HARRAH PUBLIC SCHOOLS

2011–2026 MASTER FINANCIAL & STRUCTURAL TRAJECTORY REPORT

Scope

Harrah Public Schools, I-7, Oklahoma County
Fiscal Years: 2010-11 through 2025-26
Sources: Annual audits FY2011–FY2024 + Estimates of Needs FY2024–25 and FY2025–26

I. Method & Big Picture

Methodology

- Used **audited regulatory-basis financial statements** (FY11–FY24) for:
  - Revenue & expenditure trajectories
  - Fund balances
  - Federal awards (ARRA, ESSER)
  - Debt & lease obligations
  - Internal control & compliance
- Used **Estimates of Needs** (FY25 & FY26) as forward-looking plans:
  - FY24 actuals + FY25/26 appropriations
  - Valuations and levies
  - Cash beginning balances and projected uses
- Rebuilt multi-year curves for:
  - General Fund, Building, Child Nutrition, Sinking (Debt), Capital Projects
  - Federal vs State vs Local revenue shares

- Instruction vs Support Services
- Debt & capital cycles (bonds + leases)

Big Picture

Across 15 years, Harrah Public Schools transitions from:

> A **state-aid-dependent, ARRA-stabilized district** with modest capital debt
> → to a **high-liquidity, high-capital, bond-and-lease financed district** that has successfully ridden out both the **Great Recession funding hangover** and the **COVID ESSER spike**, but remains structurally exposed to **state aid**, **support-cost inflation**, and **capital expectations**.

II. Revenue Trajectory (2011–2026)

1. Three Eras of Revenue

1. **ARRA / Post-Recession Era (FY11–FY13)**
    - Total revenues around **$18–19M**, heavily supported by **federal stimulus** (ARRA, Ed Jobs).
    - Federal share: ~$2.8M in FY11, falling to ~$1.9M by FY13.
    - State Aid ~60–65% of General Fund.
2. **State Aid Compression & Bond Expansion (FY14–FY19)**
    - Total revenues ~ $16–19M.
    - Federal stabilizes around **$1.6–1.8M**.
    - State Aid still ~65–70% GF.
    - Local valuations rising – Building & GF local revenues climb steadily.
    - Multiple short-term bond issues (2014, 2016, 2018, 2020) drive capital upgrades.
3. **COVID & ESSER Era → Post-ESSER Normalization (FY20–FY26)**
    - Revenues peak at **$20.9–24.5M** in FY22–FY23, driven by ESSER II/III and increased state funding.

    - Federal awards jump above $3.2M (ESSER II + III) in FY22, then begin falling.
    - By FY24–26, **no ESSER** remains in the plan; federal returns to core Title I/IDEA/CN levels.
    - Local revenue continues to rise with property valuations.

2. Structural Takeaways

- **State Aid dependency never falls below ~60% of GF revenues**, even in ESSER years.
- **Federal revenue behaves like a wave**: ARRA → valley → ESSER → valley.
- **Local revenue is the quiet stabilizer**: valuations grow steadily, bolstering GF, Building, and Sinking funds.

III. General Fund Trajectory

1. Fund Balance

- FY11–FY13: GF balance ~ **$1.5–2.0M** (solid but modest).
- FY14–FY16: fluctuates around **$1.3–2.4M**, with capital pressures and state-aid compression.
- FY17–FY20: climbs to **$3.4–3.8M** (post-walkout and early COVID years).
- FY21–FY23:
    - FY21: ~$2.9M (pandemic disruption)
    - FY22: **$4.5M** (ESSER II/III + conservative spending)
    - FY23: **$6.62M** (highest balance to date)
- FY24 audit: **$7.01M** GF balance – strongest in the entire 15-year period.
- FY25 & FY26 plans: treat this ~$7M as **core reserve**, not to be rapidly spent.

2. GF Expenditures: Instruction vs Support

- Instruction has consistently held between **60–67% of GF spending**.

- Support Services have grown from ~30% in early years to **mid-30s / low-40s** in recent years.
- Even in ESSER and post-ESSER years, Harrah resisted the temptation to bloat central administration; most cost increases are:
    - Required special services
    - Transportation & operations
    - Technology & compliance

Conclusion:

> GF is structurally solid, with a very strong fund balance and a reasonable — but rising — support cost footprint. The single largest remaining exposure is the **state-aid share** of total revenues.

IV. Building Fund Trajectory

The Building Fund is one of the district's **most powerful assets**.

- FY11: ~$1.55M ending balance.
- FY16: ~**$2.29M**
- FY18: ~**$3.08M**
- FY19: **$3.72M**
- FY20: **$4.25M**
- FY21: **$5.18M**
- FY22: **$4.39M** (after planned heavy maintenance)
- FY23: **$4.59M**
- FY24 audit: **$6.31M** (record high)
- FY25/FY26 budgets: continue to appropriate **~$1.5M/year** while preserving >$5M in reserves.

Implications:

- HPS has **unusual capital flexibility** for a district of its size.
- Building Fund can:
    - Bridge future bond cycles
    - Support emergency facilities work
    - Complement bond proceeds without resorting to crisis levies.
- It is also a **key buffer** if state aid falters and GF must temporarily protect instruction.

V. Child Nutrition Trajectory

- FY11: deficit, small CN balance.
- FY15: near insolvency (~$2,441 ending balance).
- FY16–FY19: consistent surpluses → balance grows past **$280k**.
- FY20–FY22: pandemic & waivers → CN balance peaks near **$830k**.
- FY23–FY24: post-waiver deficits (~$70k–$135k) reduce CN to **~$626k**, but still very safe.
- FY25 & FY26 budgets anticipate **modest ongoing CN deficits**, drawn from reserves.

Takeaway:

> CN is no longer a crisis area; it's a managed risk. But inflation and federal reimbursement policy will matter in FY27–FY30.

VI. Debt, Leases, and Capital Cycles

1. GO Bond Cycles

HPS has followed a **repeat 3-year bond pattern**:

- Bonds issued: 2010, 2011, 2013, 2014, 2016, 2018, 2020, 2022, 2024.
- Debt outstanding fluctuates between **$3.2M and $6.3M**, never approaching statutory limits.

- Sinking Fund levies have remained **stable and manageable**, thanks to valuation growth.

2. Lease-Purchase

- Around FY23, the district adds a **$6.691M lease-purchase**, making leases **larger than bonds** in outstanding principal.
- These leases likely finance:
  - Major roofs/HVAC
  - Facility systems
  - Possibly buses or technology.

3. Capital Project Funds

- Large capital spend years: **2014, 2015, 2018, 2019, 2021, 2023, 2024**.
- Large capital accumulation years: **2016, 2020, 2022, 2024** (when bonds are issued but projects not yet executed).

Structural Conclusion

> Harrah has **modernized its facilities through rolling short-term capital cycles**, supported by healthy valuations and Building Fund reserves, but now carries a **longer-tail lease burden** that must be accounted for in future operating and sinking plans.

VII. Federal Funding Cycles: ARRA → ESSER → Post-ESSER

1. **ARRA Peak (FY11–FY12)**
   - Federal expenditures around **$2.8M**, then **$2.2M**.
2. **Post-ARRA Valley (FY13–FY18)**
   - Federal stabilizes in **$1.5–1.8M** range.
3. **ESSER Era (FY20–FY23)**

    - FY20: ~$1.7M.
    - FY22 peak: **$3.23M** federal → ESSER II & III.
    - FY23: **$3.87M** – ESSER III at full speed.

4. **Post-ESSER (FY24–FY26)**
    - FY24 audit: **$2.26M** federal, including the tail of ESSER III.
    - FY25/FY26 budgets: **no ESSER**, strictly core Title/IDEA/CN funding.

Key Governance Finding:
Harrah did **not** bake ESSER-funded costs into permanent GF obligations. That's why GF remains strong in FY24–26 while other Oklahoma districts struggle.

VIII. Internal Controls & Audit Performance

Across FY11–FY24 audits:

- **No material weaknesses** reported.
- Only **minor repeat issues**:
    - Old outstanding checks in Activity Funds
    - Occasional PO date < invoice date
    - Occasional gift card documentation
    - Ticket reconciliation in athletics (FY23)

By FY22 & FY24:

- Several audits show **zero management letter findings**, including with heavy ESSER and bond activity.

Conclusion:

> The district demonstrates consistently strong internal control and governance, which supports your argument that **Harrah's problems are structural (funding model, capital load, state aid exposure)** rather than mismanagement or fraud at the school-district level.

IX. Structural Risk Matrix (Schools Only)

Summarizing 15 years:

Domain	FY11–13	FY14–16	FY17–19	FY20–22	FY23–26
Revenue Stability	Medium	Medium	High	High	High–Moderate
State Aid Dependence	High	High	High	Very High	Very High
Federal Volatility	High (ARRA)	Low	Low	High (ESSER)	Medium
GF Liquidity	Moderate	Moderate	Strong	Very Strong	**Strongest**
Building Fund Strength	Strong	Strong	Very Strong	**Exceptional**	**Exceptional+**
CN Stability	Medium	Low → Medium	Strong	Very Strong	Strong
Debt & Lease Burden	Moderate	High	High–Moderate	High	High (lease-heavy)
Capital Needs	Rising	Addressed via bonds	Mid-cycle	Large expansions	New cycle FY24–27
Instruction vs Support Balance	Healthy	Healthy	Drifting	Support rising	Needs monitoring

Overall:
Harrah Public Schools is **financially strong but structurally exposed** in three areas:

1. **State Aid reliance**
2. **Support Services cost growth**
3. **Long-term lease and capital expectations**

X. How This Master Trajectory Supports Your Broader Work

1. **Doctoral Dissertation**
    - You now have a complete, evidence-backed narrative of how a mid-sized Oklahoma district navigated:
        - ARRA
        - State revenue failures
        - Teacher walkout reforms
        - ESSER
        - Post-ESSER normalization
2. **City Manager / Policy Work**
    - You can speak credibly about how **schools and city share the same valuation base**, and how:
        - City HPWA debt + HPS bonds/leases combine into a **$30M+ public debt environment** that still remains sustainable **because** of cautious planning and valuation growth.
3. **Interdependency with City of Harrah**
    - City's sales-tax-driven solvency issues vs. the district's state-aid-driven exposure create a **two-sided risk model**:
        - If retail sales drop → City/HPWA stress
        - If State Aid formula changes → HPS stress
    - Both need *reserves, transparency, and long-range planning*—exactly what your work is about.