

**Francis Tuttle Technology Center  
School District No. 21  
Oklahoma County, Oklahoma**

Financial Report  
June 30, 2020

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### Financial Section

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**Francis Tuttle Technology Center School District No. 21**  
**Oklahoma County, Oklahoma**

**Board of Education**  
**Year Ended June 30, 2020**

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**Board of Education**

**President**

Kurt Loeffelholz

**Vice President**

Suzette Northcutt Rhodes

**Clerk**

Kathy Reeser

**Member**

David Gillogly

**Member**

Meredith Hines

**Minutes Clerk**

Laura Manahan

**Superintendent of Schools**

Dr. Michelle Keylon

**School District Treasurer**

Carol Fadaiepour

## **Financial Section**

**Independent Auditor's Report**

Board of Education  
Francis Tuttle Technology Center School District No. 21

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Francis Tuttle Technology Center School District No. 21 (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2020, 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.

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, the schedule of the District's proportionate share of the net pension liability, and the schedule of the District's contributions to Teachers' Retirement System of Oklahoma, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the 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.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) listed in the table of contents under the compliance section is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This 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 schedule of expenditures of federal awards is fairly stated in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2021, on our consideration of the District'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 the District's the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*RSM VS LLP*

Oklahoma City, Oklahoma  
March 2, 2021

**Francis Tuttle Technology Center District No. 21  
Oklahoma County, Oklahoma**

**Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2020**

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This section of Francis Tuttle Technology Center's annual financial report presents discussion and analysis of Francis Tuttle's financial performance during the fiscal year ended June 30, 2020. To fully understand Francis Tuttle's financial performance read it in conjunction with the basic financial statements and the notes to the financial statements.

**Organization**

Francis Tuttle Technology Center School District No. 21 (the District) is part of the public school system of Oklahoma under the general direction and control of the State Board of Career and Technology Education. The Francis Tuttle Technology Center School District includes all of the following public school districts: Cashion, Crescent, Deer Creek, Edmond, Putnam City and Western Heights. The Francis Tuttle Technology Center School District includes portions of four counties: Oklahoma, Logan, Kingfisher and Canadian. The District provides educational opportunities to high school students and adults who reside or work in the District. The District operates three campuses; the Rockwell, Portland and Reno campuses, as well as the Business Innovation Center in Edmond. Each campus has a variety of services and programs to meet the needs of our customers.

**Vision** – to be the first choice for programs and services in career and technology education.

**Mission** – We prepare our customers for success in the workplace.

- *Career Training Programs:* The District offers thirty-six different career training programs. These programs are designed to lead to industry certifications or licenses, employment or continuing education. These programs serve both high school students and adults. The career training programs fall into fifteen career clusters. Each career cluster is designed to offer students several choices of career major. Providing our students with many learning opportunities.
- *Adult and Career Development Classes:* Adult and career development (ACD) classes are designed around specific curriculum and are designed to provide an introduction to or enhance knowledge of specific topics. Continuing education and licensing classes are offered in several areas including real estate, insurance and health.
- *Workforce and Economic Development Services:* The District provides customized industry training to businesses and their employees in the district. This may include pre-employment, safety, skills based or management skills.

**Financial Highlights**

Ad valorem property taxes are the largest source of revenue for the District. The growth rate in property valuations has a direct impact on the financial health of the District. Over the last five years the average growth in property valuation has been 4.8% per year. In FY 2020, the growth rate for property valuation was 4.9%. The District closely monitors property valuations, and adjusts spending accordingly.

The District began construction of a new campus in Edmond in FY 2020. The campus will have 150,000 square feet including: classrooms, instructional labs, Incubator and support services. The construction for this campus is financed with Lease Revenue Bonds through the Oklahoma County Finance Authority.

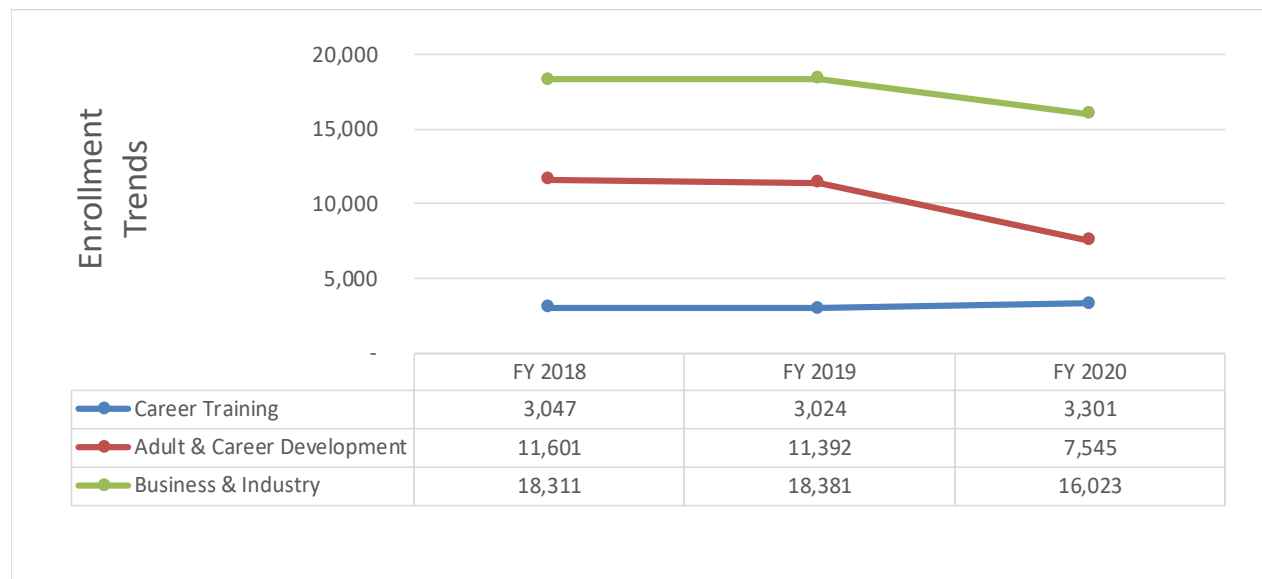
The District faced challenges and economic impacts from the worldwide COVID-19 pandemic. In March, the District transitioned from normal operations to 100% virtual in a matter of weeks. From mid-March through June 30 only essential operations occurred on-site. Most ACD classes were cancelled and industry classes were greatly reduced, this decreased both revenue and operating expenses.

The District received a Federal CARES act grant to assist adult students impacted by the move to virtual learning as well as to offset certain costs the District has as a result of the pandemic.

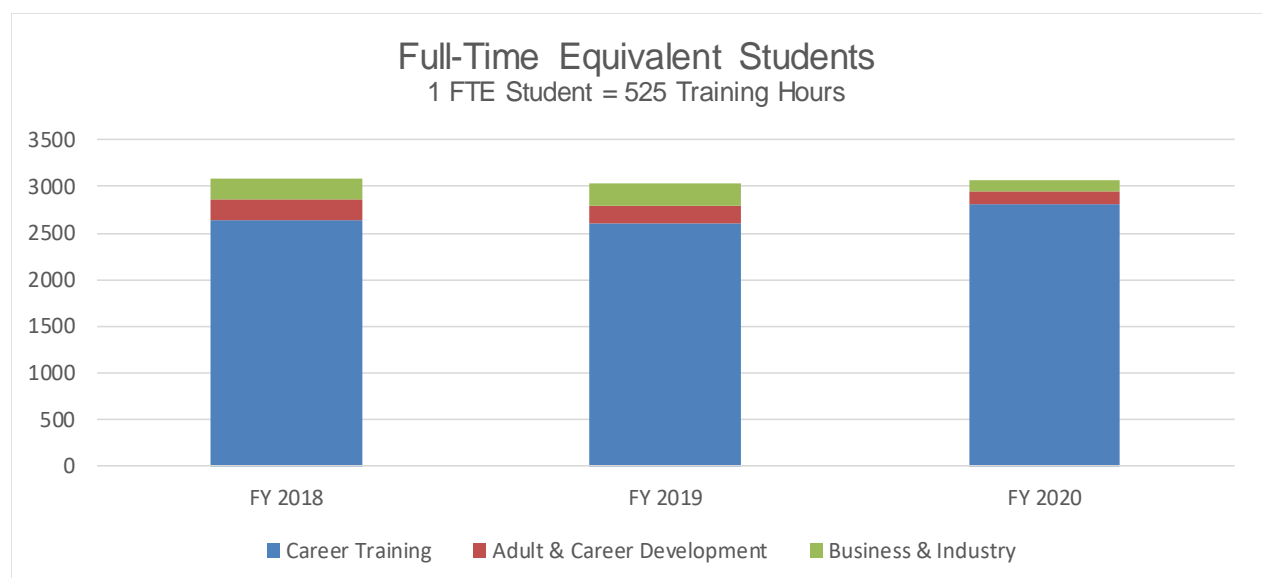
**Francis Tuttle Technology Center District No. 21**  
**Oklahoma County, Oklahoma**

**Management's Discussion and Analysis**  
**For Fiscal Year Ended June 30, 2020**

The District measures activity in terms of students served. Important measures of students served include both the number of students enrolled and the number of full-time equivalent (FTE) students. Adult and career development and business and industry classes both have high enrollment in relatively short classes. Career training classes have far fewer enrollments, but the classes last a full school year. The District contracts to provide special training for employers expanding their workforce through the Training for Industry Program (TIP).



All student training hours are converted into full-time equivalent (FTE) student counts. One FTE student is equal to the length of instruction for one high-school student for one school year (3 hours per day x 175 school days = 525 instructional hours).





**Francis Tuttle Technology Center District No. 21  
Oklahoma County, Oklahoma**

**Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2020**

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**Financial Statements**

The financial statements consist of three parts: management discussion and analysis, the basic financial statements, and supplementary information. The basic financial statements include two kinds of statements that present different views of the District. The first two statements are district-wide financial statements—the statement of net position and the statement of activities. These provide both long-term and short-term information about the District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the District's operations in more detail than the district-wide statements. The governmental funds statements tell how basic services were financed in the short term as well as what remains for future spending. The governmental funds are the general, building, and capital projects funds.

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

**Overview of Financial 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, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's net position and how they have changed. Net position, the difference between the District's assets, deferred outflows of resources, liabilities and 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 indication of whether its financial health is improving or deteriorating, respectively. To assess the overall financial health of the District, you need to consider additional factors, such as changes in the ad valorem valuation and the projected student enrollment.

The district-wide financial statements of the District are all reported under governmental activities.

- Governmental activities – All of the District's basic services are included here, such as instruction, business and industry services, administration, and community services. Local property taxes, state appropriations, federal grants, tuition and fees finance most of these activities.

The district-wide financial statements can be found on pages 14-16 of this report.

**Fund Financial Statements**

The District's fund financial statements provide detailed information about each fund—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; state law requires certain funds.

**Francis Tuttle Technology Center District No. 21  
Oklahoma County, Oklahoma**

**Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2020**

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**Fund Financial Statements (Continued)**

- Governmental funds – Most of the District's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. Governmental funds are used to account for essentially the same functions reported as governmental activities in the district-wide statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. The governmental fund statements provide a detailed short-term view of the District operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the financial statements.

The governmental funds financial statements can be found on pages 17-20 of this report.

**Financial Analysis of Francis Tuttle as a Whole**

The District's total net position was \$114,979,636 at June 30, 2020 and \$100,901,211 at June 30, 2019.

**Table 1 - Condensed Statement of Net Position**

	Governmental Activities	
	2020	2019
Assets:		
Current and other assets	\$ 139,790,631	\$ 115,295,553
Capital assets	112,340,933	96,490,508
Other non-current assets	332,203	-
Total assets	<u>252,463,767</u>	<u>211,786,061</u>
Deferred outflows of resources	<u>7,434,740</u>	<u>7,376,392</u>
Liabilities:		
Current and other liabilities	8,948,368	7,383,774
Long-term liabilities	64,279,137	41,764,830
Total liabilities	<u>73,227,505</u>	<u>49,148,604</u>
Deferred inflows of resources	<u>71,691,366</u>	<u>69,112,638</u>
Net position:		
Net investment in capital assets	80,949,802	88,174,542
Restricted	37,745,996	20,647,901
Unrestricted (deficit)	(3,716,162)	(7,921,232)
Total net position	<u>\$ 114,979,636</u>	<u>\$ 100,901,211</u>

**Francis Tuttle Technology Center District No. 21  
Oklahoma County, Oklahoma**

**Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2020**

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The majority of the District's net position is net investment in capital assets (buildings, land and equipment). These assets are not available for future spending. The restricted net position is limited in use primarily due to statutory restrictions on the building fund. The unrestricted net position has been reduced by the District's proportionate share of Oklahoma Teachers' Retirement System's (OTRS) net pension liability, see discussion below.

The District prepares its financial statements in accordance with Governmental Accounting Standards Board (GASB) standards. Under the GASB pension reporting standards, the District is allocated a proportionate share of the Oklahoma Teachers' Retirement System's (OTRS) net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense.

GASB has taken the position that the pension liability arises from the employment at the local government unit, not from state laws defining funding requirements. Previously pension costs were defined as statutorily required contributions. Therefore, the District is required to report its proportionate share of the OTRS net pension liability. It should be noted, that OTRS is a defined benefit plan, but the contributions are not actuarially determined. The statutory contribution rates have historically not been sufficient to fully fund the obligations. This funding disconnect is the primary reason for the unfunded net pension liability.

Decisions regarding the allocations are made by the administrators of the pension plan, not by the District's management. Both employer and employee contribution rates are capped by state statute. Benefit provisions are also determined by state statute. Under current Oklahoma statutes, the District is making all required contributions, and is not obligated to fund the net pension liability.

**Francis Tuttle Technology Center District No. 21**  
**Oklahoma County, Oklahoma**

**Management's Discussion and Analysis**  
**For Fiscal Year Ended June 30, 2020**

**Statement of Activities**

The results of this year's operations as a whole are reported in the statement of activities. All expenses are reported in the first column. Specific charges for services, grants, revenues and subsidies that directly relate to specific expense categories are identified to determine the final amount of the District's activities that are supported by other general revenues. The largest general revenue category is property (ad valorem) taxes.

The table below takes the information from the statement of activities, rearranges it slightly, so you can see our total revenues for the year.

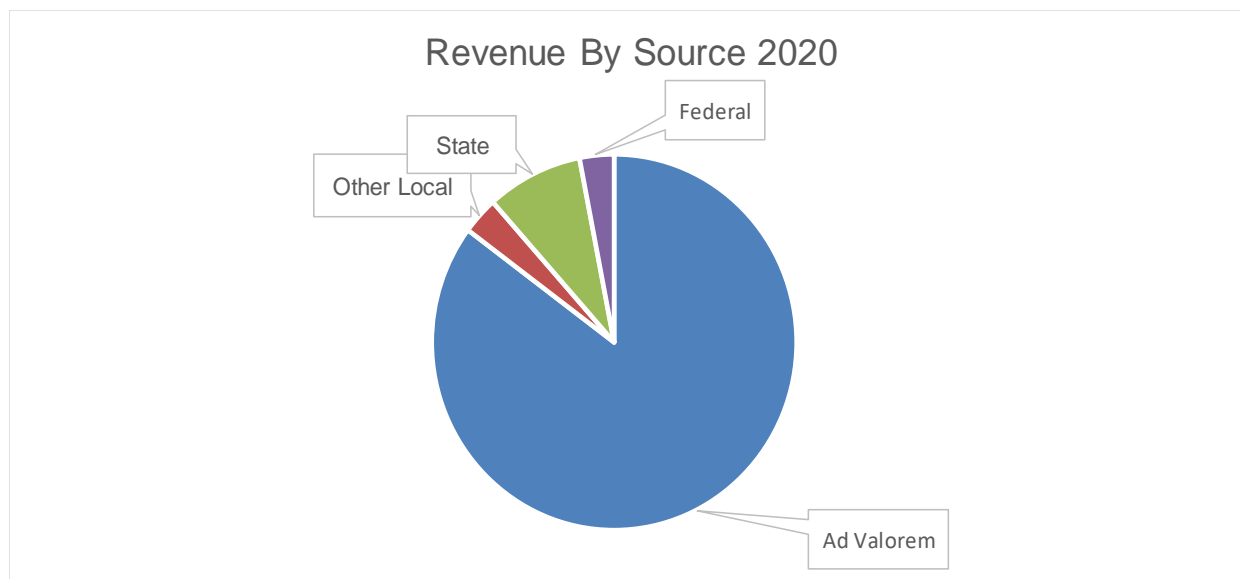
**Table 2 - Program Revenues and Expenses**

	Governmental Activities	
	2020	2019
Revenues:		
Program revenues:		
Charges for services and sales	\$ 2,186,321	\$ 3,292,698
Operating grants and contributions	5,033,674	5,230,637
General revenue:		
Property taxes	62,214,633	59,426,142
State formula funding	3,662,778	3,458,657
Other	116,585	313,213
Earnings (loss) on investments	960,560	1,099,792
Total revenues	<u>74,174,551</u>	<u>72,821,139</u>
Program expenses:		
Instruction	25,174,305	25,681,858
Instructional support	9,343,415	9,905,414
Operational support	21,459,601	19,355,773
Non-instructional services	1,974,942	2,117,404
Debt service	649,700	426,612
Student financial aid and other uses	1,494,163	1,418,196
Total expenses	<u>60,096,126</u>	<u>58,905,257</u>
Increase in net position	14,078,425	13,915,882
Net position, beginning of year	<u>100,901,211</u>	<u>86,985,329</u>
Net position, end of year	<u>\$ 114,979,636</u>	<u>\$ 100,901,211</u>

Total revenue exceeded expenses, increasing net position \$14,078,425 in FY 2020 and \$13,915,882 in FY 2019.

**Francis Tuttle Technology Center District No. 21**  
**Oklahoma County, Oklahoma**

**Management's Discussion and Analysis**  
**For Fiscal Year Ended June 30, 2020**



The following shows the District's largest functions—instructional programs, instructional support, operational support, and student financial aid as well as each program's net cost. The net cost is the total cost less revenues generated by the activities and other grants, subsidies and contributions to show the remaining financial needs supported by state and local taxes and other miscellaneous revenue.

**Fiscal Years Ended June 30, 2020 and 2019**  
**Net Cost of Governmental Activities**

Functions/Programs	2020		2019	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 25,174,305	\$ 21,669,354	\$ 25,681,858	\$ 21,081,796
Instructional support	9,343,415	8,409,002	9,905,414	8,860,105
Operational support	21,459,601	20,765,627	19,355,773	18,590,136
Non-instructional services	1,974,942	1,264,245	2,117,404	1,103,365
Debt service	649,700	649,700	426,612	426,612
Financial aid and other uses	1,494,163	118,203	1,418,196	319,908
<b>Total governmental activities</b>	<b>\$ 60,096,126</b>	<b>\$ 52,876,131</b>	<b>\$ 58,905,257</b>	<b>\$ 50,381,922</b>

**Francis Tuttle Technology Center District No. 21  
Oklahoma County, Oklahoma**

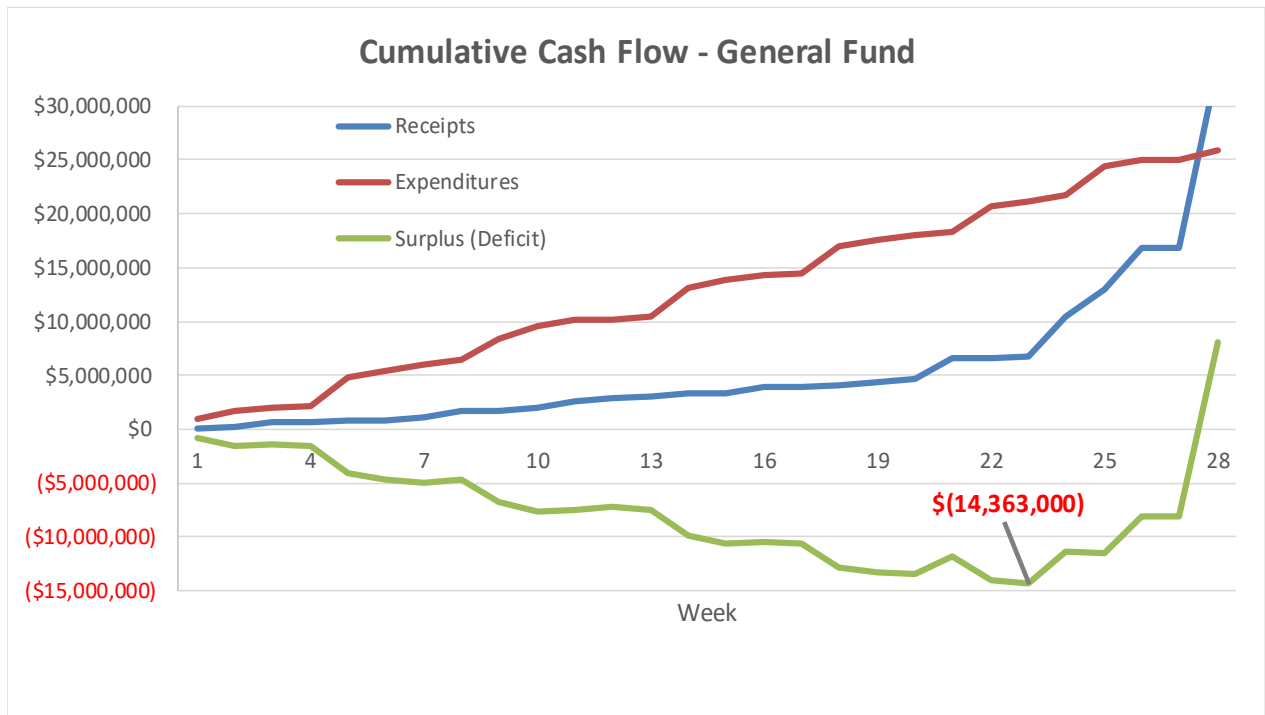
**Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2020**

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**Financial Analysis of the District's Funds**

The District's governmental funds reported a total fund balance of \$68,027,387 at June 30, 2020 and \$46,566,272 at June 30, 2019. The primary source of revenue for the governmental funds is property tax. The property tax is not received evenly throughout the fiscal year. The majority of property tax revenues are received between December 15 and March 31 of each year. The governmental funds must carryforward a fund balance large enough to finance the negative cash flow during the first five months of each fiscal year.

General Fund: The general fund balance is set at a level to fund the cash flow needs of the first half of the fiscal year. Expenditures are generally even throughout the year. Cash receipts lag behind expenditures during the first five months of the fiscal year. The collection of property taxes occurs mainly in December through March. This creates a cash flow deficit during the first part of each fiscal year. The committed fund balance is used to finance this cash flow deficit.

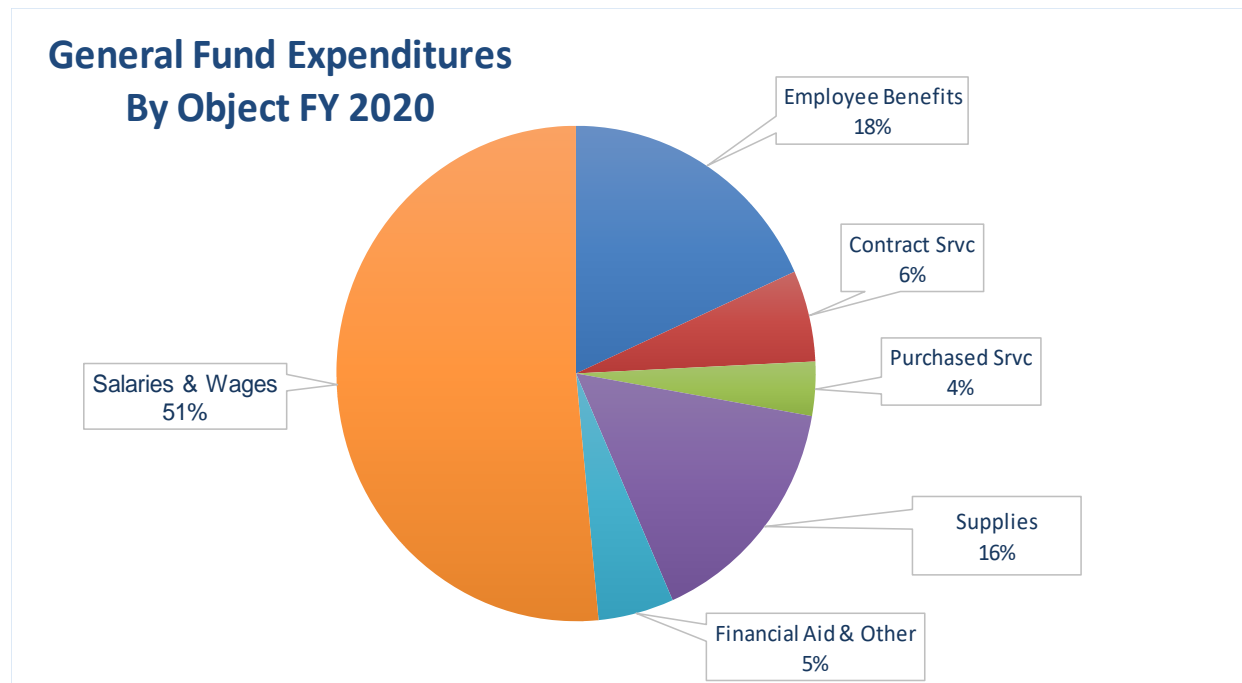


The District is a service entity and as such is labor intensive. Approximately 80% of general fund expenditures are for personnel costs (including salaries and wages, employee benefits and contract services).

**Francis Tuttle Technology Center District No. 21**  
**Oklahoma County, Oklahoma**

**Management's Discussion and Analysis**  
**For Fiscal Year Ended June 30, 2020**

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**Building Fund:** The District uses the building fund to purchase equipment; pay for utilities; maintain, remodel and build facilities and to support our instructional programs.

**Capital Projects Fund:** The District uses the capital projects fund to account for proceeds from a lease purchase agreement to be used exclusively for the construction of new school facilities.

**Student Activity Fund:** The District uses the student activity fund to account for monies collected principally through the fundraising efforts of students and District-sponsored groups. The administration is responsible, under the authority of the Board, for collecting, disbursing and accounting for these activity funds.

**Budgetary Highlights**

The District prepares budgets in compliance with Oklahoma statutes and in accordance with the School District Budget Act. The first operating budget is prepared prior to the beginning of the school year when certain factors are uncertain, such as the final net assessed property values. The Board approves budget amendments as needed. These budget amendments included the following changes:

- Certification of net assessed property values and the related effect on property tax budgets
- Changes in State formula and grant funding
- Additions to or adjustments of operating grants
- Changes in premiums for health and dental insurance

Throughout the year, the District uses an accounting method prescribed by Oklahoma statutes. This statutory method of accounting provides for recording income (revenue) when received, and encumbering expenditures when the purchase commitment is made (purchase order is issued). Budget variances are calculated based upon the statutory accounting method.

**Francis Tuttle Technology Center District No. 21  
Oklahoma County, Oklahoma**

**Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2020**

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Budget variances are considered significant if revenues are under budget or expenditures are over budget. During FY 2020, overall revenue collections were in excess of budget. Federal sources were under budget, primarily due to federal financial aid less than projections. This is also reflected in expenditures for financial aid less than budget.

In order to facilitate building projects that may extend over more than one fiscal year, construction and remodeling may be budgeted for more than is utilized during the year. During FY 2020, more funds were budgeted for the remodel projects than were encumbered.

**Capital Asset and Debt Administration**

Capital assets: At June 30, 2020, the District had approximately \$112 million invested in a broad range of capital assets, including land, school buildings, furniture and equipment. This amount represents a net increase (including additions, deletions and depreciation) of \$15.9 million from June 30, 2019. The increase is primarily the result of construction costs for the new Danforth campus.

**Governmental Activities  
Capital Assets - Net of Depreciation**

	2020	2019
Land	\$ 5,094,341	\$ 5,094,341
Site improvements	6,140,790	5,153,645
Buildings and improvements	77,346,279	76,161,068
Equipment and fixtures	5,976,969	5,849,588
Vehicles	615,054	289,982
Construction in progress	17,167,500	3,941,884
Total capital assets	<u>\$ 112,340,933</u>	<u>\$ 96,490,508</u>

Additional information on capital assets can be found in Note 4 to the financial statements.

Debt administration:

- **Bond obligations:** The District had no outstanding bond obligations as of June 30, 2020 and 2019.
- **Leases:** The District has leases space for the Francis Tuttle Business Innovation Center and the Melrose location.

The District has the following capital leases:

**Bank of America Tranche II:** On October 15, 2009, the District entered into a ground lease of certain property at the Rockwell campus from the District to Bank of America. In addition, a lease purchase agreement from Bank of America to the District was executed. The lease purchase agreement provided construction financing for the culinary arts building on the Rockwell campus. The total amount financed under this agreement was \$20,000,000.

The payments are approximately \$2.3 million per year, paid semi-annually, with the final payment January 2023. The payments are made out of the building fund. The District's net investment in the building increases incrementally as each payment is made.



**Francis Tuttle Technology Center District No. 21  
Oklahoma County, Oklahoma**

**Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2020**

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**Oklahoma County Finance Authority:** On December 10, 2019, the District entered into a ground lease of certain property at the Danforth campus from the District to Oklahoma County Finance Authority (OCFA). In addition, a lease purchase agreement from OCFA to the District was executed. The lease purchase agreement provides construction financing for the Danforth Campus. The total amount financed under this agreement was \$45,000,000. The financing will have two issues, 2019 for \$25,000,000 and 2020 for \$20,000,000. At June 30, 2020, the \$25,000,000 tranche was issued and outstanding.

The lease will be paid semi-annually with the final payment due in July 2034. The payments on tranche 1 begin at \$2 million per year and will increase with the issuance of Tranche 2 to approximately \$4 million per year. The payments will be made out of the building fund. The District's net investment in the building increases incrementally as each payment is made.

Additional information on the lease purchase agreements and operating leases can be found in Note 7 to the financial statements.

**Factors Bearing on Francis Tuttle Technology Center's Future**

There are many factors that may have a positive or negative impact on the District financial status in the future. The District is not aware of any factors, that have a reasonable possibility of occurring, which will negatively impact the District's future operations.

**Contacting the District Financial Management**

This financial report is designed to provide citizens, taxpayers, parents, students and creditors with a general overview of Francis Tuttle Technology Center District No. 21's finances and to show accountability for the money it receives. If you have questions about this report or wish to request additional financial information, please contact the Business Office, Francis Tuttle Technology Center, 12777 North Rockwell Avenue, Oklahoma City, Oklahoma 73142.

## **Basic Financial Statements**

**Francis Tuttle Technology Center School District No. 21**  
**Oklahoma County, Oklahoma**

**Statement of Net Position**  
**June 30, 2020**

	Governmental Activities
<hr/> <b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 17,646,746
Restricted cash	10,892,536
Investments	42,285,697
Interest receivable	186,423
Property taxes receivable, net—current year	2,622,640
Property taxes receivable, net—succeeding year	65,153,450
Receivables from other governments	321,371
Other receivables	160,407
Other assets	521,361
<b>Total current assets</b>	<hr/> 139,790,631 <hr/>
Noncurrent assets:	
Land and construction in progress	22,261,841
Capital assets being depreciated, net of accumulated depreciation	90,079,092
Net OPEB asset	332,203
<b>Net noncurrent assets</b>	<hr/> 112,673,136 <hr/>
<b>Total assets</b>	<hr/> 252,463,767 <hr/>
Deferred outflows of resources:	
Deferred outflows—pension plan	7,430,024
Deferred outflows—OPEB	4,716
<b>Total deferred outflows of resources</b>	<hr/> 7,434,740 <hr/>

(Continued)

**Francis Tuttle Technology Center School District No. 21**  
**Oklahoma County, Oklahoma**

**Statement of Net Position (Continued)**  
**June 30, 2020**

	Governmental Activities
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	1,667,576
Salaries and wages payable	2,051,193
Unearned revenue	15,405
Accrued interest payable	452,972
Other current liabilities	739,414
Current portion of long-term liabilities	4,021,808
<b>Total current liabilities</b>	<u>8,948,368</u>
Noncurrent liabilities:	
Compensated absences	720,072
Lease purchase agreement	28,003,091
Net pension liability	35,555,974
<b>Total noncurrent liabilities</b>	<u>64,279,137</u>
<b>Total liabilities</b>	<u>73,227,505</u>
<b>Deferred inflows of resources:</b>	
Deferred inflows—pension plan	6,368,827
Deferred inflows—OPEB	169,089
Property taxes—succeeding year	65,153,450
<b>Total deferred inflows of resources</b>	<u>71,691,366</u>
<b>Net position:</b>	
Net investment in capital assets	80,949,802
Restricted for student activities	243,905
Restricted for capital related costs	37,338,974
Restricted for OPEB	163,117
Unrestricted (deficit)	<u>(3,716,162)</u>
<b>Total net position</b>	<u><u>\$ 114,979,636</u></u>

See notes to basic financial statements.

**Francis Tuttle Technology Center School District No. 21**  
**Oklahoma County, Oklahoma**

**Statement of Activities**  
**Year Ended June 30, 2020**

Function/Programs	Expenses	Program Revenues		Net (Expense)/ Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Instruction	\$ 25,174,305	\$ 1,386,731	\$ 2,118,220	\$ (21,669,354)
Support services—instructional	9,343,415	88,893	845,520	(8,409,002)
Support services—operational	21,459,601	-	693,974	(20,765,627)
Operation of non-instruction services	1,974,942	710,697	-	(1,264,245)
Debt service	649,700	-	-	(649,700)
Financial aid and other uses	1,494,163	-	1,375,960	(118,203)
<b>Total governmental activities</b>	<b>\$ 60,096,126</b>	<b>\$ 2,186,321</b>	<b>\$ 5,033,674</b>	<b>(52,876,131)</b>
General revenues:				
Property taxes, levied for capital related costs				21,097,827
Property taxes, levied for general purposes				41,116,806
State aid—formula funding				3,662,778
Other local revenues				116,585
Earnings on investments				960,560
<b>Total general revenues</b>				<b>66,954,556</b>
<b>Change in net position</b>				<b>14,078,425</b>
Net position at beginning of year				100,901,211
<b>Net position, end of year</b>				<b>\$ 114,979,636</b>

See notes to basic financial statements.

**Francis Tuttle Technology Center School District No. 21**  
**Oklahoma County, Oklahoma**

**Balance Sheet—Governmental Funds**  
**June 30, 2020**

	General Fund	Building Fund	Capital Projects Fund	Other Governmental Fund(s)	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 12,041,018	\$ 5,337,042	\$ -	\$ 268,686	\$ 17,646,746
Restricted cash	-	-	10,892,536	-	10,892,536
Investments	19,795,469	22,490,228	-	-	42,285,697
Interest receivable	105,879	80,426	118	-	186,423
Property taxes receivable, net—current year	1,779,486	843,154	-	-	2,622,640
Property taxes receivable, net—succeeding year	43,156,838	21,996,612	-	-	65,153,450
Receivables from other governments	321,371	-	-	-	321,371
Other receivables, net	160,407	-	-	-	160,407
Due from other funds	24,781	-	-	-	24,781
Other assets	482,490	38,871	-	-	521,361
<b>Total assets</b>	<b>\$ 77,867,739</b>	<b>\$ 50,786,333</b>	<b>\$ 10,892,654</b>	<b>\$ 268,686</b>	<b>\$ 139,815,412</b>
<b>Liabilities</b>					
Accounts payable	\$ 463,149	\$ 974,798	\$ 229,629	\$ -	\$ 1,667,576
Salaries and wages payable	2,010,405	40,788	-	-	2,051,193
Unearned revenue	15,405	-	-	-	15,405
Due to other funds	-	-	-	24,781	24,781
Other liabilities	739,414	-	-	-	739,414
<b>Total liabilities</b>	<b>3,228,373</b>	<b>1,015,586</b>	<b>229,629</b>	<b>24,781</b>	<b>4,498,369</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue—property taxes	1,308,859	606,343	-	-	1,915,202
Unavailable revenue—tuition	118,504	-	-	-	118,504
Unavailable revenue—state grant	102,500	-	-	-	102,500
Property taxes—succeeding year	43,156,838	21,996,612	-	-	65,153,450
<b>Total deferred inflows of resources</b>	<b>44,686,701</b>	<b>22,602,955</b>	<b>-</b>	<b>-</b>	<b>67,289,656</b>
<b>Fund Balances</b>					
Non-spendable:					
Inventories and prepaid expenses	482,490	38,871	-	-	521,361
Restricted for:					
Capital related costs	-	27,128,921	10,663,025	-	37,791,946
Student activities	-	-	-	243,905	243,905
Committed for:					
Fund temporary cash flow deficit	13,900,000	-	-	-	13,900,000
Compensated leave	807,636	-	-	-	807,636
Assigned for:					
Compensated leave	546,204	-	-	-	546,204
Professional services and supplies	332,057	-	-	-	332,057
Unassigned	13,884,278	-	-	-	13,884,278
<b>Total fund balances</b>	<b>29,952,665</b>	<b>27,167,792</b>	<b>10,663,025</b>	<b>243,905</b>	<b>68,027,387</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 77,867,739</b>	<b>\$ 50,786,333</b>	<b>\$ 10,892,654</b>	<b>\$ 268,686</b>	<b>\$ 139,815,412</b>

See notes to basic financial statements.

**Francis Tuttle Technology Center School District No. 21**  
**Oklahoma County, Oklahoma**

**Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities**  
**June 30, 2020**

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Total fund balance—governmental funds \$ 68,027,387

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.

Cost of capital assets	189,054,880	
Less accumulated depreciation	<u>(76,713,947)</u>	112,340,933

Long-term liabilities, including capital leases and pensions, are not due and payable in the current period and therefore are not reported as liabilities in governmental funds.

Compensated absences	(1,353,840)	
Accrued interest payable	(452,972)	
Lease purchase agreements	(31,391,131)	
Net pension liability	<u>(35,555,974)</u>	(68,753,917)

Revenues that have been deferred in the governmental funds but are recognized as revenue in the government-wide financial statements. 2,136,206

OPEB assets are not current resources for government funds 332,203

Pension and OPEB related deferred outflows and inflows represent a consumption or acquisition of net position in a future period, therefore, they are not reported in governmental funds.

Deferred OPEB outflows	4,716	
Deferred pension plan outflows	7,430,024	
Deferred OPEB inflows	(169,089)	
Deferred pension plan inflows	<u>(6,368,827)</u>	896,824

<b>Net position of governmental activities</b>	<b><u><u>\$ 114,979,636</u></u></b>
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See notes to basic financial statements.

Francis Tuttle Technology Center School District No. 21  
Oklahoma County, Oklahoma

Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2020

	General Fund	Building Fund	Capital Projects Fund	Other Governmental Fund(s)	Total Governmental Funds
Revenues:					
Property taxes	\$ 41,023,100	\$ 20,931,491	\$ -	\$ -	\$ 61,954,591
Tuition, fees and other local sources, net of scholarship allowances	2,253,078	-	-	88,893	2,341,971
State sources	6,212,598	-	-	-	6,212,598
Federal sources	2,217,249	-	-	-	2,217,249
Reimbursements	187,180	-	-	-	187,180
Earnings on investments	501,647	405,451	50,756	2,706	960,560
<b>Total revenues</b>	<b>52,394,852</b>	<b>21,336,942</b>	<b>50,756</b>	<b>91,599</b>	<b>73,874,149</b>
Expenditures:					
Current:					
Instruction	20,051,860	2,535,491	-	-	22,587,351
Support services—instructional	8,235,661	321,511	-	81,022	8,638,194
Support services—operational	15,643,397	3,470,273	-	7,265	19,120,935
Non-instructional services	1,772,367	2,653	-	-	1,775,020
Financial aid and other uses	1,494,163	-	-	-	1,494,163
Capital outlay	1,266,370	5,840,736	14,119,697	-	21,226,803
Debt service:					
Principal	-	1,924,835	-	-	1,924,835
Interest	-	377,699	-	-	377,699
Issuance costs	-	-	268,034	-	268,034
<b>Total expenditures</b>	<b>48,463,818</b>	<b>14,473,198</b>	<b>14,387,731</b>	<b>88,287</b>	<b>77,413,034</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>3,931,034</b>	<b>6,863,744</b>	<b>(14,336,975)</b>	<b>3,312</b>	<b>(3,538,885)</b>
Other Financing Sources					
Capital lease	-	-	25,000,000	-	25,000,000
Total other financing sources	-	-	25,000,000	-	25,000,000
<b>Net change in fund balances</b>	<b>3,931,034</b>	<b>6,863,744</b>	<b>10,663,025</b>	<b>3,312</b>	<b>21,461,115</b>
Fund balances, beginning of year	26,021,631	20,304,048	-	240,593	46,566,272
Fund balances, end of year	\$ 29,952,665	\$ 27,167,792	\$ 10,663,025	\$ 243,905	\$ 68,027,387

See notes to basic financial statements.



**Francis Tuttle Technology Center School District No. 21  
Oklahoma County, Oklahoma**

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities  
Year Ended June 30, 2020**

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Net change in fund balances—total governmental funds	\$ 21,461,115
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Amounts reported for governmental activities in the statement of activities  
are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and are allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.

Capital outlay expenditures	21,978,402	
Depreciation expense	(6,058,242)	
Retirements and adjustments	(69,735)	15,850,425

Revenues that have been deferred in the governmental funds but are recognized as revenue in the government wide statements.	300,403
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Proceeds from the issuance of new capitalized leases	(25,000,000)
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Repayment of principal on lease purchase agreements is an expenditure in government funds, but it reduces long-term liabilities in the statement of net position.	1,924,835
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Interest on lease purchase agreements is recorded as an expenditure in government funds when paid, but interest expense in the statement of activities is accrued when incurred, regardless of when it is paid.	(272,001)
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Compensated absences payable do not require the use of current financial resources, and are therefore not reported as expenditures in governmental funds.	(239,362)
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Pension expense net of state on-behalf payments of \$1,924,100 does not require current financial resources and therefore, is not reported as expenditures in governmental funds.	(114,820)
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Net other postemployment benefit expense offset	167,830
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<b>Changes in net position of governmental activities</b>	<b>\$ 14,078,425</b>
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See notes to basic financial statements.

**Francis Tuttle Technology Center School District No. 21**  
**Oklahoma County, Oklahoma**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies**

**Reporting entity:**

Francis Tuttle Technology Center School District No. 21, (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 Career and Technology Education.

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

In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The District has not identified any component units that should be included in the District's reporting entity.

**Basic financial statements:**

Government-wide financial statements: The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include tuition or fees paid by students or clients of the District and grants or contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items, including state aid, that are not classified as program revenues are reported as general revenues.

Governmental fund financial statements: The District reports its financial activities through the use of fund accounting. This is a system of accounting wherein transactions are reported in self-balancing sets of accounts to reflect results of activities. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The General Fund, Building Fund, and Capital Projects Fund are major funds reported as separate columns in the fund financial statements. The Student Activity Fund is a non-major fund and is reported as other governmental fund(s) in the fund financial statements. A description of the activities of the various funds is provided below.

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

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

**Francis Tuttle Technology Center School District No. 21**  
**Oklahoma County, Oklahoma**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

*Special Revenue Funds* – The District's Building Fund and Student Activity Fund are reported as special revenue funds.

- *Building Fund* – The Building Fund consists primarily of monies derived from property taxes levied for the specific purposes as defined by Oklahoma Statutes. The allowable purposes include: erecting or maintaining school buildings; purchasing furniture, equipment, computer software and telecommunications services, energy and utility costs, fire and casualty insurance premiums and student transportation.
- *Student Activity Fund* – The Activity Fund is used to account for monies collected principally through the fundraising efforts of students and District-sponsored groups. The administration is responsible, under the authority of the Board, for collecting, disbursing and accounting for these activity funds.
- *Capital Projects Fund* – The Capital Projects Fund is used to account for proceeds from the lease purchase agreement described in Note 7 to be used exclusively for the construction of new school facilities.

**Measurement focus and basis of accounting:**

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty (60) days of the fiscal year end. For this purpose, the District considers revenues, other than property taxes, that are susceptible to accrual, to be available if they are collected within ninety (90) days of the end of the current fiscal period. Property taxes, interest, tuition and fees, and amounts due from other governments associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the government.

Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and pensions are recorded only when the payment is due. The general and building funds record purchases of equipment and supplies as expenditures rather than as assets to be expensed when used.

**Francis Tuttle Technology Center School District No. 21**  
**Oklahoma County, Oklahoma**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Budgets and budgetary accounting:**

The District is required by state law to prepare an annual budget. The District prepares its budget in accordance with the Oklahoma School District Budget Act. The Act requires that the Board of Education adopt a budget for all governmental funds that includes revenues and expenditures by July 1 of the new fiscal year. The approved budget creates an appropriation, which is the legal authority for the District to expend funds.

Encumbrances represent obligations related to unperformed contracts for goods or services.

*Encumbrance accounting* – under which purchase orders and other commitments of resources are recorded as expenditures of the applicable fund – is utilized in all governmental funds of the District. Unencumbered appropriations lapse at the end of each fiscal year.

**Assets, liabilities, deferred inflows/outflows of resources and net position/fund balances:**

Cash and cash equivalents: Cash consists of cash on hand, demand deposit accounts, interest bearing checking accounts, less outstanding checks. The District considers highly liquid investments with original maturity of three months or less when purchased to be cash equivalents. As of June 30, 2020, the District's cash equivalents consists of insured cash sweep accounts.

Restricted cash: Restricted cash consists of remaining proceeds from the lease purchase agreement for the construction of new school facilities described in Note 7 which are held in trust by the lessor to be used to complete the construction of the facilities in accordance with the trust agreement.

Investments: The District is allowed to invest in various instruments which are directly or indirectly guaranteed or insured by the United States government or the State of Oklahoma and warrants, bonds or judgments of the District. Investments in mutual funds, negotiable certificates of deposit, investments in U.S. Treasury or Agency securities, and investments in Oklahoma agency bonds are recorded at fair value and are generally based on quoted market prices or estimated fair values provided by brokerage statements. Investments in non-negotiable certificates of deposit are recorded at amortized cost.

The District has also invested funds in the Oklahoma Public School Liquid Asset Pool (the Pool). In accordance with state law, the Pool operates in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, the Pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. The Pool is subject to regulatory oversight by the sponsors (Oklahoma State School Boards Association, Cooperative Council of Oklahoma School Administration, Organization of Rural Oklahoma Schools, and Oklahoma Association of School Business Officials), although it is not registered with the SEC.

Investment income, including the net change in fair value of investments, is recognized and reported as earnings (loss) on investments.

Capital assets: Capital assets are reported in the government-wide financial statements. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. The donated capital assets are recorded at their estimated acquisition value at date of donation. The District defines capital assets as assets with an initial unit cost or an estimated acquisition value at the date of donation equal to or greater than \$2,500.

The costs of normal maintenance and repairs that do not add to the value or utility of the asset or materially extend asset lives are not capitalized.

**Francis Tuttle Technology Center School District No. 21**  
**Oklahoma County, Oklahoma**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

The District depreciates assets using the straight-line method beginning in the year they are placed into service. The District's capital assets have the following estimated useful lives:

Assets	Years
Buildings and building improvements	20-50
Equipment and fixtures	4-15
Vehicles	8

Salaries and wages payable: Salaries and wages payable represent amounts due under employment contracts for which the services have been performed but payment has not yet been made.

Compensated absences: A liability for compensated absences is recorded in the government-wide financial statement. The liability includes amounts due to employees upon their retirement or termination according to District policy. A liability is reported in government funds only if employees have terminated employment.

Compensated absences include annual leave; annual leave bank and contingent leave. Other unused leave is not generally payable upon termination. Annual leave time beyond 240 hours is transferred into an employee's annual leave bank at the end of each fiscal year, up to a maximum of 240 hours. Annual leave bank hours are non-usable, and are only paid upon retirement or termination. Contingent leave is a partial payment of certain unused sick leave for employees who terminate after 15 years of continuous full-time employment.

Pensions: The net pension liability, deferred inflows and outflows of resources related to pensions, pension expense, information about the fiduciary net position of the Oklahoma Teacher's Retirement System (OTRS) and additions to/deductions from OTRS's fiduciary net position have been determined on the same basis as 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 held by OTRS are reported at fair value.

Postretirement benefits other than pensions (OPEB): The net OPEB asset, deferred inflows and outflows of resources related to OPEB, OPEB benefit, information about the fiduciary net position of the Oklahoma Teacher's Retirement System (OTRS) and additions to/deductions from OTRS's fiduciary net position have been determined on the same basis as 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 held by OTRS are reported at fair value.

Deferred outflows/inflows of resources: The District's statement of financial position reports a separate section for deferred outflows of resources. The deferred outflows of resources represents the consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

The statement of financial position also reports a separate section for deferred inflows of resources. The deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**Francis Tuttle Technology Center School District No. 21**  
**Oklahoma County, Oklahoma**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

Net position classifications: In the government-wide financial statements, net position is displayed in three components as follows:

- *Net investment in capital assets:* This consists of capital assets, net of accumulated depreciation plus deferred outflows of resources (if applicable) less outstanding balances of any bonds, notes, other borrowings, or deferred inflows of resources (if applicable) attributable to the acquisition, construction, or improvement of those assets.
- *Restricted net position:* Consists of net position that is legally restricted by outside parties or by law through constitutional provisions of enabling legislation.
- *Unrestricted net position:* This consists of net position that does not meet the definition of restricted net position or net investment in capital assets.

It is the District's policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Fund balance classifications: Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned and unassigned. These classifications are defined as:

- *Nonspendable fund balance:* The nonspendable fund balance classification includes amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact. This would include items not expected to be converted to cash including inventories and prepaid amounts.
- *Restricted fund balance:* The restricted fund balance classification should be reported when constraints placed on the use of resources are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation.

The building fund expenditures are restricted by statute to certain capital related costs, the capital projects fund expenditures are restricted by a lease purchase agreement to construction of new school facilities, and the student activity fund expenditures are restricted by state laws; therefore, the fund balance of these funds is shown as restricted.

- *Committed fund balance:* The committed fund balance classification reflects specific purposes pursuant to constraints imposed by formal action (resolution) of the District's Board of Education. Also, such constraints can only be removed or changed by the same form of formal action.

The District has committed a portion of fund balance in the General Fund for funding the cash flow needs during the first half of each fiscal year. The collection of property taxes occurs mainly in December through March. This creates a temporary cash flow deficit during the first part of each fiscal year. The committed fund balance is used to finance this temporary cash flow deficit.

District policy requires payment to retiring or terminating employees for annual leave bank and conditional sick leave. The District commits a portion of fund balance for this purpose.

**Francis Tuttle Technology Center School District No. 21**  
**Oklahoma County, Oklahoma**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

- *Assigned fund balance:* The assigned fund balance classification reflects amounts that are constrained by the District's intent to be used for specific purposes, but meet neither the restricted or committed forms of constraint. Assigned fund balances cannot cause a deficit in unassigned fund balance. Board policy gives authority to the Director of Finance to assign fund balance for specific purposes.

The District assigns a portion of fund balance to honor the obligations made by the District for encumbrances (purchase orders) for which goods or services have not yet been received and accrued leave.

- *Unassigned fund balance:* The unassigned fund balance classification is the residual classification for the general fund only. It is also where negative residual amounts for all other governmental funds would be reported.

Unassigned fund balance represents the funds not restricted in use by statute nor encumbered by purchase orders, legal contracts.

The District uses restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise.

**Revenue and expenditures:**

Property taxes: 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 rolls for submission to the county treasurer prior to October 1. The county treasurer must commence tax collection within fifteen days of receipt of the tax rolls. The first half of taxes is due prior to January 1. The second half is due prior to April 1.

Other local revenues: Other local sources of revenues include tuition, fees, rentals, disposals, commissions, reimbursements, and receipts related to student activities.

Scholarship waivers: Student tuition revenue are reported net of scholarship waivers in the statements of revenues, expenses, and changes in fund balance. Scholarship waivers are awarded by the financial aid department based upon criteria set by the Board of Education. Certain governmental grants, such as Pell grants, and other federal, state, or nongovernmental programs, are recorded as operating revenues in the District's financial statements. To the extent that revenues from such programs are used to satisfy tuition and other student charges, the District has recorded a scholarship waiver. Scholarship waivers totaled \$822,774 during the year ended June 30, 2020.

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, and Oklahoma Statutes. The State Board of Career and Technology Education (State Board) administers the allocation of state aid funds to technology center districts. The state aid funding formula includes the following factors: enrollment, number of school sites in the district, number of approved programs, transportation and local resources.

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

**Francis Tuttle Technology Center School District No. 21**  
**Oklahoma County, Oklahoma**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

The District receives revenue from the state to administer certain categorical educational programs. State Board rules require that revenue earmarked for these programs be expended only for the program for which the money is provided and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical programs. The State Department requires that categorical educational program revenues be accounted for in the general fund.

Federal revenues: Federal revenues consist of revenues from the federal government in the form of operating grants or entitlements. An operating grant is a contribution to be used for a specific purpose, activity or facility. A grant may be received either directly from the federal government or indirectly as a pass-through from another government, such as the state. The majority of the federal revenues received by the District are apportioned to the general fund.

Expenditures: District expenditures are classified based upon their functional classification.

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

**District's use of estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires the District to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**New accounting pronouncements adopted in fiscal year 2020:** The District adopted the following new accounting pronouncements during the year ended June 30, 2020:

- GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, was issued in May 2020, and was effective for the District in the fiscal year ended June 30, 2020. The statement allows for the delay of previously issued standards due to the effects of the COVID-19 pandemic. Those later effective dates are reflected in the section below.

**New accounting pronouncements issued not yet adopted:** The GASB has issued new accounting pronouncements which will be effective to District in future years. A description of the new accounting pronouncements are described below:

- GASB Statement No. 87, *Leases*, issued June 2017, will be effective for the District beginning with its fiscal year ending June 30, 2022 with earlier adoption encouraged. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability and (2) an intangible asset representing the lessee's right to use the leased asset. In addition, the District must report the (1) amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (2) interest expense on the lease liability and (3) note disclosures about the lease. The statement provides exceptions from the single-approach for short-term leases, financial purchases, leases of assets that are investments, and certain regulated leases. This statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, non-lease components embedded in lease contracts (such as service agreements), and leases with related parties. The District is currently evaluating the impact that this new standard may have on its financial statements.



**Francis Tuttle Technology Center School District No. 21**  
**Oklahoma County, Oklahoma**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans. The statement will be effective for the District with its year ending June 30, 2022. The District is currently evaluating the impact that this new standard may have on its financial statements.

**Note 2. Cash, Cash Equivalents and Investments**

Custodial credit risk – deposits - Custodial credit risk is the risk that in the event of failure of a counterparty, the District will not be able to recover its deposits. Deposits are exposed to credit risk if they are uninsured or uncollateralized. The District's policy requires that all deposits in excess of amounts covered by federal deposit insurance be fully collateralized by the entity holding the deposits. As of June 30, 2020, all of the District's deposits were federally insured by the federal deposit insurance corporation (FDIC) or the national credit union administration (NCUA) or collateralized.

Custodial credit risk – investments - For an investment, custodial credit risk is the risk that the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if they are uninsured, are not registered in the name of the District and are held by counterparty or the counterparty's trust department but not in the name of the District. The District's policy requires that all investments in excess of amounts covered by federal deposit insurance be fully collateralized by the entity holding the investments. As of June 30, 2020, all of the District's investments were either federally insured by FDIC or NCUA or are invested in federal securities. Further, all of the District's investments are held by its agent in the District's name. Accordingly, no investments are subject to custodial credit risk.

The District's investments consist of U.S. agency and instrumentality bonds, State of Oklahoma bonds and certificates of deposit, money market mutual funds, repurchase agreements, and qualified investment pools. The District also had an investment in a joint venture that was terminated during the year ended June 30, 2020 which is further discussed in Note 11. The District's investment policies are governed by state statute. The majority of the District's investments are carried at fair value. The District's investments in non-negotiable certificates of deposit and an external investment pool are recorded at amortized cost.

Credit risk - Credit risk measures the ability of the issuer to meet its obligation. The District's investment policy requires that funds be invested to provide maximum security. The mutual funds held by the District are invested in the Fidelity Institutional Money Market Government Portfolio – Class II which is rated AAA-mf by Moody's and AAAM by Standard & Poor's. Oklahoma Bonds held by the District are rated by Moody's Aaa or Standard & Poor's AA. Investments in Federal Home Loan Banks (FHLB) and Federal Home Loan Mortgage Corp (FHLMC) are rated AA+ by Standard & Poor's. Other investments are in certificates of deposits, repurchase agreements, or Oklahoma liquid asset pool which are not rated.

Concentration of credit risk - The district policy does not limit the amount the District may invest in any one issuer. The concentration of the investments is listed in the table on the following page.

**Francis Tuttle Technology Center School District No. 21**  
**Oklahoma County, Oklahoma**

**Notes to Financial Statements**

**Note 2. Cash, Cash Equivalents and Investments (Continued)**

Interest rate risk - Interest rate risk is the risk that changes in interest rate will adversely affect the fair value on an investment. The length of an investment has an inverse relationship with interest rate risk. Short-term investments have very little interest rate risk. As the length of an investment increases, the interest rate risk also increases. The District strives to maintain a balance between the investment yield and acceptable interest rate risk. The District's investment policy requires appropriate liquidity and a competitive rate of return.

As of June 30, 2020, the District's investments had the following maturities:

Category	% of Portfolio	Investment Maturities in Years			Total Fair Value
		< 1	1-5	6-10	
Mutual funds	0%	\$ 1,851	\$ -	\$ -	\$ 1,851
Negotiable certificates of deposit	72%	6,994,810	2,477,572		9,472,382
Oklahoma bond funds:					
ODFA	3%	148,669		257,920	406,589
US government agencies:					
FFCB	2%	-		300,810	300,810
FHLMC	4%	-	500,800		500,800
US Treasury notes	19%	2,513,748			2,513,748
	100%	\$ 9,659,078	\$ 2,978,372	\$ 558,730	\$ 13,196,180

Non-negotiable certificates of deposit of \$14,978,400, recorded at amortized cost, have maturity dates of less than one year as of June 30, 2020. The District's investment in an external investment pool, recorded at amortized cost, allows the District to withdraw funds on a daily basis.

Fair value hierarchy: The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market based measurement, not an entity specific measurement. For some assets and liabilities, observable market transactions or market information might be available; for others, it might not be available. However, the objective of a fair value measurement in both cases is the same—that is, to determine the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions. Fair value is an exit price at the measurement date from the perspective of a market participant that controls the asset or is obligated for the liability.

**Francis Tuttle Technology Center School District No. 21**  
**Oklahoma County, Oklahoma**

**Notes to Financial Statements**

**Note 2. Cash, Cash Equivalents and Investments (Continued)**

The District's investments are categorized by the fair value measurements within the fair value hierarchy established by generally accepted accounting principles. These guidelines recognize a three tiered fair value hierarchy, as follows:

**Level 1:** Quoted prices in active markets for identical assets;

**Level 2:** Significant other observable inputs, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets in markets that are not active, and other market corroborated inputs; and,

**Level 3:** Significant unobservable inputs

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

Category	Fair Value Measurements Using:			Total Fair Value
	Level 1	Level 2	Level 3	
Mutual funds	\$ -	\$ 1,851	\$ -	\$ 1,851
Negotiable certificates of deposit	-	9,472,382	-	9,472,382
Oklahoma bond funds				
ODFA	-	406,589	-	406,589
US government agencies				
FHLB	-	300,810	-	300,810
FHLMC	-	500,800	-	500,800
US Treasury notes	2,513,748	-		2,513,748
	<u>\$ 2,513,748</u>	<u>\$ 10,682,432</u>	<u>\$ -</u>	<u>\$ 13,196,180</u>

**Cash/investments reported at amortized cost:**

Non-negotiable certificates of deposits	14,978,400
Money market account deposits	-
External investment pool - Oklahoma School Liquid Asset Pool	14,112,968
Insured cash sweep deposits	15,810,570
Restricted cash	10,892,536
Cash deposits	1,834,325
Total cash, cash equivalents and investments	<u>\$ 70,824,979</u>

**Francis Tuttle Technology Center School District No. 21**  
**Oklahoma County, Oklahoma**

**Notes to Financial Statements**

**Note 3. Receivables (Net of Allowance for Uncollectibles)**

Below is a summary of receivables including the applicable allowances for uncollectible accounts:

	Governmental Funds			
	General	Building	Capital	
	Fund	Fund	Projects	Total
			Fund	
Interest receivable	\$ 105,879	\$ 80,426	\$ 118	\$ 186,423
Property taxes	2,662,486	1,310,154	-	3,972,640
Property taxes - succeeding year	43,373,707	22,107,148	-	65,480,855
Receivables from other governments	321,371	-	-	321,371
Other	633,202	-	-	633,202
Total gross receivables	47,096,645	23,497,728	118	70,594,491
Less allowance	(1,572,664)	(577,536)	-	(2,150,200)
Net receivables	<u>\$ 45,523,981</u>	<u>\$ 22,920,192</u>	<u>\$ 118</u>	<u>\$ 68,444,291</u>

Succeeding year property tax receivables are recorded on the lien date of January 1st with the related revenue reported as a deferred inflow of resources and will not be recognized as revenue until the year for which it is budgeted for use.

At June 30, 2020, approximately \$2 million of current property taxes, tuition, and federal grant receivables were considered to be unavailable and were recorded as deferred inflows of resources in the governmental fund statements. At June 30, 2020, approximately \$65 million of succeeding year property taxes were recorded as deferred inflows of resources in the governmental fund statements and government-wide statements.

**Francis Tuttle Technology Center School District No. 21**  
**Oklahoma County, Oklahoma**

**Notes to Financial Statements**

**Note 4. Capital Assets**

Capital assets activity for the year ended June 30, 2020, was as follows:

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 5,094,341	\$ -	\$ -	\$ -	\$ 5,094,341
Construction in progress	3,941,884	19,420,018	(6,194,402)	-	17,167,500
Total capital assets, not being depreciated	9,036,225	19,420,018	(6,194,402)	-	22,261,841
Capital assets, being depreciated:					
Site improvements	10,888,295	419,064	1,209,216	(203,885)	12,312,690
Building and improvements	126,030,698	155,684	4,985,186	(95,074)	131,076,494
Equipment and fixtures	22,170,278	1,566,333		(2,006,157)	21,730,454
Vehicles	1,362,091	417,303		(105,993)	1,673,401
Total capital assets, being depreciated	160,451,362	2,558,384	6,194,402	(2,411,109)	166,793,039
Less accumulated depreciation for:					
Site improvements	(5,734,650)	(641,135)		203,885	(6,171,900)
Building and improvements	(49,869,630)	(3,955,254)		94,669	(53,730,215)
Equipment and fixtures	(16,320,690)	(1,369,622)		1,936,827	(15,753,485)
Vehicles	(1,072,109)	(92,231)		105,993	(1,058,347)
Total accumulated depreciation	(72,997,079)	(6,058,242)	-	2,341,374	(76,713,947)
Governmental activities capital assets, net	\$ 96,490,508	\$ 15,920,160	\$ -	\$ (69,735)	\$ 112,340,933

Under the District's capitalization policy assets with a unit cost or an estimated acquisition value at the date of donation of less than \$2,500, are not reported as capital assets in the financial statements nor are they included in depreciation calculations.

Depreciation expense for the year ended June 30, 2020, was charged to functions/programs of the District as follows:

Governmental activities:	
Instruction	\$ 2,611,102
Support services - instructional	969,319
Support services - operational	2,277,899
Operation of non-instruction services	199,922
Total depreciation expense	<u>\$ 6,058,242</u>

**Francis Tuttle Technology Center School District No. 21**  
**Oklahoma County, Oklahoma**

**Notes to Financial Statements**

**Note 5. Interfund Receivables and Payables**

On June 30, 2020, the student activity fund had a balance due to the general fund of \$24,781. This is shown as due from other funds on the general fund balance sheet and as due to general fund in the other governmental funds balance sheet.

Certain revenues are collected in the activity fund on behalf of the general fund. These include tuition payments and resale revenue. The revenue, net of refunds, is transferred to the general fund upon approval of the Board of Education. Revenue and expenditures of the student activity fund are reported net of this activity related to tuition payments and resale revenue.

**Note 6. Long-Term Liabilities**

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 can be approved by the voters and issued by the District for various capital improvements. These bonds are then required to be fully paid serially within 25 years of the date of issue.

General long-term debt of the District normally would consist of building bonds payable. Debt service requirements for bonds are payable solely from the fund balance and the future revenues of the debt service fund. The District had no outstanding bonds as of June 30, 2020.

Long-term liabilities of the District consists of lease purchase agreements, obligations for compensated absences and the net pension liability. The obligations for compensated absences include accrued annual leave and certain contingent leave balances payable only upon retirement or termination. Payments for accrued annual leave and contingent leave are generally paid out of the General Fund. See Note 8 for additional disclosures related to the net pension liability.

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due in One Year
Compensated absences:					
Annual leave	\$ 376,726	\$ 677,059	\$ (520,017)	\$ 533,768	\$ 533,768
Contingent leave	737,752	184,046	(101,726)	820,072	100,000
	<u>1,114,478</u>	<u>861,105</u>	<u>(621,743)</u>	<u>1,353,840</u>	<u>633,768</u>
Lease purchase agreements:					
Bank of America Tranche II	8,315,966	-	(1,924,835)	6,391,131	2,018,040
OCFA - RCB Bank	-	25,000,000	-	25,000,000	1,370,000
Total long-term liabilities	<u>\$ 9,430,444</u>	<u>\$ 25,861,105</u>	<u>\$ (2,546,578)</u>		<u>\$ 4,021,808</u>
Net pension liability				35,555,974	
Total long-term liabilities				<u>\$ 68,300,945</u>	

**Francis Tuttle Technology Center School District No. 21**  
**Oklahoma County, Oklahoma**

**Notes to Financial Statements**

**Note 7. Lease Purchase Agreements and Operating Leases**

**Bank of America Tranche II:** On November 15, 2009, the District entered into a ground lease of certain property at the Rockwell campus from the District to Bank of America. In addition, a lease purchase agreement from Bank of America to the District was executed. The lease purchase agreement provides construction financing for the culinary arts building being constructed on the Rockwell campus. The total amount financed under this agreement was \$20,000,000.

The lease-purchase calls for 24 semiannual payments starting July 2011 through January 15, 2023. The payments will be made out of the building fund. The District's net investment in the building increases incrementally as each payment is made.

**Oklahoma County Finance Authority:** On December 10, 2019, the District entered into a ground lease of certain property at the Danforth campus from the District to Oklahoma County Finance Authority (OCFA). In addition, a lease purchase agreement from OCFA to the District was executed. The lease purchase agreement provides construction financing for the Danforth Campus. The total amount financed under this agreement was \$45,000,000. The financed amount is split into two tranches; the first \$25,000,000 closed in December 2019; the final \$20,000,000 closed in September 2020.

The lease-purchase calls for 29 semiannual payments starting July 2020 through July 15, 2034. The payments will be made out of the building fund. The District's net investment in the building increases incrementally as each payment is made.

The lease payments will be as follows:

Fiscal Year	BOA	OCFA - RCB	Total
	Tranche II	2019 Issue	
2020-21	\$ 2,300,000	\$ 1,982,586	\$ 4,282,586
2021-22	2,300,000	1,279,518	3,579,518
2022-23	2,339,207	1,363,133	3,702,340
2023-24	-	1,967,228	1,967,228
2024-25	-	2,403,525	2,403,525
2025-26 to 2029-30	-	11,356,578	11,356,578
Thereafter	-	9,358,923	9,358,923
Total obligation	6,939,207	29,711,491	36,650,698
Less amounts representing interest	(548,076)	(4,711,491)	(5,259,567)
Lease purchase payable	\$ 6,391,131	\$ 25,000,000	\$ 31,391,131
Current portion of lease payable	\$ 2,018,040	\$ 1,370,000	\$ 3,388,040

The gross amount of buildings and construction in process acquired under Bank of America Tranche II and the OCFA capital leases at June 30, 2020 was \$19,500,000 and \$14,120,000, respectively.

**Operating lease:** The District has a lease agreement for the Business Innovation Center. The initial lease term began in July 2013 and continues through June 2023, depending upon annual ratification. Lease payments during FY 2019-20 was \$514,981. The annual lease payments for FY 2021-2023 range from approximately \$517,600 to approximately \$522,700.

**Francis Tuttle Technology Center School District No. 21**  
**Oklahoma County, Oklahoma**

**Notes to Financial Statements**

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**Note 8. Employee Retirement System**

**Oklahoma Teachers Retirement System:**

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

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

Benefit provisions include:

- Members become 100% vested in retirement benefits earned to date after five years of credited Oklahoma service.
- Members are eligible to retire at maximum benefits when who joined OTRS by June 30, 1992, are age and years of creditable service total 80. Members joining OTRS 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. Monthly benefits are 1/12 of this amount.
- Final compensation for members who joined OTRS prior to July 1, 1992, is defined as the average salary for the three highest years of compensation. Final compensation for members joining OTRS after June 30, 1992, is defined as the average of the 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. Service credits accumulated after June 30, 1995, are calculated based on each member's final average compensation.
- 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, OTRS will pay \$5,000 to the designated beneficiary, in addition to the benefits provided for the retirement option selected by the member.
- A member is eligible for disability benefits after ten years of credited Oklahoma service. The disability benefit is equal to 2% of final average compensation for the applicable 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).



**Francis Tuttle Technology Center School District No. 21**  
**Oklahoma County, Oklahoma**

**Notes to Financial Statements**

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**Note 8. Employee Retirement System (Continued)**

Contributions: The contribution requirements of OTRS are at an established rate determined by Oklahoma Statute and are not based on actuarial calculations. The District's contribution rate is 9.5% for the year ended June 30, 2020. In addition, the District is required to match the State of Oklahoma's contribution rate on salaries that are paid with federal funds. The District's contributions to OTRS in 2020 was \$2,509,964 equal to the required contributions. The District's matching contributions to OTRS in 2020 was \$22,068.

Employees are required to contribute 7% of their annual compensation, which the District pays on behalf of full-time employees as allowed by statute. The District made contributions on behalf of its' full-time employees in 2020 totaling \$1,773,187.

The State of Oklahoma makes a contribution on behalf of each teacher meeting minimum salary requirements (known as the OTRS years of service credit). The credit amount is determined based on years of service and ranges from \$60.15 per year for -0- years of service to \$1,410.53 per year for 25 years or more of service. For the fiscal year ended June 30, 2020, the State of Oklahoma paid \$146,808 on behalf of teachers employed at the District. In accordance with generally accepted accounting practices, the District recognized the on-behalf-of payments as revenue and expense/expenditure in the government-wide and fund financial statements.

The State of Oklahoma is also required to contribute to the system on behalf of the participating employers. For 2020, the State of Oklahoma contributed 5% of state revenues from sales and use taxes and individual income taxes, to the system on behalf of participating employers. The District has estimated the amounts contributed to the system by the State of Oklahoma on its behalf based on a contribution rate provided to the District. For the year ended June 30, 2020, the total amount contributed to the system by the State of Oklahoma on behalf of the District was approximately \$1.9 million. In accordance with generally accepted accounting practices, the District recognized the on-behalf-of payments as revenue and expense/expenditure in the fund financial statements. In the government-wide statement of activities, revenue is recognized for the State's on-behalf contributions on an accrual basis of approximately \$1.8 million.

These on-behalf payments do not meet the definition of a special funding situation.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions: At June 30, 2020, the District reported a liability of \$35,555,974 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. The District's proportion of the net pension liability was based on the District's contributions to OTRS relative to total contributions of OTRS for all participating employers for the year ended June 30, 2019. Based upon this information, the District's proportion was 0.5373%. The change in proportion from the June 30, 2018, measurement date was a decrease of 0.0374%.

**Francis Tuttle Technology Center School District No. 21**  
**Oklahoma County, Oklahoma**

**Notes to Financial Statements**

**Note 8. Employee Retirement System (Continued)**

For the year ended June 30, 2020, the District recognized pension expense of \$1,961,399. At June 30, 2020, 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	\$ 1,825,224	\$ 1,523,679
Changes of assumptions	1,866,763	1,199,940
Net difference between projected and actual earnings on pension plan investments	241,140	-
Changes in proportion and differences between District contributions and proportionate share of contributions	986,933	3,645,208
Total deferred amounts to be recognized in pension expense in future periods	4,920,060	6,368,827
District contributions subsequent to the measurement date	2,509,964	-
Total deferred amounts related to pension	<u>\$ 7,430,024</u>	<u>\$ 6,368,827</u>

Deferred pension outflows totaling approximately \$2.5 million resulting from the District's contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Net deferred outflows resulting from the difference between projected and actual earnings on pension plan investments will be recognized in pension expense over five years as of the beginning of each measurement period. Other deferred inflows and outflows are being amortized over a closed period equal to the average of the expected service lives of all employees as of the beginning of the measurement period. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ 715,083
2022	(1,839,801)
2023	(552,640)
2024	230,156
2025	(1,565)
	<u>\$ (1,448,767)</u>

**Francis Tuttle Technology Center School District No. 21**  
**Oklahoma County, Oklahoma**

**Notes to Financial Statements**

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**Note 8. Employee Retirement System (Continued)**

**Actuarial assumptions:** The total pension liability was determined based on an actuarial valuation prepared as of June 30, 2019, using the following actuarial assumptions:

- |                                          |                                                                                                                                                                                                                                                                                                                                                                                              |
|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| • Actuarial cost method                  | Entry age normal                                                                                                                                                                                                                                                                                                                                                                             |
| • Inflation                              | 2.5%                                                                                                                                                                                                                                                                                                                                                                                         |
| • Future ad hoc cost-of-living increases | None                                                                                                                                                                                                                                                                                                                                                                                         |
| • Salary increases                       | Composed of 3.25% wage inflation, including 2.50% price inflation, plus a service-related component ranging from 0.00% to 8.00% based on years of service.                                                                                                                                                                                                                                   |
| • Investment return                      | 7.5%                                                                                                                                                                                                                                                                                                                                                                                         |
| • Retirement age                         | Experience-based table of rates based on age, service, and gender. Adopted by the Board in May 2015 in conjunction with the five-year experience study for the period ended June 30, 2014.                                                                                                                                                                                                   |
| • Mortality rates after retirement       | <i>Males:</i> RP-2000 Combined Healthy Mortality Table for Males with White Collar Adjustments. Generational mortality improvements in accordance with Scale BB from the table's base year of 2000.<br><br><i>Females:</i> GRS Southwest Region Teacher Mortality Table, scaled at 105%. Generational mortality improvements in accordance with Scale BB from the table's base year of 2012. |
| • Mortality rates for active members     | RP-2000 Employee Mortality tables, with male rates multiplied by 60% and female rates multiplied by 50%.                                                                                                                                                                                                                                                                                     |

The mortality rates were developed based upon the June 30, 2014 experience study.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**Francis Tuttle Technology Center School District No. 21**  
**Oklahoma County, Oklahoma**

**Notes to Financial Statements**

**Note 8. Employee Retirement System (Continued)**

The target asset allocation and best estimates of arithmetic expected real rates of return for each major asset class as of June 30, 2019, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	38.5%	7.5%
International equity	19.0%	8.5%
Fixed income	23.5%	2.5%
Real estate*	9.0%	4.5%
Alternative assets	10.0%	6.1%
	<u>100%</u>	

\*The Real Estate total expected return is a combination of US Direct Real Estate (unleveraged) and US Value added Real Estate (unleveraged).

**Discount rate:** The discount rate used to measure the total pension liability was 7.5%. This single discount rate was based solely on the expected rate of return on pension plan investments of 7.5%. 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 payroll. 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. Based on the stated assumptions and the projection of cash flows, OTRS' fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the net pension liability to changes in the discount rate:** The following table presents the net pension liability of the District calculated using the discount rate of 7.5%, as well as what the District's net pension liability would be if OTRS calculated the total pension liability using a discount rate that is 1-percentage point lower (6.5%) or 1-percentage point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
District's net pension liability	\$ 50,102,251	\$ 35,555,974	\$ 23,387,291

**Note 9. Other Post-Employment Benefits (OPEB)**

**Oklahoma Teachers Retirement System:**

In addition to the retirement plan described in Note 8, the District participates in the state-administered Supplemental Health Insurance Program (OPEB plan) within Teachers' Retirement System of Oklahoma (the OPEB system), which is a cost-sharing multiple-employer defined benefit OPEB plan administered by the Oklahoma Teacher 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/TRS/](http://www.ok.gov/TRS/).

**Francis Tuttle Technology Center School District No. 21**  
**Oklahoma County, Oklahoma**

**Notes to Financial Statements**

**Note 9. Other Post-Employment Benefits (OPEB) (Continued)**

Plan description: The OPEB System provides a monthly health insurance premium supplement retired members who are enrolled in the Oklahoma State health insurance plan, provided the retired member had at least ten (10) year of Oklahoma service prior to retirement.

Benefits provided: OTRS pays a medical insurance supplement to eligible members who elect to continue their employer provide health insurance. The supplement is between \$100 and \$105 per month, provided the member has ten years of Oklahoma service prior to retirement.

Contributions – Employer and employee contributions are made based upon the TRS Plan provisions contained in State Statute Title 70, as amended. However, the statutes do not specify or identify and 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 8; from this amount OTRS allocates a portion of the contributions to the supplemental health insurance program. The cost of the subsidy averages 0.15% of normal cost as determined by an actuarial valuation. The District's contributions to OTRS in 2020 totaled \$4,716.

OPEB liabilities (assets), OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEB: At June 30, 2020, the District reported an asset of \$332,203 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2019, and the total OPEB liability (asset) used to calculate the net OPEB asset was determined by an actuarial valuation as of June 30, 2019. 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, 2019. Based upon this information, the District's proportion was 0.537%.

For the year ended June 30, 2020, the District recognized OPEB benefit of (\$163,114). At June 30, 2020, 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	\$ -	\$ 121,424
Net difference between projected and actual earnings on OPEB plan investments	-	47,665
Total deferred amounts to be recognized in OPEB expense (benefit) in future periods	-	169,089
District contributions subsequent to the measurement date	4,716	-
Total deferred amounts related to OPEB	\$ 4,716	\$ 169,089

**Francis Tuttle Technology Center School District No. 21**  
**Oklahoma County, Oklahoma**

**Notes to Financial Statements**

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**Note 9. Other Post-Employment Benefits (OPEB) (Continued)**

The \$4,716 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended June 30, 2021. Net deferred outflows resulting from the difference between projected and actual earnings on OPEB plan investments will be recognized in OPEB expense over five years as of the beginning of each measurement period. Other deferred inflows are being amortized over a closed period equal to the average of the expected service lives of all employees as of the beginning of the measurement period. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2021	\$ (59,932)
2022	(59,932)
2023	(27,078)
2024	(8,612)
2025	(10,992)
Therafter	(2,543)
	<u>\$ (169,089)</u>

**Actuarial assumptions:** The total OPEB liability (asset) was determined based on an actuarial valuation prepared as of June 30, 2019, using the following actuarial assumptions:

- Actuarial cost method                      Entry age normal
- Inflation                                        2.5%
- Future ad hoc cost-of-living increases    None
- Salary increases                              Composed of 3.25% wage inflation, including 2.50% price inflation, plus a service-related component ranging from 0.00% to 8.00% based on years of service.
- Investment return                            7.5%
- Retirement age                                Experience-based table of rates based on age, service, and gender. Adopted by the Board in May 2015 in conjunction with the five-year experience study for the period ended June 30, 2014.
- Mortality rates after retirement           *Males:* RP-2000 Combined Healthy Mortality Table for Males with White Collar Adjustments. Generational mortality improvements in accordance with Scale BB from the table's base year of 2000.  
  
*Females:* GRS Southwest Region Teacher Mortality Table, scaled at 105%. Generational mortality improvements in accordance with Scale BB from the table's base year of 2012.
- Mortality rates for active members       RP-2000 Employee Mortality tables, with male rates multiplied by 60% and female rates multiplied by 50%.

The mortality rates were developed based upon the June 30, 2014 experience study.

**Francis Tuttle Technology Center School District No. 21**  
**Oklahoma County, Oklahoma**

**Notes to Financial Statements**

**Note 9. Other Post-Employment Benefits (OPEB) (Continued)**

The long-term expected rate of return on OPEB plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimates of arithmetic expected real rates of return for each major asset class as of June 30, 2019, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	38.5%	7.5%
International equity	19.0%	8.5%
Fixed income	23.5%	2.5%
Real estate*	9.0%	4.5%
Alternative assets	10.0%	6.1%
	<u>100%</u>	

\*The Real Estate total expected return is a combination of US Direct Real Estate (unleveraged) and US Value added Real Estate (unleveraged).

**Discount rate:** The discount rate used to measure the total OPEB liability (asset) was 7.5%. This single discount rate was based solely on the expected rate of return on OPEB plan investments of 7.5%. 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 payroll. 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. Based on the stated assumptions and the projection of cash flows, OTRS' 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).

**Sensitivity of the District's proportionate share of the net OPEB liability (asset) to changes in the discount rate:** The following table presents the net OPEB liability (asset) of the District calculated using the discount rate of 7.5%, as well as what the District's net OPEB liability (asset) would be if OTRS calculated the total OPEB liability (asset) using a discount rate that is 1-percentage point lower (6.5%) or 1-percentage point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
District's net OPEB liability (asset)	\$ 111,319	\$ (332,203)	\$ (520,934)

**Sensitivity of the District's proportionate share of the net OPEB liability (asset) to changes in the healthcare cost trend rate:** The benefits paid by the OTRS OPEB plan are not impacted by healthcare cost trend rates. As a result, changes in the healthcare cost trend rate assumption will have no impact on the net OPEB liability (asset).

**Francis Tuttle Technology Center School District No. 21**  
**Oklahoma County, Oklahoma**

**Notes to Financial Statements**

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**Note 10. Employer Funded 403(b) Plan**

**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/TRS/](http://www.ok.gov/TRS/).

The Francis Tuttle Technology Center 403(b) Plan (the 403(b) Plan) is a defined contribution plan under the Internal Revenue Code 403(b). The 403(b) Plan accepts voluntary contributions for employees of Francis Tuttle Technology Center, up to annual limits set by the IRS. Employees are fully vested in all contributions, as they are made. The 403(b) Plan allows the employee to select from Focus Financial or VOYA to receive and administer their contributions. Benefits are limited to the balance in each employee's account.

The District makes employer funded contributions to the 403(b) Plan for the senior management team. The amount of the employer contribution is set by the Board each year as a part of the compensation package and is documented in the employment contracts for the senior management team. The District contributed \$103,979 to the 403(b) Plan during FY 2020.

**Note 11. Joint Venture**

The District participated in a partnership with the City of Edmond to operate the Center for Municipal Excellence (CME) to provide training to municipal workers. The CME is governed by an advisory board with equal representation from the District and the City of Edmond.

By agreement, each partner is required to make equal, ongoing, financial contributions, as well as provide in-kind support. By agreement the partnership was terminated during FY 2020. The assets of the partnership were split equally between the partners.

The District's share of CME's net loss was \$9,010 and is presented in earnings (loss) on investments in the accompanying financial statements. The District's equity interest in the partnership at the time of termination was \$279,930.

Financial statements for CME are available upon request from the District's finance office.

**Note 12. 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; injuries to employees; or acts of God. The District purchases commercial insurance to cover these risks, including general and auto liability, property damage, and public officials liability. Settled claims resulting from risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

The District is a member of the Oklahoma Public Schools Unemployment Compensation Program. In this program the District is required to, and has, a minimum balance on deposit. The money contributed by each District earns interest and is fully insured. If the District has claims in excess of the amount in its account, it will be liable for the excess.



**Francis Tuttle Technology Center School District No. 21**  
**Oklahoma County, Oklahoma**

**Notes to Financial Statements**

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**Note 13. Commitments and Contingencies**

**Federal awards:** During the year ended June 30, 2020, the District expended approximately \$2,197,000 of Federal awards. Title 2 U.S. Office *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, established uniform audit requirements for nonfederal entities which expended more than \$750,000 in federal awards. Amounts received or receivable from grantor agencies are subject to audit and adjustments 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.

**Litigation:** The District is a defendant in various lawsuits. The District intends to vigorously defend itself on the various lawsuits. Although the outcome of these lawsuits is not presently determinable, and the amounts are not readily estimable, the District believes the resolution of these matters will not have a material adverse effect on the financial statements and may be settled by the District's insurance carrier.

**Commitments:** The District encumbers funds prior to ordering goods or services. At June 30, 2020, the District has encumbered funds (less encumbrances that lapsed after year-end) that total \$332,422 in the General Fund, \$8,822,639 in the Building Fund, and \$30,372,527 in the Capital Projects Fund for goods or services not yet delivered. The encumbrances in the building fund and capital projects fund are primarily commitments for on-going construction projects and for equipment that has been ordered but not delivered.

**COVID-19:** The spread of COVID-19, a novel strain of coronavirus, is altering the behavior of businesses, state and local governments, and people throughout the United States. Further, financial markets have experienced significant volatility attributed to coronavirus concerns. The continued spread of COVID-19 may adversely impact the local, regional and national economies. The extent to which the coronavirus impacts the District's results will depend on future developments, which are highly uncertain and cannot be predicted. The impact is highly dependent on the breadth and duration of the outbreak and could be affected by other factors that cannot currently be predicted. Accordingly, management cannot presently estimate the overall operation and financial impact to the District, but such an impact could have a material adverse effect on the financial condition of the District.

**Note 14. Cost-sharing Agreement**

The District has entered into a cost-sharing agreement with twenty-eight technology center school districts across the State. This agreement allocates the cost of certain marketing or advertising related services among the participating districts. As part of the agreement, the District service as the fiscal agent responsible for accounting the joint marketing and advertising program which includes receiving funds from participating districts and paying vendors for authorized expenditures. Cash collected from the participating districts of \$775,419 is held in a fund that is combined for reporting with the General Fund with a corresponding liability to the participating districts of \$748,475 representing the cash on hand net of payables to vendors for authorized services at June 30, 2020. For the year ended June 30, 2020, the District's share of expenses related to this agreement was \$ 27,500.

**Note 15. Subsequent Events**

In connection with the OCFA lease purchase financing agreement discussed in Note 7, on September 30, 2020, the District entered into a \$20,000,000 lease purchase financing agreement (tranche two), with an effective interest rate of 1.79%, with OCFA for the construction of the Danforth Campus in Edmond, Oklahoma. The lease purchase financing requires repayment over twelve years with the first payment due October 15, 2021.

## **Required Supplementary Information**

**Francis Tuttle Technology Center School District No. 21**  
**Oklahoma County, Oklahoma**

**Budgetary Comparison Schedule—General Fund**  
**Year Ended June 30, 2020**

	Budget			Variance with Final Budget
	Original	Final	Actual	
Revenues collected:				
Property taxes	\$ 39,625,000	\$ 40,295,000	\$ 40,938,945	\$ 643,945
Tuition, fees and other local sources	3,632,500	3,632,500	2,787,655	(844,845)
State sources	4,142,000	4,361,000	4,327,641	(33,359)
Federal sources	2,313,000	2,338,000	2,145,090	(192,910)
Interest earnings	315,000	315,000	641,067	326,067
Non-revenue receipts	50,000	50,000	462,430	412,430
<b>Total revenues collected</b>	<b>50,077,500</b>	<b>50,991,500</b>	<b>51,302,828</b>	<b>311,328</b>
Expenditures:				
Instruction	21,558,848	22,452,581	19,624,754	(2,827,827)
Support services - instructional	8,695,350	9,231,066	8,080,828	(1,150,238)
Support services - operational	17,547,069	18,457,029	15,836,328	(2,620,701)
Operation of non-instructional services	2,286,665	2,398,075	1,920,827	(477,248)
Site improvements	2,500,000	3,500,000	1,266,370	(2,233,630)
Other outlays	74,145	91,750	70,327	(21,423)
Financial aid and other uses	2,015,000	2,030,000	1,734,035	(295,965)
<b>Total expenditures</b>	<b>54,677,077</b>	<b>58,160,501</b>	<b>48,533,469</b>	<b>(9,627,032)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(4,599,577)</b>	<b>(7,169,001)</b>	<b>2,769,359</b>	<b>9,938,360</b>
Other financing sources (uses):				
Lapsed appropriations	-	-	3,222,868	-
<b>Net change in fund balance</b>	<b>\$ (4,599,577)</b>	<b>\$ (7,169,001)</b>	<b>5,992,227</b>	<b>\$ 9,938,360</b>
Fund balance, beginning of year			<u>21,488,625</u>	
Fund balance, end of year			<u><u>\$ 27,480,852</u></u>	
Reconciliation of budgetary basis to GAAP basis:				
Unrealized gain (loss) on investments			\$ 38,521	
Inventories and prepaid expense			194,233	
Revenue accrual net of portion recorded in budgetary statements and net of portion deferred in fund statements			651,997	
Unearned revenues			(15,405)	
Reduce encumbrances to accounts payable			<u>1,602,467</u>	
<b>Fund balance end of year GAAP basis</b>			<u><u>\$ 29,952,665</u></u>	

**Francis Tuttle Technology Center School District No. 21**  
**Oklahoma County, Oklahoma**

**Budgetary Comparison Schedule—Building Fund**  
**Year Ended June 30, 2020**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues collected:				
Property taxes	\$ 20,126,000	\$ 20,476,000	\$ 20,888,239	\$ 412,239
Other local sources	-	-	-	-
Interest earnings	250,000	250,000	411,913	161,913
Non-revenue receipts	-	-	-	-
<b>Total revenues collected</b>	<b>20,376,000</b>	<b>20,726,000</b>	<b>21,300,152</b>	<b>574,152</b>
Expenditures:				
Instruction	2,725,380	3,576,080	2,782,733	(793,347)
Support services	4,731,978	5,065,878	4,165,447	(900,431)
Operation of non-instruction services	13,100	13,100	10,653	(2,447)
Facilities acquisition and construction services	10,963,522	17,920,822	13,722,583	(4,198,239)
Debt service	2,302,500	2,302,535	2,302,534	(1)
Other outlays	5,000	5,000	1,212	(3,788)
<b>Total expenditures</b>	<b>20,741,480</b>	<b>28,883,415</b>	<b>22,985,162</b>	<b>(5,898,253)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(365,480)</b>	<b>(8,157,415)</b>	<b>(1,685,010)</b>	<b>6,472,405</b>
Other financing sources (uses):				
Lapsed appropriations	-	-	5,851,807	-
<b>Net change in fund balance</b>	<b>\$ (365,480)</b>	<b>\$ (8,157,415)</b>	<b>4,166,797</b>	<b>\$ 6,472,405</b>
Statutory Fund balance, beginning of year			<u>14,113,282</u>	
Statutory Fund balance, end of year			<u>\$ 18,280,079</u>	
Reconciliation of budgetary basis to GAAP basis:				
Unrealized gain (loss) on investments			\$ 58,513	
Revenue accrual net of portion deferred in fund statements			317,236	
Reduce encumbrances to accounts payable			<u>8,511,964</u>	
<b>Fund balance end of year GAAP basis</b>			<u><u>\$ 27,167,792</u></u>	

**Francis Tuttle Technology Center School District No. 21**  
**Oklahoma County, Oklahoma**

**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Oklahoma Teachers' Retirement System**  
**Last Ten Fiscal Years\***

	2020	2019	2018	2017	2016	2015
Measurement date	July 1, 2019	July 1, 2018	July 1, 2017	July 1, 2016	July 1, 2015	July 1, 2014
District's proportion of the net pension liability	0.5372%	0.5747%	0.6164%	0.6086%	0.5809%	0.5644%
District's proportionate share of the net pension liability	\$ 35,555,974	\$ 34,735,947	\$ 40,813,383	\$ 50,794,415	\$ 35,273,971	\$ 30,363,204
District's covered payroll	\$ 25,870,896	\$ 26,250,270	\$ 25,291,341	\$ 26,537,448	\$ 24,890,542	\$ 23,443,816
District's proportionate share of the net pension liability as a percentage of its covered payroll	137.44%	132.33%	161.37%	191.41%	141.72%	129.51%
Plan fiduciary net position as a percentage of the total pension liability	71.56%	72.74%	69.32%	62.24%	70.31%	72.43%

\* Only six fiscal years are presented because 10-year data is not yet available.

**Francis Tuttle Technology Center School District No. 21  
Oklahoma County, Oklahoma**

**Notes to Schedule of District's Proportionate Share of the Net Pension Liability**

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**Changes of Assumptions**

The following information is as of the measurement date, which is the prior June 30<sup>th</sup>.

**Assumptions for salary increases have changed for the measurement dates as follows:**

June 30, 2019 No changes from prior year.

June 30, 2018 No changes from prior year.

June 30, 2017 No changes from prior year.

June 30, 2016 Increases are composed of 3.25% wages inflation, including 2.50% price inflation, plus a service-related component ranging from 0.00% to 8.00% based on years of service.

June 30, 2015 Increases are composed of 3.75% wage inflation, including 3.00% price inflation, plus a service-related component ranging from 0.00% to 8.00% based on years of services.

June 30, 2014 Increases were composed of 3.00% inflation, plus 1.00% productivity increase rate, plus step-rate promotional increases for members with less than 25 years of service.

**Assumptions for retirement age determination have changed for the measurement dates as follows:**

June 30, 2019 No changes from prior year.

June 30, 2018 No changes from prior year.

June 30, 2017 No changes from prior year.

June 30, 2016 No changes from prior year.

June 30, 2015 The retirement age was determined using the experience-based table developed from a five-year experience study for the period ended June 30, 2014. This table was adopted by the OTRS Board in May 2015.

June 30, 2014 Determined using the experience-based table developed from a five-year experience study for the period ended June 30, 2009. This table was adopted by the OTRS Board in September 2010.

**Assumptions for mortality rates have changed for the measurement dates as follows:**

June 30, 2019 No changes from prior year.

June 30, 2018 No changes from prior year.

June 30, 2017 No changes from prior year.

June 30, 2016 No changes from prior year.

June 30, 2015 Rates for active employees were determined using the RP-200 Employee Mortality Tables, with male rates multiplied by 60% and female rates multiplied by 50%. The mortality rates for males after retirement were determined using the RP-2000 Combined Healthy Mortality Table for Males with White Collar Adjustments. Generational mortality

**Francis Tuttle Technology Center School District No. 21**  
**Oklahoma County, Oklahoma**

**Notes to Schedule of District's Proportionate Share of the Net Pension Liability**

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improvements in accordance with Scale BB from the table's base year of 2000 were used. The mortality rates for females after retirement were determined using the GRS Southwest Region Teacher Mortality Table, scaled at 105%. Generational mortality improvements in accordance with Scale BB from the tables' base year of 2012 were used.

June 30, 2014 Rates were determined using the RP-2000 Combined Mortality Table, projected to 2016 using Scale AA, multiplied by 90% for males and 80% for females.

**Assumptions for investment return have changed for the measurement dates as follows:**

June 30, 2019 No changes from prior year.

June 30, 2018 No changes from prior year.

June 30, 2017 No changes from prior year.

June 30, 2016 Return was 7.50% per year, net of investment-related expenses and compounded annually, composed of an assumed 2.50% inflation rate and a 5.00% net real rate of return.

June 30, 2015 No changes from prior year.

June 30, 2014 Return was 8.00% per year, net of investment-related expenses and compounded annually, composed of an assumed 3.00% inflation rate and a 5.00% net real rate of return.

**Francis Tuttle Technology Center School District No. 21**  
**Oklahoma County, Oklahoma**

**Schedule of the District's Retirement System Contributions**  
**Last Ten Fiscal Years**

	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 2,509,964	\$ 2,522,554	\$ 2,440,837	\$ 2,570,310	\$ 2,585,780
Contributions in relation to the statutorily required contribution	(2,509,964)	(2,522,554)	(2,440,837)	(2,570,310)	(2,585,780)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>District's covered payroll</b>	<b>\$ 25,870,896</b>	<b>\$ 26,253,245</b>	<b>\$ 25,111,341</b>	<b>\$ 26,425,995</b>	<b>\$ 26,537,448</b>
Contributions as a percentage of covered payroll	9.70%	9.61%	9.72%	9.73%	9.74%
	2015	2014	2013	2012	2011
Statutorily required contribution	\$ 2,426,850	\$ 2,293,898	\$ 2,142,559	\$ 2,014,364	\$ 1,914,932
Contributions in relation to the statutorily required contribution	(2,426,850)	(2,293,898)	(2,142,559)	(2,014,364)	(1,914,932)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>District's covered payroll</b>	<b>\$ 24,890,542</b>	<b>\$ 23,443,816</b>	<b>\$ 21,980,236</b>	<b>\$ 20,956,068</b>	<b>\$ 19,945,427</b>
Contributions as a percentage of covered payroll	9.75%	9.78%	9.75%	9.61%	9.60%

**Notes to Schedule:**

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

1. July 1, 2010 to present 9.50%



**Francis Tuttle Technology Center School District No. 21**  
**Oklahoma County, Oklahoma**

**Schedule of the District's Proportionate Share of the Net OPEB Liability (Asset)**  
**Oklahoma Teachers' Retirement System**  
**Last Ten Fiscal Years\***

	2020	2019	2018
Measurement date	July 1, 2019	July 1, 2018	July 1, 2017
District's proportion of the OPEB liability (asset)	0.5372%	0.5747%	0.6164%
District's proportionate share of the net OPEB liability (asset)	\$ (332,203)	\$ (371,407)	\$ (274,876)
District's covered payroll	\$ 25,870,896	\$ 26,250,270	\$ 25,291,341
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-1.28%	-1.41%	-1.09%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	115.07%	115.41%	110.40%

\* Only three fiscal years are presented because 10-year data is not yet available.

**Francis Tuttle Technology Center School District No. 21**  
**Oklahoma County, Oklahoma**

**Schedule of the District's OPEB Plan Contributions**  
**Last Ten Fiscal Years\***

	2020	2019	2018
Statutorily required contribution	\$ 4,716	\$ 16,739	\$ 40,147
Contributions in relation to the statutorily required contribution	(4,716)	(16,739)	(40,147)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
 <b>District's covered payroll</b>	 \$ 25,870,896	 \$ 26,253,245	 \$ 25,111,341
 Contributions as a percentage of covered payroll	 0.02%	 0.06%	 0.16%

\* Only three fiscal years are presented because 10-year data is not yet available.

**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***

**Independent Auditor's Report**

Board of Education  
Francis Tuttle Technology Center School District No. 21

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Francis Tuttle Technology Center School District No. 21 (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 2, 2021.

**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 the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as 2020-001 that we consider to be a significant deficiency.

**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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**District's Responses to the Finding**

The District's response to the finding identified in our audit is in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**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.

*RSM US LLP*

Oklahoma City, Oklahoma  
March 2, 2021

**Report on Compliance for Each Major Federal Program;  
Report on Internal Control Over Compliance; and  
Report on Schedule of Expenditures of Federal Awards  
as Required by the Uniform Guidance**

**Independent Auditor's Report**

Board of Education  
Francis Tuttle Technology Center School District No. 21

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

We have audited Francis Tuttle Technology School District No. 21's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major federal programs for the year ended June 30, 2020. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

**Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2020-002. Our opinion on each major federal program is not modified with respect to this matter.

The District's response to the noncompliance finding described in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**Report on Internal Control Over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated March 2, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*RSM VS LLP*

Oklahoma City, Oklahoma

May 19, 2021, except for our report on the Schedule of Expenditures of Federal Awards, for which the date is March 2, 2021

**Francis Tuttle Technology Center School District No. 21**  
**Oklahoma County, Oklahoma**

**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2020**

<b>Federal Grantor</b>	<b>Federal</b>	<b>Pass-</b>	<b>Passed</b>	
<b>Pass Through Agency</b>	<b>CFDA</b>	<b>Through</b>	<b>Through to</b>	
<b>Program Title</b>	<b>Number</b>	<b>Grantor's</b>	<b>Subrecipients</b>	<b>Expenditures</b>
		<b>Number</b>		
<b>U.S. Department of Education</b>				
<b>Direct Program</b>				
Student financial aid cluster:				
PELL Grant 2018-2019 (P268K173980)	84.063		\$ -	\$ 934
PELL Grant 2019-2020 (P268K173980)	84.063		-	1,114,274
PELL Administrative Fee	84.063		-	1,830
FSEOG (P007A136077)	84.007		-	30,508
Federal College Work-Study (P033A166077)	84.033		-	5,226
Subtotal			-	1,152,772
CARES Act - student assistance	84.425E		-	369,080
CARES Act - District support	84.425F		-	166,824
Subtotal			-	535,904
<b>Passed through:</b>				
Oklahoma Department of Career and Technology Education				
Carl Perkins - Secondary	84.048	421	-	295,152
Carl Perkins - Postsecondary	84.048	422	-	53,568
Subtotal			-	348,720
<b>Passed through:</b>				
Oklahoma Department of Rehabilitation Services				
Project SEARCH (F003225)	84.126	456	-	97,637
Special Education Cluster - IDEA	84.027	456	-	1,252
<b>Total U.S. Department of Education</b>			-	2,136,285
<b>US Department of Defense</b>				
<b>Passed through:</b>				
Oklahoma Department of Career and Technology Education				
BID Assistance	12.002	436	-	14,417
<b>U.S. Department of Commerce - NIST</b>				
<b>Passed through:</b>				
Oklahoma Manufacturing Alliance	11.611	None	-	46,000
<b>Total federal financial assistance</b>			\$ -	\$ 2,196,702

See notes to schedule of expenditures of federal awards.



**Francis Tuttle Technology Center School District No. 21  
Oklahoma County, Oklahoma**

**Notes to Schedules of Expenditures of Federal Awards  
Year Ended June 30, 2020**

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**Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2020. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, and expended during the year are included in the schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

**Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**Note 3. Indirect Cost Rate**

The District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**Francis Tuttle Technology Center School District No. 21**  
**Oklahoma County, Oklahoma**

**Summary Schedule of Prior Audit Findings**  
**Year Ended June 30, 2020**

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Number	Comment	Status	Corrective Action or Other Explanation
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The prior year single audit disclosed no findings in the *Schedule of Findings and Questioned Costs* and no uncorrected or unresolved prior findings exist from the prior year's *Summary of Prior Audit Findings*.

**Francis Tuttle Technology Center District No. 21  
Oklahoma County, Oklahoma**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2020**

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**I. Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- |                                                         |                  |                           |
|---------------------------------------------------------|------------------|---------------------------|
| . Material weakness(es) identified?                     | <u>    </u> Yes  | <u>  x  </u> No           |
| . Significant deficiency(ies) identified?               | <u>  x  </u> Yes | <u>    </u> None Reported |
| . Noncompliance material to financial statements noted? | <u>    </u> Yes  | <u>  x  </u> No           |

**Federal Awards**

Internal control over major programs:

- |                                           |                 |                            |
|-------------------------------------------|-----------------|----------------------------|
| . Material weakness(es) identified?       | <u>    </u> Yes | <u>  x  </u> No            |
| . Significant deficiency(ies) identified? | <u>    </u> Yes | <u>  x  </u> None Reported |

Type of auditor's report issued on compliance for major programs:

Unmodified

- |                                                                                                                 |                  |                |
|-----------------------------------------------------------------------------------------------------------------|------------------|----------------|
| . Any audit findings disclosed that are required to be reported in<br>accordance with Section 2 CFR 200 516(a)? | <u>  x  </u> Yes | <u>    </u> No |
|-----------------------------------------------------------------------------------------------------------------|------------------|----------------|

Identification of major program:

CFDA Number	Name of Federal Program or Cluster
84.425E, 84.425F	CARES Act - Higher Education Emergency Relief Fund (HEERF)

Student Financial Aid Cluster:

84.063	Pell Grant Program
84.007	Supplemental Educational Opportunity Grant
84.033	College Workstudy

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?   x   Yes      No

(Continued)

**Francis Tuttle Technology Center School District No. 21  
Oklahoma County, Oklahoma**

**Schedule of Findings and Questioned Costs (Continued)  
Year Ended June 30, 2020**

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**II. Findings Relating to the Financial Statement Audit as Required to be Reported in  
Accordance With Generally Accepted *Government Auditing Standards***

**A. Internal Control**

**Finding 2020-001**

**Significant deficiency in internal control over financial reporting**

**Criteria**

Governmental fund financial statements must include all activity of the District measured using the current financial resources measurement focus and the modified accrual basis of accounting.

**Condition**

The original trial balance received from the District included activity related to the financing and construction of new school facilities as government-wide activity but excluded all related activity from fund level accounts.

**Cause**

This matter occurred due to lack of sufficient review of fund level activity under the current financial resources measurement focus.

**Effect or Potential Effect**

This matter caused exclusion from the governmental fund financial statements approximately \$25,000,000 of debt proceeds from other financing sources, \$14,120,000 from capital outlay expenditures, \$268,000 of debt issuance costs from debt service expenditures, \$51,000 from interest income, \$10,893,000 of unspent proceeds held in trust to be used for costs of construction from restricted cash, and \$230,000 from accounts payable.

**Recommendation**

We recommend that the District evaluate its processes for assessing and reviewing proper accounting for significant new transactions under both the economic resources measurement focus for government-wide financial statements and the current financial resources measurement focus for governmental fund financial statements.

**Management View**

Management agrees with the finding.

**B. Compliance Findings**

None reported.

Francis Tuttle Technology Center School District No. 21  
Oklahoma County, Oklahoma

Schedule of Findings and Questioned Costs (Continued)  
Year Ended June 30, 2020

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III. Findings and Questioned Costs for Federal Awards

A. Internal Control

None reported.

B. Compliance Findings

Finding 2020-002

Federal Program: CARES Act Student Assistance – CFDA 84.425E – Reporting

Federal Agency: U.S. Department of Education

Criteria

The Coronavirus Aid, Relief, and Economic Security (CARES) Act requires public reporting of specific information pertaining to the Student Aid Portion of funds received pursuant to the Higher Education Emergency Relief Fund (HEERF) provisions of the CARES Act. The HEERF provisions identified as a critical element of that reporting requirement the estimated total number of students at the District eligible to participate in programs under Section 484 I Title IV of the Higher Education Act of 1965 and thus eligible to receive Emergency Financial Aid Grants to Students under Section 18004(a)(1) of the CARES Act.

Condition

The District's required public report posted June 15, 2020 did not include the required information regarding the estimated total number of students at the District eligible to participate.

Cause

This was a new Federal program with new and evolving compliance requirements and District management did not fully understand all of the required elements of compliance at the time this report was posted to the District's website.

Effect or Potential Effect

The potential effect of failing to meet the reporting requirements is loss of funding.

Questioned Costs

None.

Recommendation

When receiving funding under new Federal programs, District management, consisting of the CFO and the Program director, and others considered necessary, should carefully document all of the required elements of the Federal programs, including updating those requirements as they change.

Management View

Management agrees with the finding.

## Corrective Action Plan Year Ended June 30, 2020

Identifying Number: 2020-001

Finding: The original trial balance received from the District included activity related to the financing and construction of new school facilities as government-wide activity but excluded all related activity from fund level accounts.

This matter caused exclusion from the draft governmental fund financial statements approximately \$25,000,000 of debt proceeds from other financing sources, \$14,120,000 from capital outlay expenditures, \$268,000 of debt issuance costs from debt service expenditures, \$51,000 from interest income, \$10,893,000 of unspent proceeds held in trust to be used for costs of construction from restricted cash, and \$230,000 from accounts payable.

District's Response and Corrective Action Plan:

Response: The District accounted for these transactions in compliance with previous audited financial statements. All transactions related to the financing were recorded in the financial accounting software, and the accounts of the District. As the financial statements were being drafted the District sought advice from RSM regarding the proper treatment of these transactions.

After consultation with RSM, it was determined that the transactions of the financing qualify as capital improvement fund, an adjustment was made to comply with fund basis accounting.

Corrective Action Plan:

The District will report future transactions related to Lease Purchase financings in the Capital Project Fund and include it in the government funds financial statements.

Anticipated Completion Date:

Implementation of the corrective action plan occurred upon correction of the June 30, 2020 financial statements prior to their issuance.

Contact Person:

For more information regarding this action plan contact Chief Financial Officer of Francis Tuttle Technology Center.

Identifying Number: 2020-002

Finding: The Coronavirus Aid, Relief, and Economic Security (CARES) Act requires public reporting of specific information pertaining to the Student Aid Portion of funds received pursuant to the Higher Education Emergency Relief Fund (HEERF) provisions of the CARES Act. The HEERF provisions identified as a critical element of that reporting requirement the estimated total number of students at the District eligible to participate in programs under Section 484 I Title IV of the Higher Education Act of 1965 and thus eligible to receive Emergency Financial Aid Grants to Students under Section 18004(a)(1) of the CARES Act.

The District's required public report posted June 15, 2020 did not include the required information regarding the estimated total number of students at the District eligible to participate.

District's Response and Corrective Action Plan:

Response: The District attempted to comply with the reporting requirements of the CARES act. During the roll out of the CARES act the US Department of Education amended the regulatory requirements several times. In the interim period there was confusion about the seven required reporting elements.

Corrective Action Plan:

The District participated in the June 23 training webinar that clarified the reporting requirements. The CARES act students assistance report was modified and a new report was posted effective June 30, 2020.

Anticipated Completion Date:

Implementation of the corrective action plan occurred upon posting of the modified report as of June 30, 2020.

Contact Person:

For more information regarding this action plan contact Chief Financial Officer of Francis Tuttle Technology Center.

FRANCIS TUTTLE TECHNOLOGY CENTER SCHOOL DISTRICT NO. 21  
OKLAHOMA COUNTY, OKLAHOMA  
SCHEDULE OF ACCOUNTANTS' PROFESSIONAL  
LIABILITY INSURANCE AFFIDAVIT

Year Ended June 30, 2020

STATE OF OKLAHOMA  
COUNTY OF OKLAHOMA

The undersigned auditing firm of lawful age, being first duly sworn on oath, says that said firm did have, in full force and effect, Accountant's Professional Liability Insurance, in accordance with the "Oklahoma Public School Audit Law" at the time of the audit contract and during the entire audit engagement with Francis Tuttle Technology Center School District No. 21 for the audit year ended June 30, 2020.

RSM US LLP



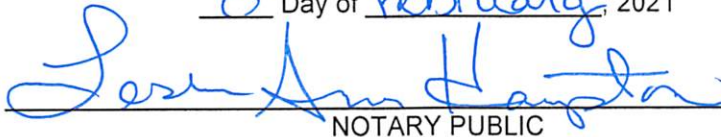
Signature of Authorized Agent

Michael J. Gibson

Printed Name of Authorized Agent

Subscribed and sworn to before me on this

8<sup>th</sup> Day of February, 2021

  
NOTARY PUBLIC

My commission expires on:

18<sup>th</sup> Day of September, 2021

Commission No. 17008665

