actuarial factors related to the calculation of the net pension liability of the Oklahoma Teachers Retirement System for the District.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

	<u>District-wide Statements</u>	<u>Fund Financial Statements Governmental Funds</u>
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance
Required financial statements	1) Statement of net position 2) Statement of activities	1) Balance sheet 2) Statement of revenues, expenditures, and changes in fund balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable

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

District-wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the District's assets and liabilities. It also includes deferred inflows and deferred outflows related to the District. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. As stated above, the district-wide statements were significantly impacted by the implementation of new standards related to recording the District's portion of the net pension liability.

The two district-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources – is one way to measure the District's financial health or *position*.

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

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

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

Fund Financial Statements

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

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

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Table A-1
Norman Public School's Net Position
(in millions of dollars)

	FY2025	Restated FY2024 *
Assets		
Current and other assets	\$ 194.9	\$ 205.3
Capital assets	350.8	330.6
Total assets	<u>545.7</u>	<u>535.9</u>
Deferred outflows of resources	<u>27.4</u>	<u>37.6</u>
Liabilities		
Current and other liabilities	23.5	18.7
Long term debt, including current maturities	236.3	240.9
Net pension liability	<u>106.1</u>	<u>122.8</u>
Total liabilities	<u>365.9</u>	<u>382.4</u>
Deferred inflows of resources	<u>16.9</u>	<u>13.5</u>
Net position		
Net investment in capital assets	117.7	91.5
Restricted	160.1	173.5
Unrestricted	<u>(87.5)</u>	<u>(87.4)</u>
	<u>\$ 190.3</u>	<u>\$ 177.6</u>

* Restatement due to the correction of an accrual as of June 30, 2024 that was previously not recorded. See Note 14.

Net Position

As a result of the pension standards reflected in both fiscal years presented, the District's unrestricted net position is in a deficit position, decreasing the deficit by \$5.1 million in FY2025 (See Table A-1). Again, management does not believe that this indicates a true negative impact on the financial condition of the institution.

Norman Independent School District No. 29

Cleveland County, Oklahoma

Management's Discussion and Analysis (Unaudited)

June 30, 2025

The District's change in financial position is the product of many factors. A growth during the year in Federal and state grants, taxes, and state aid had a favorable impact on net position.

Table A-2
Changes in Norman Public School's Net Position
(in millions of dollars)

	FY2025	Restated FY2024 *
Revenues		
Program revenues		
Charges for services	\$ 11.2	\$ 28.4
Federal and state grants	26.3	32.3
General revenues		
Property taxes	93.1	87.0
Other taxes	15.6	14.9
State entitlement	72.7	71.8
Other	8.6	8.5
Total revenues	<u>227.5</u>	<u>242.9</u>
Expenses		
Program expenses		
Instruction	106.1	101.9
Support services	74.0	73.4
Non-instruction	11.2	11.6
Interest on long-term debt	6.5	2.8
Depreciation - unallocated	17.0	16.6
Total expenses	<u>214.8</u>	<u>206.3</u>
Increase in net position	<u>\$ 12.7</u>	<u>\$ 36.6</u>

* Restatement due to the correction of an expenditure within FY2024 that was previously not recorded. See Note 14.

Changes in Net Position

The District's total revenues decreased \$15.4 million to \$227.5 million (See Table A-2). Property taxes and state entitlement funds accounted for most of the District's revenue, with these contributing about 73 cents of every dollar raised. Another 12 percent came from state and federal aid for specific programs, and the remainder from fees charged for services and miscellaneous sources. Total revenues surpassed expenses, increasing net position by \$12.7 million.

The total cost of all programs and services increased by \$9.4 million or 4.6% between the two years. The District's expenses are predominantly related to educating and caring for students (80-90 percent).

The most significant contributors to the fluctuation in net position were the funds used to purchase or build capital assets, and also the funds necessary for repayment of principal on long-term debt issues. Repayments on long-term debt this year were more than debt issued in FY2025. The net pension liability and the related deferred inflows and outflows of resources also created significant fluctuations largely due to actuarial factors related to the liability.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds reported *combined* fund balances of \$161.5 million, compared to last year's ending fund balances of \$178.4 million (as restated). In comparison to FY2024's net increase in fund balance of \$32.7 million (as restated), this year's decrease was largely due to the timing of debt service payments and the issuance of new debt.

General Fund Budgetary Highlights

At the beginning of the 2025 fiscal year, the District's State Entitlement funds (the State Aid Formula funds) were decreased by approximately \$632,000 from the previous fiscal year. This was due to flat state funding and a slight increase in statewide WADM. This initial allocation in State Aid was increased by approximately \$598,000 in December, when the mid-term adjustments were made by the State Department of Education. Our district experienced 5.6% local growth in assessed valuation. Due to increased enrollment in 2024-25, our District's midterm State Aid funding was calculated using our 1st nine weeks higher enrollment.

- Actual revenues were higher than expected at mid-year, due largely to a high collection rate of property tax revenues. Also, county 4-mill, school land earnings and motor vehicle collections revenue increased.
- The actual expenditures were below budget, due primarily to continued reductions in non-salary administrative budget areas, and by expenditure budgets that remained unspent at June 30, 2025.

OTHER FUNDS

Debt service fund activity remained consistent from FY2024 with revenues of \$37.6 million in FY2025 and \$35.1 million in FY2024. Expenditures were \$26.6 million in FY2025 and \$31.6 million in FY2024.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2025, the District had invested in a broad range of capital assets, including site renovations/improvements, furniture and equipment, and vehicles.

The District anticipates spending approximately \$23 million for capital projects in 2026 with some of the major projects as follows:

- \$3 million for various school site improvements
- \$20 million the building of an aviation academy

See additional information regarding Capital Assets in Note 3 to the Notes to the Financial Statements.

Long-term Debt

At year-end, the District had \$236.3 million in total long-term debt outstanding (including compensated absences and liabilities for leases and subscription-based arrangements). This is a decrease from last year's amount of \$240.9 million. Of this total amount, \$89.7 million consists of sublease agreements with the Cleveland County Education Facilities Authority. Under these agreements, the Authority has advanced funds through the issuance of education facilities lease revenue bonds.

Each advance of lease revenue bonds is supported by a sublease agreement, under which the District agrees to make lease purchase acquisition payments to the Authority. The funds from these bonds are held with a trustee bank, and the District submits payment requests to the trustee for the acquisition and construction of buildings, improvements, and purchases of furniture and fixtures.

This financing arrangement enables the District to fund capital improvements while managing its financial obligations through structured lease payments.

In February of 2023, the District patrons voted on and approved a ten-year bond issue. This issue, for \$338.5 million, is funded with lease revenue bonds. General obligation bonds will be sold for ten years, to make the annual lease revenue payments required. The bond election called for a targeted sinking fund millage rate of 30 mills, and this was communicated to the district patrons prior to the vote. The bonds will be issued in a timely manner over ten years to meet the projected millage rates to assure citizens will not face any additional taxes.

FY2025 activity included:

- The District continued to pay down its debt, retiring \$53.3 million of outstanding bonds and lease payable.
- \$43.6 million in new bond debt was issued during the year.

See additional information regarding Long-term Debt in Note 4 to the Notes to the Financial Statements.

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its financial health in the future:

- The Federal government financial aid provided to school districts to assist with expenditures related to preventing, preparing for, and responding to COVID-19 ended during the current year. Norman Public Schools' share from these federal CARES, ESSER, and ARP relief funds was over \$29 million.
- The District is being mindful of the impact on the budget as these one-time funds expire. Since the learning loss of students will extend beyond 2025, the District will need to maintain big investments in learning recovery and social-emotional-health supports for years to come.
- We must continue the good work. We need to always remind legislators and decision makers that the future of Oklahoma depends on the choices we make today for public school students.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designated to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Chief Financial Officer's Office, Norman Public School District, 131 South Flood, Norman, OK 73069.

Norman Independent School District No. 29

Cleveland County, Oklahoma

Statement of Net Position

June 30, 2025

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 173,111,769
Due from trust	1,901,032
Property taxes receivable	7,648,094
Due from other governments	6,895,205
Other receivables	1,587,005
Inventories	183,952
Net OPEB asset	1,888,117
Capital assets	
Nondepreciated capital assets	28,006,222
Depreciated capital assets, net of depreciation	322,809,181
Right to use assets and subscription agreements, net of amortization	1,668,360
Total Assets	<u>545,698,937</u>
Deferred Outflows of Resources	
Deferred outflows related to OPEB	246,955
Deferred outflows related to pensions	27,140,796
Total Deferred Outflows of Resources	<u>27,387,751</u>
Liabilities	
Accounts payable and other current liabilities	23,117,485
Unearned revenue	356,343
Long-term obligations	
Due within one year - other than pensions	43,376,517
Due beyond one year - other than pensions	192,963,572
Due beyond one year - net pension liability	106,146,853
Total Liabilities	<u>365,960,770</u>
Deferred Inflows of Resources	
Deferred inflows related to leases	267,026
Deferred inflows related to OPEB	903,715
Deferred inflows related to pensions	15,697,483
Total Deferred Inflows of Resources	<u>16,868,224</u>
Net Position (Deficit)	
Net investment in capital assets	117,677,203
Restricted for:	
Debt service	41,044,293
School organizations	2,764,832
Child nutrition	2,916,744
Construction	76,663,955
Buildings	8,286,999
OPEB	1,231,357
Other	27,187,941
Unrestricted (deficit)	<u>(87,515,630)</u>
Total Net Position	<u><u>\$ 190,257,694</u></u>

Norman Independent School District No. 29

Cleveland County, Oklahoma

Statement of Activities

Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues		Net (Expense) Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Total Governmental Activities
Governmental Activities:				
Instruction	\$ 106,069,149	\$ 1,577,233	\$ 19,909,517	\$ (84,582,399)
Support services	74,039,040	3,925,986	1,857,054	(68,256,000)
Non-instruction services	11,181,543	5,679,676	4,516,562	(985,305)
Interest on long-term debt	6,511,591	-	-	(6,511,591)
Depreciation and amortization - unallocated	16,966,066	-	-	(16,966,066)
Total school district	<u>\$ 214,767,389</u>	<u>\$ 11,182,895</u>	<u>\$ 26,283,133</u>	<u>\$ (177,301,361)</u>
General Revenues:				
Taxes				
Property taxes, levied for general purposes				49,740,503
Property taxes, levied for building purposes				7,098,323
Property taxes, levied for debt service				36,239,803
General taxes				15,558,806
State aid - formula grants				72,731,456
Investment earnings				<u>8,580,794</u>
Total General Revenues				<u>189,949,685</u>
Change in net position				12,648,324
Net position - beginning, as originally reported				178,069,054
Restatement adjustment (Note 14)				<u>(459,684)</u>
Net position - beginning, as restated				<u>177,609,370</u>
Net position - ending				<u>\$ 190,257,694</u>

Norman Independent School District No. 29

Cleveland County, Oklahoma

Balance Sheet – Governmental Funds

June 30, 2025

	General Fund	Debt Service Fund	2025 Bond Fund	Casualty/Flood Insurance Recovery Fund	Lease Revenue Bonds	Other Governmental Funds	Total Governmental Funds
Assets							
Pooled Cash and Investments	\$ 20,646,733	\$ 37,493,048	\$ 12,693,121	\$ 20,437,287	\$ 53,532,046	\$ 28,309,534	\$ 173,111,769
Property Taxes Receivable	3,609,047	3,531,721	-	-	-	507,326	7,648,094
Due from Other Governments	6,405,032	-	-	-	-	490,173	6,895,205
Other Receivables	956,709	19,524	-	-	-	610,772	1,587,005
Due from Trust	-	-	-	-	1,901,032	-	1,901,032
Inventories - Supplies, Materials	183,952	-	-	-	-	-	183,952
Total Assets	\$ 31,801,473	\$ 41,044,293	\$ 12,693,121	\$ 20,437,287	\$ 55,433,078	\$ 29,917,805	\$ 191,327,057
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities							
Accounts Payable and Accrued Liabilities	13,225,283	-	160,127	121,733	3,904,874	2,879,118	20,291,135
Unearned Revenue	356,343	-	-	-	-	-	356,343
Total Liabilities	13,581,626	-	160,127	121,733	3,904,874	2,879,118	20,647,478
Deferred Inflows of Resources							
Leases	267,026	-	-	-	-	-	267,026
Unavailable revenue - taxes	3,661,126	3,550,052	-	-	-	511,296	7,722,474
Unavailable revenue - other	6,285	-	-	-	-	1,159,887	1,166,172
Total Deferred Inflows of Resources	3,934,437	3,550,052	-	-	-	1,671,183	9,155,672
Fund Balances							
Nonspendable	183,952	-	-	-	-	-	183,952
Restricted	6,405,032	37,494,241	12,532,994	20,315,554	51,528,204	25,367,504	153,643,529
Committed	904,444	-	-	-	-	-	904,444
Unassigned	6,791,982	-	-	-	-	-	6,791,982
Fund Balances, End of Year	14,285,410	37,494,241	12,532,994	20,315,554	51,528,204	25,367,504	161,523,907
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 31,801,473	\$ 41,044,293	\$ 12,693,121	\$ 20,437,287	\$ 55,433,078	\$ 29,917,805	\$ 191,327,057

Norman Independent School District No. 29

Cleveland County, Oklahoma

Reconciliation of the Balance Sheet of Governmental Funds to Statement of Net Position

June 30, 2025

Fund Balances, end of year		\$ 161,523,907	
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$545,063,758 and the accumulated depreciation is \$194,248,355.			350,815,403
Property taxes receivable will be collected next year, but are not available soon enough to pay for the current period's expenditures, and therefore are not reported in the funds.			7,722,474
Lunch revenues that will be collected next year, but are not available soon enough to pay for the current period's expenditures, and therefore are not reported in the funds.			1,166,172
Right to use assets and subscription based agreements are recorded as assets and liabilities in the governmental activities but not in reported in the governmental funds.			
Right to use assets and subscription agreements	\$ 1,668,360		
Lease and subscription liabilities	<u>(1,894,968)</u>	(226,608)	
Deferred outflows/inflows of resources related to the net pension liability and other postemployment benefit (OPEB) asset are not are not current financial resources and are not recorded in the fund financial statements but are recorded in the governmental activities.			
Deferred outflows of resources	\$ 27,387,751		
Deferred inflows of resources	<u>(16,601,198)</u>	10,786,553	
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:			
Bonds Payable (including premiums)	\$ 140,419,685		
Long-term Revenue Lease Payable	89,665,557		
Net Pension Liability	106,146,853		
Net OPEB Asset	(1,888,117)		
Accrued Interest on Bonds	2,826,350		
Compensated Absences	<u>4,359,879</u>	<u>(341,530,207)</u>	
Total Net Position - Governmental Activities			<u><u>\$ 190,257,694</u></u>

Norman Independent School District No. 29

Cleveland County, Oklahoma

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Year Ended June 30, 2025

	General Fund	Debt Service Fund	2025 Bond Fund	Casualty/Flood Insurance Recovery Fund	Lease Revenue Bonds	Other Governmental Funds	Total Governmental Funds
Revenues							
Property Taxes	\$ 49,528,815	\$ 36,003,614	\$ -	\$ -	\$ -	\$ 7,063,090	\$ 92,595,519
Interest	1,025,086	1,628,435	449,005	1,010,033	3,115,255	1,352,862	8,580,676
County Revenue	5,235,093	-	-	-	-	-	5,235,093
State Revenue	84,316,279	-	-	-	-	1,361,936	85,678,215
Federal Revenue	13,286,987	-	-	-	-	4,463,373	17,750,360
Other	3,275,204	-	-	98,199	9,000	4,422,020	7,804,423
Total Revenues	156,667,464	37,632,049	449,005	1,108,232	3,124,255	18,663,281	217,644,286
Expenditures							
Instruction	99,682,195	-	6,747	-	954,880	2,440,066	103,083,888
Support services	55,196,392	-	412,038	309,546	605,701	20,315,572	76,839,249
Non-instruction services	221,993	-	-	-	11,691	6,255,575	6,489,259
Capital Outlays	2,976,959	-	302,226	3,147,840	25,928,546	4,012,321	36,367,892
Other Outlays	-	-	-	-	144,662	158,521	303,183
Debt Service							
Principal	128,159	22,850,000	-	-	28,935,224	393,457	52,306,840
Interest	17,775	3,709,550	-	-	1,886,244	16,877	5,630,446
Total Expenditures	158,223,473	26,559,550	721,011	3,457,386	58,466,948	33,592,389	281,020,757
Excess (Deficiency) of Revenues over (under) Expenditures	(1,556,009)	11,072,499	(272,006)	(2,349,154)	(55,342,693)	(14,929,108)	(63,376,471)
Other Financing Sources (Uses)							
Transfers In	-	-	871	-	30,815,000	1,691,782	32,507,653
Transfers Out	(34,016)	(1,628,435)	(30,815,871)	-	-	(29,331)	(32,507,653)
Premium on Bonds	-	1,223,197	-	-	-	-	1,223,197
Proceeds from Bonds	-	-	43,620,000	-	-	-	43,620,000
Other Sources	-	-	-	-	-	1,669,704	1,669,704
Total Other Financing Sources (Uses)	(34,016)	(405,238)	12,805,000	-	30,815,000	3,332,155	46,512,901
Net Change in Fund Balances	(1,590,025)	10,667,261	12,532,994	(2,349,154)	(24,527,693)	(11,596,953)	(16,863,570)
Beginning Fund Balances, as originally reported	15,875,435	26,826,980	-	22,664,708	76,515,581	36,964,457	178,847,161
Restatement adjustment (Note 14)	-	-	-	-	(459,684)	-	(459,684)
Beginning Fund Balances, as restated	15,875,435	26,826,980	-	22,664,708	76,055,897	36,964,457	178,387,477
Ending Fund Balances	\$ 14,285,410	\$ 37,494,241	\$ 12,532,994	\$ 20,315,554	\$ 51,528,204	\$ 25,367,504	\$ 161,523,907

See Accompanying Notes to Financial Statements

Norman Independent School District No. 29

Cleveland County, Oklahoma

Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds Year Ended June 30, 2025

Total net changes in fund balances - governmental funds \$ (16,863,570)

The change in net position reported in the statement of activities is different because:

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

Capital asset additions	\$ 35,459,107	
Depreciation	(16,332,444)	19,126,663

In the Statement of Activities, capital assets are reported at their actual cost at the time of acquisition. However, in the governmental fund statements, the cost of the asset was recorded at fair market value, as the property was acquired at a discount. Because of this difference in measurement basis, the change in net position in the government-wide statements differs from the change in fund balance in the governmental funds by the cost of the assets acquired.

1,113,000

Because some property taxes and other revenues will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds and are, instead counted as unavailable revenues. They are, however, recorded as revenues in the statement of activities.

1,250,024

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

(2,078,858)

Long term debt, such as bond proceeds, are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, however issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.

Bond proceeds	\$ (43,620,000)	
Lease and subscription liability additions	(1,669,704)	
Lease and subscription liability payments	631,240	
Principal repayments	51,784,756	7,126,292

Changes in net pension liabilities and related deferrals are not recorded in the fund financial statements but is recorded in the statement of activities.

3,987,853

Changes in net OPEB asset and related deferrals are not recorded in the fund financial statements but is recorded in the statement of activities.

133,316

For governmental activities, leased assets and subscription-based information technology arrangements costs are allocated over their estimated useful lives as annual amortization expenses in the statement of activities. This represents the increases in such accounts offset by the amortization expense.

1,036,075

In the statement of activities, the loss on termination of leases is reported, where as in the governmental funds the loss is not recorded. The change in net position differs from the change in fund balance by the cost of the right-of-use assets disposed, net of related amortization.

(78,127)

Bond premiums are shown as a liability on the statement of net position and as revenue in the governmental fund. The bond premium is amortized against interest expense using the effective interest method.

(524,802)

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources when paid. In the statement of activities, however, interest expense is recognized as the interest accrued, regardless of when it is due.

(1,579,542)

Change in net position of governmental activities

\$ 12,648,324

Note 1 - Summary of Significant Accounting Policies

The Norman Independent School District No. 29 (the District) is a corporate body for public purposes created under Title 70 of the Oklahoma Statutes and accordingly is a separate entity for operating and financial reporting purposes. The District is part of the public school system of Oklahoma under the general direction and control of the State Board of Education and is financially dependent on the State of Oklahoma for support. The general operating authority for the public school system is the Oklahoma School Code contained in Title 70 of the Oklahoma Statutes.

The District's financial statements are prepared in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB).

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

Basic Financial Statements – Government-Wide Statements - The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type activities. Governmental Activities include programs primarily supported by taxes, State aid, grants and other intergovernmental revenue.

In the government-wide Statement of Net Position, the District's governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. These statements also recognize deferred outflows of resources and deferred inflows of resources. The District's net position are reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position.

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

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

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

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities. Major individual governmental funds are reported in separate columns in the fund financial statements.

Basic Financial Statements – Fund Financial Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities, deferred inflows of resources, and fund balances are included on the balance sheet. The fund financial statements provide reports on the financial condition and results of operations of governmental fund categories.

The District reports the following major governmental funds:

- **General Fund** is the primary operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.
- **Debt Service Fund** is used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt.
- **Casualty/Flood Insurance Recovery Fund** is used to account for insurance proceeds from damages to the District property based on previous weather events.
- **2025 Bond Fund** is used to account for the financial resources to be used for the acquisition or construction of major capital facilities as approved by the voters for the 2025 bond issue.
- **Lease Revenue Bond** is used to account for the financial resources to be used for the acquisition or construction of major capital facilities as part of the sublease agreements with Cleveland County Education Facilities Authority.

Additionally, the District reports the following fund types included in the Other Governmental Funds column:

Governmental Funds:

1. **Special Revenue Funds** – The District accounts for resources restricted for specific purposes by the District or a grantor in a special revenue fund.
2. **Capital Project Funds** – The proceeds from long-term financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in a capital projects fund.

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

Accrual: The government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred. Property taxes are recognized as revenue in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Modified Accrual: The funds' financial statements are presented on the modified accrual basis of accounting. Under modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

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

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

Capital Assets and Right to Use Assets - Capital assets purchased with an original cost of \$5,000 or more are reported at historical cost or acquisition value on the date of donation if acquired by gift. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

School Buildings	50 years
Site Improvements	20 years
Portable Classrooms	25 years
Kitchen Equipment	15 years
Business Machines and Computers	5 years
Licensed Vehicles	8 years
Audio Visual Equipment, Musical Instruments	10 years

Right to use leased assets are recognized at the lease commencement date and represent the District's right to use an underlying asset for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period varies from 4 to 20 years.

Right to use subscription IT assets are recognized at the subscription commencement date and represent the District's right to use the underlying IT asset for the subscription term. Right to use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right to use subscription IT assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method. The amortization period varies from 3 to 4 years.

Compensated Absences - The District recognizes a liability as incurred for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. The liability for compensated absences includes salary-related benefits, where applicable. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. Certified District employees earn sick leave starting the first day of the school year, as defined for each individual. Support personnel are eligible for paid sick leave benefits on their start date. Sick leave is accrued at different rates depending on number of contract days worked. Unused sick leave is cumulative up to 185 days. Upon termination, resignation, retirement or death, unused sick leave is reimbursable up to a maximum of 120 days at rates varying from \$5 per day for the first 30 days to \$25 per day for the last 20 days. Vacation days accrue by month only after the completion of the full month. The rate of accrual is based on the number of contract days an employee works. Vacation may be accumulated and reimbursed for up to 80 days for employees hired before August 1, 2019. Those hired on or after August 1, 2019, may accumulate up to 80 days, but only be reimbursed for up to 20 days. Unused vacation days beyond the 20 maximum will be applied toward the 120 days available under the reimbursement provisions for unused sick leave. Reimbursement for unused vacation is paid at 100% of the employee's current rate of pay.

Deferred Outflows/Inflows of Resources - Deferred outflows represent a consumption of net position that applies to a future period(s) and so they will not be recognized as an outflow of resources (expense) until then. The District's deferred outflows of resources were comprised of statutorily required pension contributions, changes in actuarial assumptions, differences between expected and actual experience, difference between projected differences in pension contributions during the measurement period, and actual earnings on pension plan investments, and changes in proportion that are applicable to future reporting periods. Also reported in deferred outflows are OPEB related changes in proportion, projected differences in OPEB contributions during the measurement period, statutorily required OPEB contributions.

Deferred inflows are the acquisition of net position by the District that is applicable to a future reporting period. The District's deferred inflows of resources were comprised of amounts recognized as receivables but not revenues in the governmental funds because the revenue recognition criteria (availability) has not been met such as leases receivable; and at the government-wide level, changes in net pension obligation related to differences between expected and actual experience for pensions, changes of pension assumptions, difference between projected differences in pension contributions during the measurement period, and changes in proportion for pensions that are applicable to future reporting periods. Also reported in deferred inflows at the government-wide level are OPEB related differences between expected and actual experience, actual earnings on OPEB plan investments, changes in proportion, and projected differences in OPEB contributions during the measurement period.

Budgets and Budgetary Accounting - The District is required by state law to prepare an annual budget. The District by resolution of the Board of Education has adopted the School District Budget Act. This act requires that within the thirty-day period preceding the beginning of each fiscal year, a budget shall be approved by the governing body. The original budget is to be amended after the June financial activity has been recorded, the annual allocations have been released, and the property tax valuations have been certified for all affected counties within the district.

A budget is legally adopted by the Board of Education for the General Fund and Special Revenue Funds that includes revenues and expenditures.

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

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 are due prior to January 1. 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 by the following October 1, the property is offered for sale for the amount of taxes due. The owner has two years to redeem the property by paying the taxes and penalty owed. If at the end of two years the owner has not done so, the purchaser is issued a deed to the property.

Property taxes receivable by the District include uncollected taxes assessed in prior years. Delinquent property tax receivable is recognized as revenue in the government-wide financial statements. Only the portion of the property taxes receivable that meets the revenue recognition criteria is reported as revenue in the fund financial statements. No provision has been made for uncollectible amounts because uncollectible amounts are considered insignificant.

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

After review and verification of reports and supporting documentation, the State Department of Education may adjust subsequent fiscal period allocations of money for prior year errors disclosed by review. Normally, such adjustments are treated as reductions or additions of revenue of the year when the adjustment is made.

The District receives revenue from the state to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for these programs be expended only for the programs 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 educational program revenues be accounted for in the general fund.

Interfund Transfers - During the course of normal operations, the District has transactions between funds including expenditures and transfers of resources to provide services, purchase assets and service debt. Transactions that are normal and recurring between funds are recorded as transfers.

Bond Premium - Bond premiums are deferred and amortized over the life of the bonds using the effective interest method.

Lease Receivable - The District, as a lessor, recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for leases of assets held as investments, certain regulated leases, short-term leases, and leases that transfer ownership of the underlying asset. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The deferred inflow of resources is measured as the value of the lease receivables in addition to any payments received at or before the commencement of the lease term that relate to future periods.

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

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

Long-Term Obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether withheld from the actual debt proceeds received, are reported as debt service expenditures.

Lease liabilities represent the District's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments are discounted based on a borrowing rate determined by the District.

Subscription liabilities represent the District's obligation to make subscription payments arising from the subscription contract. Subscription liabilities are recognized at the subscription commencement date based on the present value of future subscription payments expected to be made during the subscription term. The present value of subscription payments are discounted based on a borrowing rate determined by the District.

Net Position and Fund Balance - District-Wide Financial Statements - When the District incurs an expense for which it may use either restricted or unrestricted net position, it uses restricted net position first unless unrestricted net position will have to be returned because they were not used.

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

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

Restricted for Debt Service - The component of net position that reports the amount of funds restricted for payment of principal and interest on debt. This amount is restricted by enabling legislation and debt covenants.

Restricted for Construction - The component of net position that reports the unspent bond proceeds from bond issuances in order to perform specified construction for the District. This amount is restricted by the underlying bonds.

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

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

Restricted for Child Nutrition - The component of net position that reports the assets restricted for use by Child Nutrition program.

Restricted for Other - The component of net position that reports the assets restricted for General Fund grants, gifts from donors, and insurance purposes.

Restricted for OPEB - The component of net position that reports the net OPEB asset restricted for other post-employment benefits, and deferred outflows of resources netted against its related deferred inflows of resources.

Unrestricted - The difference between the sum of assets and deferred outflows of resources and the sum of liabilities and deferred inflows of resources that is not reported as restricted for any particular purpose.

Governmental Fund Reporting - The District follows Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Types*, which defines how fund balances of the governmental funds are presented in the financial statements. The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent.

The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District has classified inventory as being nonspendable as these items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified school construction and building maintenance expenditures as being restricted because their use is restricted by state statute or legislation regarding use of expenditures. Debt service resources are to be used for future servicing of the debt and are restricted through debt covenants. Food service resources are to be used for the District's child nutrition program and are restricted through federal and state regulations. The District has classified school program activities, miscellaneous site grants and grant carryover as being restricted because their use is imposed by the Oklahoma State Department of Education or other authority regarding use of expenditures. Other purposes are restricted for insurance purposes and scholarship purposes from contributors.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned: This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to management through the budgetary process. The District has no assigned funds as of June 30, 2025.

Unassigned: This classification includes the residual fund balance for the General Fund. The unassigned classification would also include any negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts. The District has not established a formal stabilization arrangement regarding minimum funding requirements. The Board of Education, however, has made it a goal to achieve and maintain a minimum fund balance of 5% in the general fund of the current year total revenue collections as well as a minimum fund balance in the building fund of 35% of the current year total revenue collections.

Norman Independent School District No. 29
Cleveland County, Oklahoma
Notes to Financial Statements
June 30, 2025

As of June 30, 2025, fund balances are comprised of the following:

	General Fund	Debt Service Fund	2025 Bond Fund	Casualty/Flood Insurance Recovery Fund	Lease Revenue Bonds	Other Governmental Funds	Total Governmental Funds
Fund balances:							
Nonspendable							
Inventory	\$ 183,952	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 183,952
Restricted for:							
School construction	-	-	12,532,994	-	51,528,204	12,602,757	76,663,955
Building maintenance	-	-	-	-	-	7,775,703	7,775,703
Debt service reserve	-	37,494,241	-	-	-	-	37,494,241
School programs	-	-	-	-	-	2,764,832	2,764,832
Food services	-	-	-	-	-	1,756,857	1,756,857
Insurance purposes	-	-	-	20,315,554	-	45,434	20,360,988
Gifts from donors	-	-	-	-	-	421,921	421,921
Miscellaneous site grants and federal and state grants carryover	6,405,032	-	-	-	-	-	6,405,032
Total restricted	6,405,032	37,494,241	12,532,994	20,315,554	51,528,204	25,367,504	153,643,529
Committed to:							
Miscellaneous site	904,444	-	-	-	-	-	904,444
Total committed	904,444	-	-	-	-	-	904,444
Unassigned	6,791,982	-	-	-	-	-	6,791,982
Total fund balances	\$ 14,285,410	\$ 37,494,241	\$ 12,532,994	\$ 20,315,554	\$ 51,528,204	\$ 25,367,504	\$ 161,523,907

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

Adoption of New Standards

As of July 1, 2024, the District adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. There was not a significant effect on the District's financial statements as a result of the implementation of this standard.

As of July 1, 2024, the District adopted GASB Statement No. 102, *Certain Risk Disclosures*, which requires management to evaluate whether there are risks related to a government's vulnerabilities due to certain concentrations or constraints that require disclosure. There was not a significant effect on the District's financial statements as a result of the implementation of this standard.

Note 2 - Cash and Investments

Deposits - At June 30, 2025, the bank balance of deposits and cash pools was \$182,460,159. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require collateral for amounts in excess of federally insured amounts. The deposit policy for custodial credit risk requires compliance with the provisions of state law. The bank balance was completely covered by federal depository insurance and by collateral held by the District's third-party agent in the District's name.

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

Note 3 - Capital Assets

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

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Capital Assets not being depreciated:					
Land	\$ 6,007,982	\$ -	\$ -	\$ -	\$ 6,007,982
Construction in Progress	21,932,949	32,811,019	-	(32,745,728)	21,998,240
Total capital assets not being depreciated	27,940,931	32,811,019	-	(32,745,728)	28,006,222
Capital Assets being depreciated:					
Buildings	133,318,299	1,113,000	-	-	134,431,299
Improvements	319,144,948	-	-	32,745,728	351,890,676
Furniture and Equipment	6,485,356	1,601,479	-	-	8,086,835
Musical Instruments	335,398	-	-	-	335,398
Computers	9,263,389	14,027	-	-	9,277,416
Vehicles	12,019,817	1,032,582	16,487	-	13,035,912
Total capital assets being depreciated	480,567,207	3,761,088	16,487	32,745,728	517,057,536
Less accumulated depreciation for:					
Buildings	76,967,270	2,570,737	-	-	79,538,007
Improvements	79,345,235	12,091,166	-	-	91,436,401
Furniture and Equipment	3,571,560	461,062	-	-	4,032,622
Musical Instruments	838,237	9,542	-	-	847,779
Computers	8,854,727	327,082	-	-	9,181,809
Vehicles	8,355,369	872,855	16,487	-	9,211,737
Less total accumulated depreciation	177,932,398	16,332,444	16,487	-	194,248,355
Total capital assets being depreciated, net	302,634,809	(12,571,356)	-	32,745,728	322,809,181
Right to use assets being amortized					
Leased Assets	897,042	1,546,175	156,273	-	2,286,944
Subscription-Based IT Assets	530,502	123,522	-	-	654,024
Total right to use assets	1,427,544	1,669,697	156,273	-	2,940,968
Less accumulated amortization					
Leased Assets	409,880	424,898	78,146	-	756,632
Subscription-Based IT Assets	307,252	208,724	-	-	515,976
Total accumulated amortization	717,132	633,622	78,146	-	1,272,608
Total right to use assets, net	710,412	1,036,075	78,127	-	1,668,360
Governmental activity capital assets, net	\$ 331,286,152	\$ 21,275,738	\$ 78,127	\$ -	\$ 352,483,763

Depreciation is not allocated by function in the statement of activities.

Note 4 - Long-term Liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within 1 Year
General obligation bonds					
Bonds Payable	\$ 116,020,000	\$ 43,620,000	\$ (22,850,000)	\$ 136,790,000	\$ 33,285,000
Bond Premium	3,104,883	1,223,197	(698,395)	3,629,685	906,977
Compensated Absences	2,281,021	2,882,796	(803,938)	4,359,879	4,359,879
Sublease agreements					
2019 Lease Revenue Payable	25,632,622	-	(25,632,622)	-	-
May 2023 Lease Revenue Payable	64,487,154	-	(3,302,134)	61,185,020	3,591,293
December 2023 Lease Revenue Payable	28,480,537	-	-	28,480,537	798,956
Lease Liabilities	629,791	1,546,176	(421,067)	1,754,900	337,165
Subscription-based Liabilities	226,713	123,528	(210,173)	140,068	97,247
Total governmental activity long-term liabilities	<u>\$ 240,862,721</u>	<u>\$ 49,395,697</u>	<u>\$ (53,918,329)</u>	<u>\$ 236,340,089</u>	<u>\$ 43,376,517</u>

General Obligation Bonds

Bonds payable at June 30, 2025 are composed of the following individual general obligation bond issues:

Original Issue Amount	Annual Installment	Issue Date	Final Maturity Date	Interest Rate	Outstanding Amount at June 30, 2025
\$ 26,540,000	\$ 6,635,000	3/1/2021	3/1/2026	1.25%	\$ 6,635,000
2,400,000	600,000	3/1/2021	3/1/2026	0.625%	600,000
30,100,000	7,525,000	3/1/2022	3/1/2027	2%	15,050,000
1,900,000	475,000	3/1/2022	3/1/2027	2%	950,000
5,580,000	1,395,000	3/1/2023	3/1/2028	4%	4,185,000
3,480,000	870,000	3/1/2023	3/1/2028	5%	2,610,000
58,500,000	14,625,000	3/1/2024	3/1/2029	4%	58,500,000
4,640,000	1,160,000	3/1/2024	3/1/2029	4.4-4.85%	4,640,000
40,845,000	10,210,000	3/1/2025	3/1/2030	4%	40,845,000
2,775,000	690,000	3/1/2025	3/1/2030	4.5-5%	2,775,000
					<u>\$ 136,790,000</u>

Payments on bonds are made by the debt service fund with property taxes.

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Notes to Financial Statements

June 30, 2025

The annual requirements to amortize all bond debt outstanding as of June 30, 2025 including interest payments are as follows:

Year Ending June 30	Principal	Interest	Total Debt Service
2026	\$ 33,285,000	\$ 5,025,115	\$ 38,310,115
2027	36,950,000	4,037,868	40,987,868
2028	28,950,000	2,694,408	31,644,408
2029	26,685,000	1,516,168	28,201,168
2030	10,920,000	440,678	11,360,678
	<u>\$ 136,790,000</u>	<u>\$ 13,714,237</u>	<u>\$ 150,504,237</u>

State statutes prohibit the District from becoming indebted in an amount exceeding the revenue to be received for any fiscal year without approval by the District's voters. Bond issues have been approved by the voters and issued by the District for various capital improvements. These bonds are required to be fully paid serially within 25 years from the date of issue. General obligation bonded debt of the District is limited by state law to 10% of the assessed valuation of the District. The legal debt limit for general obligation bonds at June 30, 2025 is approximately \$138.7 million.

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

Sublease Agreements and Lease Revenue Bonds - See discussion of lease revenue payables in Note 5.

Note 5 - Lease Revenue Bonds and Sublease Agreements

As discussed in Note 4, the District has entered into several sublease agreements with the Cleveland County Education Facilities Authority (CCEFA or the Authority) in which the Authority advanced larger amounts in educational facilities lease revenue bonds (lease revenue bonds), to the District for the acquisition and construction of buildings, improvements, and furniture and equipment. For each lease revenue bond issuance, the District and the Authority enter into a sublease agreement for the District to pay lease purchase acquisition payments to the Authority. The trustee bank holds the cash and makes payments after authorization from the District. Upon payment of the lease purchased acquisition payments, legal title will go to the District for all construction, acquisition and renovations completed with the funds received from the Authority.

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Notes to Financial Statements

June 30, 2025

These lease revenue bonds and related sublease agreements with the Authority are as follows:

Issue Date	Series	CCEFA Lease Revenue Bonds			Sublease Agreement Outstanding at June 30, 2025
		Original Amount	Interest Rate	Final Maturity	
May 2023	2023A	\$ 58,570,000	5.00%	6/1/2033	\$ 61,185,020
December 2023	2023C	26,040,000	5.00%	6/1/2033	28,480,537
					<u>\$ 89,665,557</u>

The original issue dates and final maturity dates of the Authority's lease revenue bonds coincide with those dates listed in the District's sublease agreements.

The annual requirements to amortize the May 2023 Sublease Agreement as of June 30, 2025 including interest payments are as follows:

Year Ending June 30	Principal	Interest	Total Sublease Payment
2026	\$ 3,591,293	\$ 1,466,707	\$ 5,058,000
2027	2,007,383	1,380,617	3,388,000
2028	11,425,504	1,332,496	12,758,000
2029	2,084,396	1,058,604	3,143,000
2030	3,899,363	1,008,637	4,908,000
2031 - 2033	38,177,081	2,066,919	40,244,000
	<u>\$ 61,185,020</u>	<u>\$ 8,313,980</u>	<u>\$ 69,499,000</u>

The annual requirements to amortize the December 2023 Sublease Agreement as of June 30, 2025 including interest payments are as follows:

Year Ending June 30	Principal	Interest	Total Sublease Payment
2026	\$ 798,956	\$ 1,579,044	\$ 2,378,000
2027	2,010,677	572,323	2,583,000
2028	6,312,249	530,751	6,843,000
2029	2,427,760	400,240	2,828,000
2030	2,517,956	350,044	2,868,000
2031 - 2033	14,412,939	656,061	15,069,000
	<u>\$ 28,480,537</u>	<u>\$ 4,088,463</u>	<u>\$ 32,569,000</u>

At origination of each sublease agreement, the District pledges amounts in future issuances of general obligation bonds to repay these amounts, including interest. The general obligation bonds will be issued prior to the payment due of the acquisition payments.

This sublease agreement debt is not included in the consideration of the legal debt limit for general obligation bonds.

Note 6 - Leases

Lessor

The District functions as a landlord in a ground lease agreement which meets the classification requirements of long-term leases under GASB Statement No. 87, *Leases*. As a result, the District recognizes a lease receivable and a deferred inflow of resources. The discount rate used for the present value calculations for the leases is 1.63% with a defined annual payment of \$7,350 ending November 18, 2049 with options to renew expected to occur. The amounts recorded as of June 30, 2025 for lease receivable was \$267,026 and the related deferred inflow of resources is \$267,026.

Lessee

During the year ended June 30, 2025, the District entered into agreements to lease building improvements and copier equipment. Such agreements have start dates ranging from July 1, 2024 to June 20, 2025. In prior years, the District entered into agreements to lease twenty-three vehicles and copier equipment. Such agreements have start dates ranging from November 1, 2022 to April 1, 2024. The vehicles have lease terms of four years, the copier equipment has a term of five years, and the building improvements have lease terms of ten and twenty years.

At June 30, 2025, the District has recognized a right to use asset of \$1,530,312 and a lease liability of \$1,754,900 related to these agreements. The District used discount rates ranging from 2.28% to 4.36%.

The schedule of leased assets and related amortization for the year ended June 30, 2025, is as follows:

Copier	\$ 554,635
Vehicles	740,769
Building Improvements	991,540
	<u>2,286,944</u>
Amortization	(756,632)
	<u>\$ 1,530,312</u>

The schedule of future payments included in the measurement of the lease liability is as follows:

Year Ending	Total Debt	
June 30	Principal	Interest
2026	\$ 337,165	\$ 56,043
2027	276,647	46,871
2028	187,541	40,360
2029	166,850	35,143
2030	63,142	31,252
Thereafter	723,555	226,886
	<u>\$ 1,754,900</u>	<u>\$ 436,555</u>

Total Debt
Service
\$ 393,208
323,518
227,901
201,993
94,394
950,441
<u>\$ 2,191,455</u>

Note 7 - Employee Retirement System

Plan Description - The District contributes to the state-administered Oklahoma Teachers' Retirement System ("the System" or "OTRS"), a cost-sharing, multiple-employer public employee retirement plan (the Plan). The System is administered by a board of trustees. OTRS provides retirement, disability and death benefits to plan members and beneficiaries. Oklahoma State Statute 70, Article 17 assigns the authority to establish and amend benefit provisions to the OTRS Board of Trustees. Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report of the System; which can be located at www.ok.gov/OTRS.

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

Contributions - The contribution rates for the District and its employees, which are not actuarially determined, are established by statute and applied to the employee's earnings, plus employer-paid fringe benefits. The District was required by statute to contribute 9.5% of applicable compensation for the year ended June 30, 2025. Plan members are required to contribute 7% of their annual covered salary. The District pays full-time employees' contribution as allowed by statute. Contributions to the pension plan from the District were \$10,274,755. The State of Oklahoma also made on-behalf contributions to OTRS, of which \$7,408,410 was recognized by the District; these on-behalf payments did not meet the criteria of a special funding situation.

Benefits - Benefit provisions include:

- Members become 100% vested in retirement benefits earned to date after five or seven years (depending on hire date) of credited Oklahoma service. Members who joined the System on June 30, 1992 or prior are eligible to retire at maximum benefits when age and years of creditable service total 80. Members joining the System after June 30, 1992 are eligible for maximum benefits when their age and years of creditable service total 90. Members whose age and service do not equal the eligible limit may receive reduced benefits as early as age 55, and at age 62 receive unreduced benefits based on their years of service. The maximum retirement benefit is equal to 2% of final compensation for each year of credited service.

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2025, the District reported a liability of \$106,146,853 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024. The District's proportion of the net pension liability was based on the District's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2024. Based upon this information, the District's proportion was 1.6114%, an increase from 1.5930% at June 30, 2023.

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Notes to Financial Statements

June 30, 2025

For the year ended June 30, 2025, the District recognized pension expense of \$3,420,557 in compensation and benefits expense. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,505,290	\$ 1,640,162
Changes of assumptions	1,164,212	4,553,462
Net difference between projected and actual earnings on pension plan investments	-	3,628,914
Changes in proportion	7,776,506	5,764,889
Differences between District contributions and proportionate share of contributions	420,033	110,056
District contributions subsequent to the measurement date	10,274,755	-
	<u>\$ 27,140,796</u>	<u>\$ 15,697,483</u>

The \$10,274,755 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026.

The average expected remaining life of the Plan is determined by taking the calculated total future service years of the Plan divided by the number of people in the Plan including retirees. The total future service years of the plan are estimated at 5.34 years at June 30, 2024 and are determined using the mortality, termination, retirement and disability assumptions associated with the Plan. Deferred outflows resulting from the difference between projected and actual investment earnings, will be recognized in pension expense over a period of five years.

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Notes to Financial Statements

June 30, 2025

Other than contributions provided subsequent to the measurement date, deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2026	\$ (4,185,074)
2027	8,065,732
2028	(1,472,346)
2029	(1,508,824)
2030	269,070
	<u>\$ 1,168,558</u>

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

- Actuarial Cost Method – Entry Age Normal
- Inflation – 2.25%
- Future Ad Hoc Cost-of-living Increases – None
- Salary Increases – Composed of 2.25 percent wage inflation, plus .75% productivity increase rate, plus step-rate promotional increase for members with less than 25 years of service.
- Investment Rate of Return – 7.00%
- Retirement Age – Experience-based table of rates based on age, service, and gender. Adopted by the Board in July 2020 in conjunction with the five-year experience study for the period ending June 30, 2019.
- Mortality Rates for retired member – Males: 2020 GRS Southwest Region Teacher Mortality Table. Generational mortality improvements in accordance with the Ultimate MP scales are projected for the year 2020. Females: 2020 GRS Southwest Region Teacher Mortality Table. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020.
- Mortality Rates for active members – Pub-2010 Teachers Active Employee Mortality table. Generational mortality improvements in accordance with the ultimate MP scales are projected from the year 2010.

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the five year period ending June 30, 2019.

Norman Independent School District No. 29

Cleveland County, Oklahoma

Notes to Financial Statements

June 30, 2025

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

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

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

Discount Rate - A single discount rate of 7.0% was used to measure the total pension liability as of June 30, 2024. Based on the stated assumptions and the projection of cash flows, the pension plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The projection of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the current statutory levels and remain a level percentage of payrolls. The projection of cash flows also assumed that the State's contribution plus the matching contributions will remain a constant percent of projected member payroll based on the past five years of actual contributions.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the employers calculated using the discount rate of 7.0%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	1% Decrease 6.0%	Current Discount 7.0%	1% Increase 8.0%
Net pension liability	\$ 162,120,232	\$ 106,146,853	\$ 59,519,689

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report of the OTRS; which can be located at www.ok.gov/OTRS.

Note 8 - Other Post-Employment Benefits (OPEB)

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

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

Contributions - Employer and employee contributions are made based upon the TRS Plan provisions contained in Title 70, as amended. However, the statutes do not specify or identify any particular contribution source to pay the health insurance subsidy. Based on the contribution requirements of Title 70 employers and employees contribute a single amount based on a single contribution rate as described in Note 7; from this amount OTRS allocates a portion of the contributions to the supplemental health insurance program. The cost of the supplemental health insurance program averages 1.5% of normal cost as determined by an actuarial valuation. Contributions allocated to the OPEB plan from the District were \$32,873.

OPEB Liabilities (Assets), OPEB Expense (Benefit), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - At June 30, 2025, the District reported an asset of \$1,888,117 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2024, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of June 30, 2024. The District's proportion of the net OPEB asset was based on the District's contributions received by the OPEB plan relative to the total contributions received by the OPEB plan for all participating employers as of June 30, 2024. Based upon this information, the District's proportion was 1.6114%, an increase from 1.5930% at June 30, 2023.

Norman Independent School District No. 29

Cleveland County, Oklahoma

Notes to Financial Statements

June 30, 2025

For the year ended June 30, 2025, the District recognized OPEB expense (benefit) of \$(133,316). At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 272,041
Changes of assumptions	79,708	506,346
Net difference between projected and actual earnings on plan investments	-	74,072
Changes in proportion	23,957	21,338
Differences between District contributions and proportionate share of contributions	110,417	29,918
District contributions subsequent to the measurement date	32,873	-
	<u>\$ 246,955</u>	<u>\$ 903,715</u>

The \$32,873 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended June 30, 2026.

The average expected remaining life of the Plan is determined by taking the calculated total future service years of the Plan divided by the number of people in the Plan including retirees. The total future service years of the plan are estimated at 6.3 years at June 30, 2024 and are determined using the mortality, termination, retirement and disability assumptions associated with the Plan. Deferred outflows resulting from the difference between projected and actual investment earnings, will be recognized in OPEB expense over a period of six years.

Norman Independent School District No. 29

Cleveland County, Oklahoma

Notes to Financial Statements

June 30, 2025

Other than contributions provided subsequent to the measurement date, deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2026	\$ (243,593)
2027	84,471
2028	(188,003)
2029	(183,997)
2030	(121,925)
Thereafter	(36,586)
	<u>\$ (689,633)</u>

Actuarial Assumptions - The total OPEB liability (asset) as of June 30, 2025, was determined based on an actuarial valuation prepared as of June 30, 2024 using the following actuarial assumptions:

- Actuarial Cost Method – Entry Age Normal
- Inflation – 2.25%
- Future Ad Hoc Cost-of-living Increases – None
- Salary Increases – Inflation rate of 2.25% plus productivity increase rate of 0.75% plus step-rate/promotional adjustments with less than 25 years of service.
- Investment Rate of Return – 7.00%
- Retirement Age – Experience-based table of rates based on age, service, and gender. Adopted by the Board in July 2020 in conjunction with the five-year experience study for the period ending June 30, 2019.
- Mortality Rates for retired members – Males: 2020 GRS Southwest Region Teacher Mortality Table. Generational mortality improvements in accordance with the Ultimate MP scales are projected for the year 2020. Females: 2020 GRS Southwest Region Teacher Mortality Table. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020.
- Mortality Rates for active members – Pub-2010 Teachers Active Employee Mortality table. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2010.

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the five year period ending June 30, 2019.

Norman Independent School District No. 29

Cleveland County, Oklahoma

Notes to Financial Statements

June 30, 2025

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

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

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

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

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate - The following presents the net OPEB liability (asset) of the employer calculated using the discount rate of 7.0%, as well as what the Plan's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	1% Decrease 6.0%	Current Discount 7.0%	1% Increase 8.0%
Net OPEB (asset) liability	\$ (1,270,831)	\$ (1,888,117)	\$ (2,412,545)

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

Note 9 - Risk Management

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

Note 10 - Disaggregation of Payable Balances

Governmental Activities:	Vendors	Salaries and Benefits	Accrued Interest	Total Payables
General and other governmental funds	\$ 10,389,666	\$ 9,901,469	\$ -	\$ 20,291,135
Reconciliation of balances in fund financials to government-wide statements	-	-	2,826,350	2,826,350
Total governmental activities	<u>\$ 10,389,666</u>	<u>\$ 9,901,469</u>	<u>\$ 2,826,350</u>	<u>\$ 23,117,485</u>

Note 11 - Subscription Based Information Technology Arrangements

As of June 30, 2025, the District has entered into four subscription-based information technology arrangements (SBITAs). Such agreements have start dates ranging from September 1, 2021 to July 1, 2024. The SBITAs have terms ranging from three to four years.

At June 30, 2025, the District has recognized a right to use subscription asset of \$138,048 and a subscription liability of \$140,068 related to these agreements. The District used discount rates ranging from 2.1% to 2.58%.

The schedule of subscription assets and related amortization for the year ended June 30, 2025, is as follows:

Assets	\$ 654,024
Amortization	(515,976)
	<u>\$ 138,048</u>

The schedule of future payments included in the measurement of the subscription liability is as follows:

Year Ending	Principal	Interest	Total Debt Service
June 30			
2026	\$ 97,247	\$ 3,404	\$ 100,651
2027	42,821	997	43,818
	<u>\$ 140,068</u>	<u>\$ 4,401</u>	<u>\$ 144,469</u>

Note 12 - Schedule of Transfers

The transfers for the year ended June 30, 2025 are as follows:

Transfer From	Transfer To	Amount	Nature of Transfer
Debt Service Fund	Building Fund	\$ 1,628,435	Intrafund Transfer
2025 Bond Fund	Lease Revenue Bond Fund	30,815,000	Intrafund Transfer for debt service
General Fund	Child Nutrition Fund	34,016	Intrafund Transfer
Nonmajor Bond Funds	2025 Bond Fund	871	Intrafund Transfer
Nonmajor Bond Funds	Nonmajor Bond Funds	29,331	Intrafund Transfer
	Total Transfers between Funds	<u>\$ 32,507,653</u>	

Transfers are used for (1) reimbursement of funds collected by one fund that are accounted for in another fund and (2) return of funds in excess of budgetary requirements.

Note 13 - Contingencies and Commitments

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 various lawsuits. Although the outcome of these lawsuits is not presently determinable, the District believes the resolution of these matters will not have a material adverse effect on the financial condition of the District. Should a judgment be 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 has outstanding construction commitments of approximately \$54.0 million as of June 30, 2025.

During the year ended June 30, 2025, the District did not reduce insurance coverage from coverage levels in place as of June 30, 2024. No settlements have exceeded coverage levels in place during 2025.

Note 14 - Correction of Error

During the current year, management determined that certain accounting treatment related to accounts payable within the lease revenue bond fund were incorrectly recorded as of June 30, 2025.

As a result, the beginning net position of the government-wide statement of activities was restated as of July 1, 2024 as follows:

	Governmental Activities
Beginning net position, as previously reported	\$ 178,069,054
Correction of beginning balances for accounts payable	(459,684)
Beginning net position, as restated	<u>\$ 177,609,370</u>

As a result, the beginning fund balances were restated as of July 1, 2024 as follows:

	Lease Revenue Bonds Fund	Total Governmental Funds
Beginning fund balance, as previously reported	\$ 76,515,581	\$ 178,847,161
Correction of beginning balances for accounts payable	(459,684)	(459,684)
Beginning fund balance, as restated	<u>\$ 76,055,897</u>	<u>\$ 178,387,477</u>

Had the entry been properly recorded for the year ended June 30, 20224, the change in net position would have changed from \$37,066,308 to \$36,606,624, the change in fund balance for lease revenue bonds fund would have changed from \$(2,404,915) to \$(2,864,599), and the change in fund balance for total governmental funds would have changed from \$33,217,204 to \$32,757,520.

Required Supplementary Information
June 30, 2025

Norman Independent School District No. 29

Norman Independent School District No. 29
Cleveland County, Oklahoma
Budgetary Comparison Schedule – General Fund (Unaudited)
Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts GAAP Basis	Variance with Final Budget Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
Budgetary Fund Balance, July 1	\$ 13,132,797	\$ 15,859,962	\$ 15,875,435	\$ 2,727,165	\$ 15,473
Resources (inflows)					
Property Taxes	48,877,042	49,246,693	49,528,815	369,651	282,122
Interest	690,313	750,332	1,025,086	60,019	274,754
County Revenue	5,042,000	5,164,858	5,235,093	122,858	70,235
State Revenue	81,650,539	81,977,938	84,316,279	327,399	2,338,341
Federal Revenue	12,363,544	33,949,519	13,286,987	21,585,975	(20,662,532)
Other	2,148,624	2,949,906	3,275,204	801,282	325,298
Amounts Available for Appropriation	163,904,859	189,899,208	172,542,899	25,994,349	(17,356,309)
Charges to Appropriations (outflows)					
Instruction	95,772,012	99,145,697	99,682,195	(3,373,685)	(536,498)
Support Services	54,201,394	57,076,996	55,196,392	(2,875,602)	1,880,604
Non-instruction Services	3,906	59,443	221,993	(55,537)	(162,550)
Capital Outlays	30,662	20,027,741	2,976,959	(19,997,079)	17,050,782
Other Outlays	182,007	235,495	145,934	(53,488)	89,561
Transfers Out	-	-	34,016	-	(34,016)
Total Charges to Appropriations	150,189,981	176,545,372	158,257,489	(26,355,391)	18,287,883
Budgetary Fund Balance, June 30	\$ 13,714,878	\$ 13,353,836	\$ 14,285,410	\$ (361,042)	\$ 931,574

Budgeting - Oklahoma statutes required that the District Board of Education approve a budget within thirty days of the beginning of each fiscal year. The school district's budget is to contain a budget summary accompanied by a minimum of the following for each fund in tabular form:

1. Actual revenues and expenditures for the immediate prior fiscal year.
2. Revenues and expenditures for the current fiscal year as shown by the budget as amended.
3. Estimated revenues and expenditures for the budget year.

A public hearing on the proposed budget must be held within forty-five days preceding the beginning of the budgetary year.

The District shall amend the original budget after June 30 of each year after the June financial activity has been recorded, the annual Foundation and Salary Incentive Aid allocation has been released, and the property tax valuations have been certified for all affected counties with the District.

Norman Independent School District No. 29

Cleveland County, Oklahoma

Schedule of District's Proportionate Share of the Net Pension Liability for Oklahoma Teachers Retirement System – Pension Year Ended June 30, 2025

	2025	2024	2023	2022	2021
District's proportion of the net pension liability	1.6114%	1.5930%	1.4511%	1.6330%	1.6576%
District's proportionate share of the net pension liability	\$ 106,146,853	\$ 122,766,602	\$ 119,128,446	\$ 83,427,520	\$ 157,313,491
District's covered payroll	\$ 103,790,022	\$ 99,799,310	\$ 88,938,463	\$ 86,977,748	\$ 82,314,554
District's proportionate share of the net pension liability as a percentage of its covered payroll	102%	123%	134%	96%	191%
Plan fiduciary net position as a percentage of the total pension liability	77.33%	72.57%	70.05%	80.80%	63.37%
	2020	2019	2018	2017	2016
District's proportion of the net pension liability	1.4502%	1.9455%	1.6095%	1.5677%	1.5504%
District's proportionate share of the net pension liability	\$ 95,976,887	\$ 117,585,659	\$ 106,571,969	\$ 130,833,885	\$ 94,153,782
District's covered payroll	\$ 80,395,676	\$ 70,488,085	\$ 66,718,456	\$ 64,343,044	\$ 64,127,709
District's proportionate share of the net pension liability as a percentage of its covered payroll	119%	167%	160%	203%	147%
Plan fiduciary net position as a percentage of the total pension liability	71.58%	72.74%	69.32%	62.24%	70.31%

Notes to Schedule:

In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding year.

The Plan's net position liability increased between 2015 and 2016 and again between 2018 and 2021 due to changes in assumptions adopted by the System's Board.

The most notable changes during fiscal year 2021 were:

The decrease of the inflation rate from 2.5% to 2.25%

The decrease of the estimated investment rate of return from 7.5% to 7.0%

Changes to retirement age tables based on the five year experience study for the period ending June 30, 2019.

Mortality rate tables were updated to the 2020 GRS Southwest Region Teacher Mortality Table for males and females.

Norman Independent School District No. 29
Cleveland County, Oklahoma
Schedule of District's Pension Contributions to Oklahoma Teachers Retirement System
Year Ended June 30, 2025

	2025	2024	2023	2022	2021
Contractually required contribution	\$ 10,305,052	\$ 9,989,563	\$ 8,845,029	\$ 8,648,679	\$ 8,138,330
Contributions in relation to the contractually required contribution	10,305,052	9,989,563	8,845,029	8,648,679	8,138,330
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 103,790,022	\$ 99,799,310	\$ 88,938,463	\$ 86,977,748	\$ 82,314,554
Contributions as a percentage of covered payroll	9.93%	10.01%	9.95%	9.94%	9.89%
	2020	2019	2018	*2017	2016
Contractually required contribution	\$ 7,962,064	\$ 7,944,342	\$ 6,586,047	\$ 6,586,047	\$ 6,660,331
Contributions in relation to the contractually required contribution	7,962,064	7,944,342	6,586,047	6,586,047	6,660,331
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 80,395,676	\$ 70,488,085	\$ 66,718,456	\$ 64,343,044	\$ 64,127,709
Contributions as a percentage of covered payroll	9.90%	11.27%	9.87%	10.24%	10.39%

Notes to Schedule:

*Amount of contributions reduced by \$74,284 due to implementation of GASB Statement No. 75. Amounts prior to 2017 have not been determined.

Norman Independent School District No. 29

Cleveland County, Oklahoma

Schedule of District's Proportionate Share of the Net OPEB Liability (Asset) for Oklahoma Teachers Retirement System – OPEB Year Ended June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
District's proportion of the net OPEB liability (asset)	1.6114%	1.5930%	1.6330%	1.6330%	1.6576%	1.4502%	1.9455%	1.6095%
District's proportionate share of the net OPEB liability (asset)	\$ (1,888,117)	\$ (802,381)	\$ (714,303)	\$ (2,079,973)	\$ (164,217)	\$ (896,746)	\$ (1,257,268)	\$ (717,757)
District's covered payroll	\$ 103,790,022	\$ 99,799,310	\$ 88,938,463	\$ 86,977,748	\$ 86,977,748	\$ 82,314,554	\$ 80,395,676	\$ 70,488,085
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-1.82%	-0.80%	-0.80%	-2.39%	-0.19%	-1.09%	-1.56%	-1.02%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	131.23%	112.01%	110.31%	129.91%	102.30%	115.07%	115.41%	110.40%

Notes to Schedule:

In accordance with GASB Statement No. 75, the amounts presented for each fiscal year were determined as of June 30 of the preceding year.

10-year data is not yet available.

Norman Independent School District No. 29
Cleveland County, Oklahoma
Schedule of District's OPEB Contributions to Oklahoma Teachers Retirement System
Year Ended June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	\$ 33,873	\$ 48,749	\$ 98,091	\$ 105,600	\$ 15,300	\$ 14,969	\$ 53,227	\$ 109,299	\$ 104,574
Contributions in relation to the contractually required contribution	33,873	48,749	98,091	105,600	15,300	14,969	53,227	109,299	104,574
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 103,790,022	\$ 99,799,310	\$ 88,938,463	\$ 86,977,748	\$ 86,977,748	\$ 82,314,554	\$ 80,395,676	\$ 70,488,085	\$ 66,718,456
Contributions as a percentage of covered payroll	0.03%	0.05%	0.11%	0.12%	0.02%	0.02%	0.07%	0.16%	0.16%

Information to present a 10-year schedule is not yet available.

Financial Statements
Other Supplementary Information
June 30, 2025

Norman Independent School District No. 29

Norman Independent School District No. 29
Cleveland County, Oklahoma
Combining Balance Sheet – Other Governmental Funds
June 30, 2025

	Building	Child Nutrition	Gifts	Student Activity	Workers' Compensation	Total Capital Project Funds	Total Other Governmental Funds
Assets							
Pooled Cash and Investments	\$ 8,828,856	\$ 2,440,111	\$ 421,948	\$ 2,848,694	\$ 45,434	\$ 13,724,491	\$ 28,309,534
Property Taxes Receivable	507,326	-	-	-	-	-	507,326
Due from Other Governments	-	490,173	-	-	-	-	490,173
Other Receivables	1,759	608,335	-	678	-	-	610,772
Total Assets	<u>\$ 9,337,941</u>	<u>\$ 3,538,619</u>	<u>\$ 421,948</u>	<u>\$ 2,849,372</u>	<u>\$ 45,434</u>	<u>\$ 13,724,491</u>	<u>\$ 29,917,805</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities							
Accounts Payable and Accrued Liabilities	\$ 1,050,942	\$ 621,875	\$ 27	\$ 84,540	\$ -	\$ 1,121,734	\$ 2,879,118
Total Liabilities	<u>1,050,942</u>	<u>621,875</u>	<u>27</u>	<u>84,540</u>	<u>-</u>	<u>1,121,734</u>	<u>2,879,118</u>
Deferred Inflows of Resources							
Unavailable revenue - taxes	511,296	-	-	-	-	-	511,296
Unavailable revenue - other	-	1,159,887	-	-	-	-	1,159,887
Total Deferred Inflow of Resources	<u>511,296</u>	<u>1,159,887</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,671,183</u>
Fund Balances							
Restricted	<u>7,775,703</u>	<u>1,756,857</u>	<u>421,921</u>	<u>2,764,832</u>	<u>45,434</u>	<u>12,602,757</u>	<u>25,367,504</u>
Fund Balances, End of Year	<u>7,775,703</u>	<u>1,756,857</u>	<u>421,921</u>	<u>2,764,832</u>	<u>45,434</u>	<u>12,602,757</u>	<u>25,367,504</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 9,337,941</u>	<u>\$ 3,538,619</u>	<u>\$ 421,948</u>	<u>\$ 2,849,372</u>	<u>\$ 45,434</u>	<u>\$ 13,724,491</u>	<u>\$ 29,917,805</u>

Norman Independent School District No. 29

Cleveland County, Oklahoma

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Other Governmental Funds

Year Ended June 30, 2025

	Building	Child Nutrition	Gifts	Student Activity	Workers' Compensation	Total Capital Project Funds	Total Other Governmental Funds
Revenues							
Property Taxes	\$ 7,063,090	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,063,090
Interest	293,414	107,262	19,902	139,404	2,138	790,742	1,352,862
State Revenue	1,309,385	52,551	-	-	-	-	1,361,936
Federal Revenue	-	4,463,373	-	-	-	-	4,463,373
Other	-	583,543	31,164	3,807,313	-	-	4,422,020
Total Revenues	8,665,889	5,206,729	51,066	3,946,717	2,138	790,742	18,663,281
Expenditures							
Instruction	-	-	2,500	788,546	-	1,649,020	2,440,066
Support Services	13,231,575	173,994	18,196	3,857,512	-	3,034,295	20,315,572
Non-Instruction Services	-	5,613,924	-	641,651	-	-	6,255,575
Capital Outlays	12,000	234,941	-	7,492	-	3,757,888	4,012,321
Other Outlays	-	-	-	-	-	158,521	158,521
Debt Service							
Principal	-	-	-	-	-	393,457	393,457
Interest	-	-	-	-	-	16,877	16,877
Total Expenditures	13,243,575	6,022,859	20,696	5,295,201	-	9,010,058	33,592,389
Excess (Deficiency) of Revenues over Expenditures	(4,577,686)	(816,130)	30,370	(1,348,484)	2,138	(8,219,316)	(14,929,108)
Other Financing Sources (Uses)							
Transfers In	1,628,435	34,016	-	-	-	29,331	1,691,782
Transfers Out	-	-	-	-	-	(29,331)	(29,331)
Other Financing Sources	-	-	-	1,546,176	-	123,528	1,669,704
Total Other Financing Sources (Uses)	1,628,435	34,016	-	1,546,176	-	123,528	3,332,155
Net Change in Fund Balances	(2,949,251)	(782,114)	30,370	197,692	2,138	(8,095,788)	(11,596,953)
Beginning Fund Balances	10,724,954	2,538,971	391,551	2,567,140	43,296	20,698,545	36,964,457
Ending Fund Balances	\$ 7,775,703	\$ 1,756,857	\$ 421,921	\$ 2,764,832	\$ 45,434	\$ 12,602,757	\$ 25,367,504

Norman Independent School District No. 29
Cleveland County, Oklahoma
Combining Balance Sheet – Capital Project Funds
June 30, 2025

	2016 Bond Fund	2017 Bond Fund	2018 Bond Fund	2019 Bond Fund	2020 Bond Fund	2021 Bond Fund	2022 Bond Fund	2023 Bond Fund	2024 Bond Fund	Total Capital Project Funds
Assets										
Pooled Cash and Investments	\$ 38	\$ 94	\$ 277	\$ 1,121,672	\$ 149,472	\$ 2,556,560	\$ 648,436	\$ 3,163,926	\$ 6,084,016	\$ 13,724,491
Total Assets	<u>\$ 38</u>	<u>\$ 94</u>	<u>\$ 277</u>	<u>\$ 1,121,672</u>	<u>\$ 149,472</u>	<u>\$ 2,556,560</u>	<u>\$ 648,436</u>	<u>\$ 3,163,926</u>	<u>\$ 6,084,016</u>	<u>\$ 13,724,491</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances										
Liabilities										
Accounts Payable	\$ -	\$ -	\$ -	\$ 99,182	\$ 3,578	\$ 30,336	\$ 78,701	\$ 82,150	\$ 827,787	\$ 1,121,734
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>99,182</u>	<u>3,578</u>	<u>30,336</u>	<u>78,701</u>	<u>82,150</u>	<u>827,787</u>	<u>1,121,734</u>
Fund Balances										
Restricted	<u>38</u>	<u>94</u>	<u>277</u>	<u>1,022,490</u>	<u>145,894</u>	<u>2,526,224</u>	<u>569,735</u>	<u>3,081,776</u>	<u>5,256,229</u>	<u>12,602,757</u>
Fund Balances, End of Year	<u>38</u>	<u>94</u>	<u>277</u>	<u>1,022,490</u>	<u>145,894</u>	<u>2,526,224</u>	<u>569,735</u>	<u>3,081,776</u>	<u>5,256,229</u>	<u>12,602,757</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 38</u>	<u>\$ 94</u>	<u>\$ 277</u>	<u>\$ 1,121,672</u>	<u>\$ 149,472</u>	<u>\$ 2,556,560</u>	<u>\$ 648,436</u>	<u>\$ 3,163,926</u>	<u>\$ 6,084,016</u>	<u>\$ 13,724,491</u>

Norman Independent School District No. 29
Cleveland County, Oklahoma
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Capital Project Funds
Year Ended June 30, 2025

	2015 Bond Fund	2016 Bond Fund	2017 Bond Fund	2018 Bond Fund	2019 Bond Fund	2020 Bond Fund	2021 Bond Fund	2022 Bond Fund	2023 Bond Fund	2024 Bond Fund	Total Capital Project Funds
Revenues											
Interest	\$ -	\$ 38	\$ 94	\$ 277	\$ 59,919	\$ 14,608	\$ 144,815	\$ 35,801	\$ 155,218	\$ 379,972	\$ 790,742
Total Revenues	-	38	94	277	59,919	14,608	144,815	35,801	155,218	379,972	790,742
Expenditures											
Instruction	-	-	-	-	7,793	-	611,309	113,155	-	916,763	1,649,020
Support Services	-	-	-	-	56,958	38,573	56,481	546,326	19,584	2,316,373	3,034,295
Capital Outlays	-	-	-	-	235,855	15,753	218,128	3,933	346,140	2,938,079	3,757,888
Other Outlays	-	-	-	-	-	158,521	-	-	-	-	158,521
Debt Service	-	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	393,457	393,457
Interest	-	-	-	-	-	-	-	-	-	16,877	16,877
Total Expenditures	-	-	-	-	300,606	212,847	885,918	663,414	365,724	6,581,549	9,010,058
Excess (Deficiency) of Revenues over Expenditures	-	38	94	277	(240,687)	(198,239)	(741,103)	(627,613)	(210,506)	(6,201,577)	(8,219,316)
Other Financing Sources (Uses)											
Transfers In	-	-	-	-	29,331	-	-	-	-	-	29,331
Transfers Out	(871)	(2,659)	(6,546)	(19,255)	-	-	-	-	-	-	(29,331)
Other Financing Sources	-	-	-	-	-	-	-	-	-	123,528	123,528
Total Other Financing Sources (Uses)	(871)	(2,659)	(6,546)	(19,255)	29,331	-	-	-	-	123,528	123,528
Net Change in Fund Balances	(871)	(2,621)	(6,452)	(18,978)	(211,356)	(198,239)	(741,103)	(627,613)	(210,506)	(6,078,049)	(8,095,788)
Beginning Fund Balances	871	2,659	6,546	19,255	1,233,846	344,133	3,267,327	1,197,348	3,292,282	11,334,278	20,698,545
Ending Fund Balances	\$ -	\$ 38	\$ 94	\$ 277	\$ 1,022,490	\$ 145,894	\$ 2,526,224	\$ 569,735	\$ 3,081,776	\$ 5,256,229	\$ 12,602,757

Norman Independent School District No. 29
Cleveland County, Oklahoma
Budgetary Comparison Schedule – Building Fund (Unaudited)
Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts GAAP Basis	Variance with Final Budget Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
Budgetary Fund Balance, July 1	\$ 10,067,641	\$ 10,724,954	\$ 10,724,954	\$ 657,313	\$ -
Resources (inflows)					
Property Taxes	6,967,867	7,025,356	7,063,090	57,489	37,734
Interest	348,017	288,071	293,414	(59,946)	5,343
State Revenue	1,557,930	1,309,385	1,309,385	(248,545)	-
Other	925,343	25,343	-	(900,000)	(25,343)
Transfers In	-	-	1,628,435	-	1,628,435
Amounts Available for Appropriation	<u>19,866,798</u>	<u>19,373,109</u>	<u>21,019,278</u>	<u>(493,689)</u>	<u>1,646,169</u>
Charges to Appropriations (outflows)					
Support Services	13,384,713	12,354,688	13,231,575	1,030,025	876,887
Capital Outlays	<u>4,500</u>	<u>3,000</u>	<u>12,000</u>	<u>1,500</u>	<u>(9,000)</u>
Total Charges to Appropriations	<u>13,389,213</u>	<u>12,357,688</u>	<u>13,243,575</u>	<u>1,031,525</u>	<u>867,887</u>
Budgetary Fund Balance, June 30	<u>\$ 6,477,585</u>	<u>\$ 7,015,421</u>	<u>\$ 7,775,703</u>	<u>\$ 537,836</u>	<u>\$ 778,282</u>

Norman Independent School District No. 29
Cleveland County, Oklahoma
Budgetary Comparison Schedule – Child Nutrition (Unaudited)
Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts GAAP Basis	Variance with Final Budget Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
Budgetary Fund Balance, July 1	\$ 979,621	\$ 3,024,169	\$ 2,538,971	\$ 2,044,548	\$ (485,198)
Resources (inflows)					
Interest	122,809	125,000	107,262	2,191	(17,738)
Local Revenue	1,661,740	1,941,910	583,543	280,170	(1,358,367)
State Revenue	53,652	53,652	52,551	-	(1,101)
Federal Revenue	4,339,078	4,903,078	4,463,373	564,000	(439,705)
Transfers In	-	-	34,016	-	34,016
Amounts Available for Appropriation	<u>7,156,900</u>	<u>10,047,809</u>	<u>7,779,716</u>	<u>2,890,909</u>	<u>(2,268,093)</u>
Charges to Appropriations (outflows)					
Non-instruction services	6,862,093	6,031,352	5,613,924	830,741	417,428
Capital Outlays	26,970	410,368	234,941	(383,398)	175,427
Other Outlays	<u>190,000</u>	<u>190,000</u>	<u>173,994</u>	<u>-</u>	<u>16,006</u>
Total Charges to Appropriations	<u>7,079,063</u>	<u>6,631,720</u>	<u>6,022,859</u>	<u>447,343</u>	<u>608,861</u>
Budgetary Fund Balance, June 30	<u>\$ 77,837</u>	<u>\$ 3,416,089</u>	<u>\$ 1,756,857</u>	<u>\$ 3,338,252</u>	<u>\$ (1,659,232)</u>

Norman Independent School District No. 29
Cleveland County, Oklahoma
Combining Schedule of Changes in Assets and Liabilities – All Activity Funds
Year Ended June 30, 2025

Activities	Ending Balance As of June 30, 2024	Total Receipts	Total Disbursements	Ending Balance As of June 30, 2025
Assets				
Football	\$ 59,755	\$ 83,499	\$ 95,490	\$ 47,764
Boys Basketball	10,758	45,887	50,089	6,556
Girls Basketball	1,303	22,811	22,984	1,130
Boys Swimming	2,653	-	-	2,653
Baseball	15	45,716	45,731	-
FastPitch Softball	3,774	16,927	18,616	2,085
Wrestling	490	21,722	21,772	440
Boys Tennis	26	6,059	6,085	-
Girls Tennis	115	4,367	4,367	115
Slowpitch Softball	1,087	8,932	9,692	327
Girls Cross Country	787	7,465	7,466	786
Boys Golf	1,015	28,019	27,812	1,222
Boys Cross Country	325	8,126	8,127	324
Boys Soccer	1,525	16,853	16,858	1,520
Volleyball	7,841	26,567	29,467	4,941
Boys Track	12,875	19,501	22,110	10,266
Girls Track	5,530	8,767	5,919	8,378
General Athletics	47,669	199,667	220,249	27,087
ASCE	20,959	38,369	40,298	19,030
Girls Golf	450	7,204	7,654	-
Girls Soccer	7,312	10,835	10,783	7,364
Girls Swimming	1,595	-	-	1,595
AP Tests	139,270	136,661	108,019	167,912
Art	20,838	3,818	10,428	14,228
Art in Education	234	-	-	234
Coke	54,223	(45)	10,996	43,182
Band	13,741	57,963	40,787	30,917
Asian Culture	1,047	538	623	962
Snack Shack	19,863	11,851	29,991	1,723
Bright Future Funds	-	22	-	22
Student Services PD	-	17,000	-	17,000
Multi Cultural	-	272	110	162
Cheerleaders	21,818	22,925	30,991	13,752
Business	115	(115)	-	-
Tiger Crew	765	4,918	4,930	753
Freshmen	3,043	2,550	3,336	2,257
Fine Arts Rental Income	-	18,997	-	18,997
Ag Ed (FFA)	60,611	102,327	99,334	63,604
Camp Turning Point	242	1,700	1,734	208
Clearing Account	720	-	-	720
Book Club	75	-	-	75
Book Fair	22,116	13,206	14,292	21,030
Drama Club	11,051	7,503	12,004	6,550
Drug Free/Chemical Depend	1,141	-	-	1,141
Black Stud Assoc/Stomp	2,093	406	109	2,390
Pack Shack/Link Crew	40,730	(1,206)	2,940	36,584
OK Youth & Government	185	(185)	-	-
English	319	2,546	1,045	1,820
Environmental Club	283	-	-	283

Norman Independent School District No. 29
Cleveland County, Oklahoma
Combining Schedule of Changes in Assets and Liabilities – All Activity Funds
Year Ended June 30, 2025

	Ending Balance As of June 30, 2024	Total Receipts	Total Disbursements	Ending Balance As of June 30, 2025
Transition Program	\$ 1,026	\$ -	\$ 1,017	\$ 9
Equip/Repair/Furn	229	-	-	229
Explo	482	(60)	-	422
Enrichment	104	1,875	1,381	598
Faculty Services	2,952	-	-	2,952
African Amer Assoc	2,284	1,406	759	2,931
Field Trips	37,813	61,403	63,108	36,108
Parking Decals	37,211	16,174	13,747	39,638
G.E.M.S.	1,048	1,200	1,404	844
Foreign Language-All	1,201	1,275	1,320	1,156
French	317	55	120	252
Principal	555,163	371,272	323,129	603,306
Gifted and Talented	2,316	8,869	6,348	4,837
Hispanic & Latino Students	277	1,481	1,016	742
Sophomore	1,013	-	-	1,013
5th Grade	3,037	21,708	18,619	6,126
Junior	3,428	-	-	3,428
6th Grade	1,766	9,265	7,077	3,954
7th Grade	3,056	9,703	7,396	5,363
8th Grade	2,151	2,603	2,815	1,939
Grants	2	-	-	2
FACS	5,474	2,909	5,044	3,339
Senior	2,444	2,705	2,775	2,374
Honor Society	9,290	7,880	5,958	11,212
DECA	35,557	142,441	124,667	53,331
Instrumental Music	21,838	16,556	29,700	8,694
Indigent Student Fund	3,704	-	-	3,704
Athletic Trainer	18,624	7,150	4,437	21,337
Independent Living	1,550	(1,550)	-	-
Spud-North	47,272	181,186	226,637	1,821
Leadership Council	7,800	3,165	1,584	9,381
Latin	5,299	635	743	5,191
Library/Media Center	50,543	85,476	72,861	63,158
Computer Science	114	300	200	214
FCCLA	1,420	1,937	1,566	1,791
Natl Art Honor Society	1,951	-	-	1,951
Modern Dance Club	11,673	876	2,931	9,618
Misc Transaction	1,498	-	-	1,498
Mu Alpha Theta	1,559	2,130	1,752	1,937
Music/Drumline	14,533	41,654	27,199	28,988
Newspaper/Journalism	1,333	-	800	533
Orchestra	67,038	52,674	45,576	74,136
Office	1,314	(863)	-	451
Memorial Fund	181	(181)	-	-
Poms	7	380	-	387
Physical Education	1,505	1,714	2,548	671
Prof Leave/Development	8,074	(1,000)	90	6,984
Partners-In-Ed	459	-	294	165
PTA-Student	21,145	51,651	54,882	17,914
Native American Club	6,141	559	-	6,700
Donations	30,400	6,578	13,458	23,520

Norman Independent School District No. 29
Cleveland County, Oklahoma
Combining Schedule of Changes in Assets and Liabilities – All Activity Funds
Year Ended June 30, 2025

	Ending Balance As of June 30, 2024	Total Receipts	Total Disbursements	Ending Balance As of June 30, 2025
Outdoor Classroom	\$ 1,092	\$ (1,092)	\$ -	\$ -
Service Learning	10,454	4,117	2,695	11,876
Principal	1,099	(1,099)	-	-
PSAT/Guidance Serv	1,523	40	-	1,563
Prom	52,419	44,378	29,233	67,564
School Climate	7,434	-	177	7,257
Recycling	228	-	-	228
Resource Center Material	(6,899)	8,717	8,241	(6,423)
Fundraiser	51,544	137,555	128,112	60,987
Orange Thumb	375	-	-	375
Sat School/Student Int	1,871	-	-	1,871
Special Olympics	(1,294)	2,868	2,898	(1,324)
Science	412	-	-	412
Social Studies	191	-	-	191
Gay/Straight Alliance	483	-	-	483
TAPP	(517)	-	-	(517)
Spanish	1,720	3,430	3,216	1,934
Speech	40,477	22,087	23,478	39,086
Special Ed/Spec Athletes	15,902	6,532	6,634	15,800
Fine Arts	26,171	65,099	49,886	41,384
Student Council/Congress	55,824	58,294	56,860	57,258
Store-School	4	-	-	4
Special Education	968	2,330	1,010	2,288
Musicals	8,113	6,601	6,644	8,070
Rotary Inter-ACT	2,818	5	-	2,823
Key Club	1,517	-	-	1,517
6th Grade Books	609	-	-	609
Theater Art	5,786	294	670	5,410
Technology	10,955	1,444	2,378	10,021
Vocal Music	34,147	305,648	303,077	36,718
Teen Volun/Parent Outreach	139	-	-	139
VRC-Video Resource Center	6,999	-	486	6,513
PR Fund	79	-	-	79
Yearbook	90,556	17,589	32,423	75,722
Elem Music/Art	3,145	1,476	377	4,244
Wildcat Memories	100	-	-	100
Life Skills	1,200	-	-	1,200
Costume Design	(100)	-	-	(100)
Young Democrats	1,161	(436)	-	725
Stand For Silence	4	-	-	4
Interior Design	100	-	-	100
Botball	11,562	7,600	11,622	7,540
First Grade	128	9,516	8,095	1,549
Student Assistance Fund	3,502	1,000	1,995	2,507
Administration	65,961	(10,000)	9,579	46,382
Second Grade	1,041	8,548	7,123	2,466
WOW	22,221	11,011	7,567	25,665
Anthology	5,772	1,268	1,141	5,899
Academic Teams	3,879	7,201	7,512	3,568
Republican Club	23	(2,918)	-	(2,895)
Third Grade	340	5,315	4,560	1,095

Norman Independent School District No. 29
Cleveland County, Oklahoma
Combining Schedule of Changes in Assets and Liabilities – All Activity Funds
Year Ended June 30, 2025

	Ending Balance As of June 30, 2024	Total Receipts	Total Disbursements	Ending Balance As of June 30, 2025
Transition Center	\$ 497	\$ 10,852	\$ 4,409	\$ 6,940
Pre Engineering	5,796	5,680	6,859	4,617
Chinese Club	105	-	-	105
Logo Royalties	5,755	1,715	534	6,936
FCCLA	1,156	757	1,238	675
NHS Instrument Fund	70	-	-	70
Art Club	80	-	-	80
Step Dance Team	1,142	-	-	1,142
Made	804	-	-	804
Ilearn Fluently	4	-	-	4
WAT	2,362	-	1,468	894
Pulling for Root	20	-	-	20
Lock In	102	-	-	102
Music Club	260	-	-	260
Future City/History Day	16	-	-	16
Hildebrand Scholarship	1,025	-	-	1,025
Big Brothers/Big Sisters	184	-	-	184
Autism	225	-	-	225
Tracks	72	-	-	72
Fundraiser	(184)	-	-	(184)
Autism	(186)	-	-	(186)
Timberwolf Pantry	673	-	-	673
Garden Club	90	(90)	-	-
German Club	1,612	(391)	-	1,221
Norman Arts Council	3,501	-	-	3,501
Triathlon Club	2,137	-	-	2,137
Sports Marketing	630	-	-	630
Literacy Magazine	50	-	-	50
6th Grade Lightning Thief	1,413	-	-	1,413
Watch Dogs	611	(600)	-	11
After School Detention	899	-	-	899
Counselor Donation	13	-	-	13
Joe Lawson Memorial	9,952	9,952	-	19,904
Irving Edition	354	-	-	354
Teacher Lounge	(358)	-	-	(358)
Fine Arts Sponsorships	558	-	-	558
Tigers Helping Tigers	3,544	-	647	2,897
Technology Student Assoc	9,460	7,214	8,973	7,701
NHS Rocketry	20	(20)	-	-
Women's Advocacy	1,145	-	-	1,145
Ritchey Revocable Trust	569	-	89	480
Teacher Support	600	-	-	600
Hatch Donations	1,056	(550)	463	43
Summer Band Camp	2,304	-	-	2,304
Wednesday Warriors	188	-	-	188
American Sign Language	141	-	-	141
Picture Commission	118,640	48,534	56,928	110,246
Solar Panels	13,565	1,461	14,980	46
PDC Donations	-	4,000	3,142	858
Girls Group	802	-	-	802
SRO Donation	724	-	-	724

Norman Independent School District No. 29
Cleveland County, Oklahoma
Combining Schedule of Changes in Assets and Liabilities – All Activity Funds
Year Ended June 30, 2025

	Ending Balance As of June 30, 2024	Total Receipts	Total Disbursements	Ending Balance As of June 30, 2025
Kindness Club	\$ 308	\$ -	\$ -	\$ 308
Running Club	-	30	30	-
Project Linus	217	200	34	383
Rho Kappa	564	399	379	584
Asian Amer Pac Island	1,312	390	820	882
Concessions	473	266,829	267,303	(1)
School Stores	4,628	166,799	152,214	19,213
Celebration of Excellence	-	78,735	78,735	-
Vending	6,507	64,660	31,590	39,577
Mathematica	11,068	189	6,892	4,365
Concessions-Athletics	44,284	53,300	25,001	72,583
Astronomy	-	1,550	1,201	349
Travel Club	1,128	-	-	1,128
Latine Heritage	498	1,048	640	906
Supt's Activity Fund	55,298	2,500	5,021	52,777
NN Courtyard	126	20	-	146
Concessions-District	41,352	28,177	-	69,529
Fourth Grade	250	3,378	1,758	1,870
Disc Golf	452	-	163	289
Living Classroom Zoo	-	-	-	-
E-Sports	15	1,014	-	1,029
Kindergarten	877	5,913	3,761	3,029
Team Terra	13	134	147	-
Site TOY Allocation	1,499	3,650	599	4,550
Energy Incentive	1,625	2,021	2,012	1,634
Holly M Food	1,162	-	-	1,162
A Light Sparks	3,804	4,800	7,195	1,409
Stu Serv Sponsorships	416	5,755	3,330	2,841
Club Funds	2,590	1,106	1,796	1,900
Walmart-Fine Arts	3,596	-	710	2,886
OAA Student Scholarship	6,650	24,319	-	30,969
Project Yawn	-	195	163	32
Athletic Gate Revenue	-	221,312	221,444	(132)
ID/Access Cards	-	2,030	-	2,030
Whittier PTO	-	46,194	183	46,011
Circle Circuit	-	356	-	356
Mindfulness Club	-	192	58	134
Unassigned	-	16	-	16
TEDx Youth	-	441	225	216
Rounding	(6)	(3)	6	(15)
Total assets	<u>\$ 2,567,140</u>	<u>\$ 3,946,717</u>	<u>\$ 3,749,025</u>	<u>\$ 2,764,832</u>
Liabilities				
Due to Student Groups	<u>\$ 2,567,140</u>	<u>\$ 3,946,717</u>	<u>\$ 3,749,025</u>	<u>\$ 2,764,832</u>
Total liabilities	<u>\$ 2,567,140</u>	<u>\$ 3,946,717</u>	<u>\$ 3,749,025</u>	<u>\$ 2,764,832</u>

Note 1 - Basis of Presentation

The above schedule and format is required by the Oklahoma State Department of Education and is not intended to represent a financial statement in accordance with generally accepted accounting principles.

Norman Independent School District No. 29
Cleveland County, Oklahoma
Schedule of Statutory, Fidelity, and Honesty Bonds (Unaudited)
Year Ended June 30, 2025

NAME	TYPE	COMPANY	BOND #	AMOUNT	BEG DATE	END DATE
Dr. Nick Migliorino	Public Official Bond	Travelers Casualty and Surety Company	106784796	\$100,000	7/1/2024	6/30/2025
Tyler Jones	Public Official Bond	RLI Insurance Company	LSM1854246	\$100,000	7/1/2024	Until Cancelled
Janine Anne Warren	Public Official Bond	Hartford Fire Insurance Company	38BSBCJ1584	\$100,000	11/16/2024	11/16/2025
Norman Public Schools	Commercial Crime Policy	St Paul Travelers	104343265	\$100,000	7/1/2004	Until Cancelled



**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***

To the Board of Education
Norman Independent School District No. 29
Norman, Oklahoma

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Norman Independent School District No. 29 (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 10, 2025.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and responses, 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 District's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency described as 2025-001 in the accompanying schedule of findings and responses to be a material weakness.

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 deficiency described as 2025-002 in the accompanying schedule of findings and responses to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2025-002.

Norman Independent School District No. 29's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Responses. The District'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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Oklahoma City, Oklahoma
November 10, 2025

Material Weakness in Internal Controls over Financial Reporting:

2025-001 Material Adjustments, including a Restatement

Criteria:	Controls over complete year-end financial reporting process should be in place. Controls should be in place to record all amounts in accordance with generally accepted accounting principles (GAAP).
Condition:	The District does have procedures in place for the preparation of the fund financial statements and government wide financial statements and related disclosures as required by generally accepted accounting principles. However, a material adjustment was noted subsequent to year-end for an expenditure that should have been accrued as a liability of June 30, 2024. Also, there was an adjustment to increase cash and decrease expense in the amount of \$778,077 in the Lease Revenue Bonds Fund. For government-wide purposes, this was removed from construction in progress. Further, there was an adjustment to increase accrued interest and interest expense in the amount of \$970,030. For government-wide purposes, this was added to accrued interest.
Cause:	A payment made in FY2025 was identified as an expenditure related to FY2024 that should have been accrued in order to properly state the financial statements in accordance with GAAP. Additionally, other adjustments were not made in accordance with GAAP related to the lease revenue bonds fund and interest expenses.
Effect:	The District is at risk for material misstatements and incomplete or inaccurate financial statements.
Recommendation:	Certain controls should be put in place to ensure that adjustments are made to properly state financials in accordance with GAAP.
Views of Responsible Officials:	• Management does have controls in place for recording financial transactions properly in the fund financial statements. • Management understands the importance of ensuring that adjustments are made to properly state government-wide financial statements in accordance with generally accepted accounting principles. • Management will put additional procedures in place to ensure all elements required to properly record adjustments are followed.

Significant Deficiency in Internal Controls over Financial Reporting; Compliance:

2025-002 Student Activity Funds

Condition:	Certain student activity receipts were not properly reconciled prior to the time of deposit to justify that amounts were deposited timely and accurately. Approximately 18% of deposits tested (8 in our sample of 40) contained an exception. Out of these exceptions, all 8 exceptions were not deposited timely.
Criteria:	Oklahoma Statutes Section 70-5-129 related to student activity funds states “deposits subject to the requirements of this section shall be made by the end of the next business day; however, if the deposit for a day totals less than \$100, a school district may accumulate monies required to be deposited into the fund on a daily basis until the total accumulated balance of deposits equals or exceeds \$100...shall deposit accumulated monies not less than one time per week”.
Cause:	In some cases, there are some processes that are not in place to ensure that the teacher sponsor receipts were properly received and deposited within the prescribed timeframe determined by state statute.
Effect:	Failure to comply with State law indicating a failure to exercise control over funds received from student activities.
Recommendation:	Requirements for daily submission of student activity funds should be monitored for all sites by District administration.
Views of Responsible Officials:	The District administration has been communicating these receipt and deposit legal requirements to site staff. Financial secretary turnover and vacancies contributed to this finding. We will continue to work with Principals and financial secretaries, with an emphasis on the importance of proper reconciliation as well as timely depositing of following these legal requirements.

Norman Independent School District No. 29
Cleveland County, Oklahoma
Schedule of Accountant's Professional Liability Insurance Affidavit
June 30, 2025

STATE OF OKLAHOMA

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) ss

County of Oklahoma

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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 Norman Independent School District No. 29 for the audit year 2024-2025.

EIDE BAILLY, LLP

Vanessa M. Dutton

Subscribed and sworn to before me on this 10 day of November, 2025.

Erika Ackley

Notary Public

My commission expires

1/27/27



EXHIBIT B

CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement dated as of March 1, 2026 (this “Disclosure Agreement”), is executed and delivered by Independent School District No. 29, Cleveland County, Oklahoma (the “Issuer”) in connection with the Issuer’s issuance of its General Obligation Combined Purpose Bonds, Series 2026 (the “Combined Purpose Bonds”) and its General Obligation Building Bonds, Federally Taxable Series 2026 (the “Building Bonds”) (collectively, the “Bonds” or the “2026 Bonds”). The Bonds are being issued pursuant to Resolutions dated as of February 23, 2026 (the “**Resolution**”). The Issuer is an “obligated person” with respect to the Bonds for the purposes of the Rule, hereinafter defined, hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist each Participating Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the “Commission”). The Issuer represents that it will be the only “obligated person” (as defined in the Rule) with respect to the Bonds at the time the Bonds are delivered to each Participating Underwriter and that no other person presently is expected to become an obligated person with respect to the Bonds at any time after the issuance of the Bonds.

Section 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Agreement 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 Agreement.

“*Audited Financial Statements*” shall mean the Issuer’s annual financial statements, prepared on a prescribed basis of accounting that demonstrates compliance with the 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.

“*Beneficial Owner*” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“*Disclosure Representative*” shall mean the Chief Financial Officer of the School District or his or her designee, or such other officer or employee as the School District shall designate from time to time.

“*Dissemination Agent*” shall mean any entity designated by the Issuer to act as the Dissemination Agent hereunder.

“*EMMA*” means the MSRB’s Electronic Municipal Market Access System. Reference is made to Commission Release No. 34-59062, December 8, 2008 (the “*Release*”) relating to the EMMA system for municipal securities disclosure effective on July 1, 2009.

“*Financial Obligation*” means 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.

“*Material Event*” shall mean any of the events listed in Exhibit B to this Disclosure Agreement.

“*Material Event Notice*” means notice of a Material Event in Prescribed Form.

“*MSRB*” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“*Official Statement*” means the “final official statement,” as defined in the paragraph (f)(3) of the Rule, relating to the Bonds.

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

“*Prescribed Form*” means, with regard to the filing of Annual Financial Information, Audited Financial Statements and notices of Material 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*” means Rule 15c2-12 promulgated by the Commission under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as in effect on the date of this Disclosure Agreement, including any official interpretations thereof.

“*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 10 business days after such information becomes available, and not later than eight months after the end of the Issuer’s fiscal year (presently July 1 through June 30), commencing with the report for the 2026 Fiscal Year, provide to the MSRB in Prescribed Form the Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Agreement; *provided* that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date but within 10 business days after they become available. If the Issuer’s fiscal year changes, it shall give notice of such change in the same manner as for a Material Event under Section 5.

(b) If the Issuer fails to provide an Annual Report to the MSRB by the date required in subsection (a), the Issuer shall send a notice of such failure to the MSRB by a date not in excess of 10 business days after the occurrence of such failure.

Section 4. Content of Annual Reports. The Issuer’s Annual Report shall contain or include by reference the following:

(a) Annual audited financial statements of the Issuer and an annual update of all material financial and operating data of the Issuer, to the same extent as provided in those portions identified in Exhibit A hereto of the Official Statement and as required by applicable state law. The descriptions in the Official Statement of financial and operating data of the Issuer are of general categories of financial and operating data deemed to be material as of the date of the Official Statement. When such descriptions include information that no longer can be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be provided in lieu of such information. Any annual financial and operating data containing modified financial information or operating data shall explain, in narrative form, the reasons for the modification and the impact of the modification on the type of financial information or operating data being provided.

(b) The audited financial statements of the Issuer for the prior fiscal year, prepared on a regulatory basis as prescribed by the Oklahoma Department of Education provided, however, that the Issuer may from time to time, if required by federal or State legal requirements, modify the basis upon which its financial statements are prepared. Notice of any such modification shall be provided to the MSRB, and shall include a reference to the specific federal or State law or regulation describing such accounting basis. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report within 10 business days of when they become available.

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

Section 5. Disclosure of Material Events. The Issuer hereby covenants that it will disseminate in a timely manner, not in excess of 10 business days after the occurrence of the event, a Material Event Notice to the MSRB in Prescribed Form. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Disclosure Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the owners of the Bonds pursuant to the Resolution. The Issuer is required to deliver such Material Event Notice in the same manner as provided by Section 3(a) of this Disclosure Agreement.

Section 6. 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 7. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Material Event Notice under Section 5.

Section 8. 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 Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Agreement.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule

at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Material Event Notice under Section 5, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or Material Event Notice, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or Material Event Notice in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or Material Event Notice.

Section 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Resolution is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Resolution. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Issuer agrees, to the extent permitted under Oklahoma law, 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 gross negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent.

Section 13. Notices. Any notices or communications to School District under this Disclosure Agreement may be given as follows: Independent School District No. 29, Cleveland County, Oklahoma, Attention: Chief Financial Officer, Telephone: 405-366-5801.

Section 14. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, each Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 15. Recordkeeping. The Issuer shall maintain records of all filings of Annual Reports and Material Event Notices, 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. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**INDEPENDENT SCHOOL DISTRICT NO. 29,
CLEVELAND COUNTY, OKLAHOMA**

By: _____
President, Board of Education

[Signature Page to Continuing Disclosure Agreement]

EXHIBIT A
DESCRIPTION OF PORTIONS OF
OFFICIAL STATEMENT REQUIRING ANNUAL UPDATE

The information under the Heading “Financial Information”

Exhibit A – Audited Financial Statements.

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EXHIBIT B

EVENTS WITH RESPECT TO THE BONDS FOR WHICH MATERIAL EVENT NOTICES ARE REQUIRED

1. Principal and interest payment delinquencies.
2. Nonpayment-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 or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
7. Modifications to rights of security holders, if material.
8. Bond calls, if material.
9. Defeasances.
10. Release, substitution or sale of property securing repayment of the securities, if material.
11. Rating changes.
12. Tender offers.
13. Bankruptcy, insolvency, receivership or similar event of the Issuer[†].
14. 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.
15. Appointment of a successor or additional trustee or the change of name of a trustee, if material.
16. The incurrence of a financial obligation of the obligated person, if material, or an 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.
17. A default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of an obligated person, any of which reflect financial difficulties.

[†]This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

EXHIBIT C

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Independent School District No. 29 of Cleveland County, Oklahoma

Name of Bond Issue: \$39,060,000 General Obligation Combined Purpose Bonds, Series 2026
and \$3,940,000 General Obligation Building Bonds, Federally Taxable
Series 2026

Date of Issuance: _____

Base CUSIP: _____

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 ____ day of _____, 2026. The Issuer anticipates that the Annual Report will be filed by _____.

Dated: _____

**Independent School District No. 29 of Cleveland
County, Oklahoma**

By: _____