

ANNUAL FINANCIAL REPORT
MID AMERICA TECHNOLOGY CENTER
SCHOOL DISTRICT NO. 8
MCCLAIN COUNTY, OKLAHOMA
FOR THE YEAR ENDED JUNE 30, 2022

**MID AMERICA TECHNOLOGY CENTER SCHOOL DISTRICT NO. 8
MCCLAIN COUNTY, OKLAHOMA
FOR THE YEAR ENDED JUNE 30, 2022**

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**MID AMERICA TECHNOLOGY CENTER SCHOOL DISTRICT NO. 8
MCCLAIN COUNTY, OKLAHOMA
FOR THE YEAR ENDED JUNE 30, 2022**

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PUTNAM & COMPANY, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

169 S.E. 32ND

EDMOND, OKLAHOMA 73103

(405) 348-3800

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education
Mid America Technology Center #V-8
McClain County, Oklahoma

Report on Financial Statements

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Mid America Technology Center #V-8, McClain County, Oklahoma, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Mid America Technology Center #V-8, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures including examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of expenditures of federal awards as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards*, 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 the 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 my report dated December 15, 2022 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 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.

Putnam & Company

Putnam & Company, PLLC
December 15, 2022

**MID AMERICA TECHNOLOGY CENTER SCHOOL DISTRICT NO. 8
MCCLAIN COUNTY
WAYNE, OKLAHOMA**

Management's Discussion and Analysis
Fiscal Year ending June 30, 2022

Mid America Technology Center provides this discussion and analysis of the District's financial activities for the fiscal year ending June 30, 2022. The intent of this narrative overview is to look at the District's financial performance as a whole, and readers are encouraged to consider the notes to the basic financial statements and the financial statements to enhance their understanding of Mid America Technology Center's financial performance.

FUND FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The government-wide statements include the Statement of Net Assets and Statement of Activities, which provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a long-term view of those finances. The District uses three funds to account for its financial transactions. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to insure and demonstrate compliance with financial-related legal requirements. The fund financial statements focus on the individual parts of the District's operations in more detail than government-wide financial statements. Because the focus of District funds is narrower than that of the governmental-wide financial statements, it is useful to compare the information presented for District funds with similar information presented for District activities in the government-wide financial statements. Both the District's fund balance statement and the District's fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between funds and activities of each.

Funds are classified into two categories: governmental and fiduciary, with each category divided into separate "fund types". Governmental funds include the General Fund and the Building Fund. Fiduciary funds are used to account for assets held on behalf of outside parties, or on behalf of other funds within the District and include, but are not limited to, the school activity fund.

GENERAL FUND HIGHLIGHTS

The General Fund represents the District's major or significant fund. At the close of fiscal year 2022, the District is able to report positive cash balance in all funds, with the General Fund balance being \$10,609,416. Because of some continual decline in the economic indicators in the State and nation, the District is making appropriate adjustments to reflect this decline and expects to maintain an adequate and appropriate fund balance at the end of the 2022 fiscal year.

MID AMERICA TECHNOLOGY CENTER SCHOOL DISTRICT NO. 8
MCCLAIN COUNTY
WAYNE, OKLAHOMA

Management's Discussion and Analysis
 Fiscal Year ending June 30, 2022

FUND BALANCES

As of the close of fiscal year 2022, the District funds reported a government-wide ending cash fund balance of \$23,949,143, an increase of \$2,007,379 in comparison with the prior year.

<u>Fund type</u>	<u>2021 Fund Balance</u>	<u>2022 Fund Balance</u>	<u>Change</u>	<u>Percent</u>
General	\$ 9,656,599	10,609,416	952,817	9.87%
Building	<u>12,285,165</u>	<u>13,339,727</u>	<u>1,054,562</u>	<u>8.58 %</u>
Total	<u>\$21,850,764</u>	<u>23,949,143</u>	<u>2,007,379</u>	<u>9.19 %</u>

FISCAL YEAR 2022

Revenue collection amounts for the fiscal year ending 2022 exceeded the original (estimated) General Fund budget in the amount of \$1,180,569.

CAPITAL AND FIXED ASSETS

The District is in its nineteenth year of tracking all assets of significant value. Building structures and improvements are added to the inventory as projects are completed and space is occupied. For the year ending June 30, 2022, capital assets are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets	\$22,683,308.	492,112	7,830	23,167,590.
Accumulated Depreciation	<u>(21,490,840.)</u>	<u>(423,294)</u>	_____	<u>(21,914,134.)</u>
Net Capital Assets	<u>\$ 1,192,468.</u>	<u>68,818</u>	<u>7,830</u>	<u>1,253,456.</u>

During the past year, expenditures of \$492,112 were incurred for the purchase of capital assets.

**MID AMERICA TECHNOLOGY CENTER SCHOOL DISTRICT NO. 8
MCCLAIN COUNTY
WAYNE, OKLAHOMA**

Management's Discussion and Analysis
Fiscal Year ending June 30, 2022

FUTURE ECONOMIC FACTORS

Mid America Technology Center remains in a very good financial condition. However, future finances are not without challenges, and they will be impacted significantly by both State and local economic conditions. On a positive side, the District's local ad valorem assessed valuation should increase along with future residential and commercial growth.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide patrons, taxpayers, and creditors with a general overview of Mid America Technology Center's finances and to show the District's accountability for the money it receives. If you have further questions or comments about this report or need additional financial information, please contact the Business Office at Mid America Technology Center School District No 8, located at 27438 State Highway 59, Wayne, Oklahoma, 73095.



Mike Eubank
Superintendent

PUTNAM & COMPANY, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

169 S.E. 32ND

EDMOND, OKLAHOMA 73103

(405) 348-3800

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Board of Education
Mid America Technology Center #V-8
McClain County, Oklahoma

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Mid America Technology Center #V-8, McClain County, Oklahoma, as listed in the Table of Contents, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 15, 2022.

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 opinion 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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

INTERNAL CONTROL/COMPLIANCE REPORT

Mid America Technology Center #V-8

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

Putnam & Company

Putnam & Company, PLLC

December 15, 2022

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Honorable Board of Education
Mid America Technology Center #V-8
McClain County, Oklahoma

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Mid America Technology Center #V-8, McClain County, Oklahoma compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Mid America Technology Center #V-8 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (Government Auditing Standards); and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material non-compliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS and, and the Uniform Guidance we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Putnam & Company

Putnam & Company, PLLC

December 15, 2022

GOVERNMENT-WIDE FINANCIAL STATEMENTS

MID AMERICA TECHNOLOGY CENTER SCHOOL DISTRICT NO. 8
McClain County, Oklahoma
Statement of Net Position
JUNE 30, 2022

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
ASSETS			
Current Assets -			
Cash and Cash Equivalents	\$25,497,310		25,497,310
Property Taxes Receivable	287,228		287,228
Receivables from Other Governments	2,825		2,825
Consumable Inventories	<u>105,676</u>		<u>105,676</u>
Total Current Assets	<u>25,893,039</u>	<u>0</u>	<u>25,893,039</u>
Non-Current Assets -			
Capital Assets			
Land	280,000		280,000
Equipment	3,800,227		3,800,227
Vehicle	2,706,524		2,706,524
Building	16,380,839		16,380,839
Less Accumulated Depreciation	<u>(21,914,134)</u>		<u>(21,914,134)</u>
Total Non-Current Assets	<u>1,253,456</u>	<u>0</u>	<u>1,253,456</u>
Total Assets	<u>\$27,146,495</u>	<u>0</u>	<u>27,146,495</u>
Deferred Outflows of Resources			
Deferred Outflow - Pension Contributions	<u>3,261,976</u>		<u>3,261,976</u>
LIABILITIES			
Current Liabilities -			
Accounts Payable	\$373,854		373,854
Other Payables	219,656		219,656
Compensated Leave	<u>214,069</u>		<u>214,069</u>
Total Current Liabilities	<u>807,579</u>	<u>0</u>	<u>807,579</u>
Non-Current Liabilities -			
Net Pension Liability	<u>6,253,443</u>		<u>6,253,443</u>
Total Liabilities	<u>\$7,061,022</u>	<u>0</u>	<u>7,061,022</u>
Deferred Inflow of Resources			
Deferred Inflow - Related to Pension	<u>4,225,377</u>		<u>4,225,377</u>
Total Deferred Inflows of Resources	<u>4,225,377</u>	<u>0</u>	<u>4,225,377</u>
NET POSITION			
Invested in Capital Assets, Net of Related Debt	\$1,253,456		1,253,456
Unrestricted	<u>14,606,640</u>		<u>14,606,640</u>
Total Net Position	<u>\$15,860,096</u>	<u>0</u>	<u>15,860,096</u>

See Independent Auditors' Report

See Accompanying Notes to Financial Statements

MID AMERICA TECHNOLOGY CENTER SCHOOL DISTRICT NO. 8
McClain County, Oklahoma
Statement of Activities and Changes in Net Position
July 1, 2019 to June 30, 2020

Function/Programs	Expenses	Program Revenues		Net
		Charges for	Operating	(Expense)
		Services	Grants and	Revenue
			Contributions	
Governmental Activities:				
Instruction	\$5,713,613	354,082	128,267	(5,231,264)
Support Services - Instructional	1,463,277			(1,463,277)
Support Services - Operational	5,699,937			(5,699,937)
Operation of Non-Instruction Services	171,847	68,134		(103,713)
Facilities Acquisition and Construction Services	532,752			(532,752)
Other Outlays	36,631			(36,631)
Other Uses	148,047			(148,047)
Repayments	0			0
Financial Aid Repayments			5	5
Compensated Absences	214,069			(214,069)
Compensated Absences - Prior Year	(198,945)			198,945
Depreciation	423,294			(423,294)
Total Governmental Activities	14,204,522	422,216	128,272	(13,654,034)
General Revenues:				
Taxes -				
Property Taxes, Levied for General Purposes				9,989,851
Property Taxes, Levied for Building Purposes				1,003,921
Federal Aid				590,056
State Aid - Formula				2,769,747
Other Local Sources				137,192
Other State Sources				8,489
Interest				85,886
Special Items -				
Increase in Capital Assets				484,282
Consumable Inventories				105,676
Consumable Inventories - Prior Year				(97,592)
Return of Assets				68,585
Estopped Warrants				0
Adjustments to Prior Year's Encumbrances				52,854
Total General Revenues and Special Items				15,198,947
Change in Net Position				1,544,913
Net Position, Beginning				14,315,183
Net Position, Ending				\$15,860,096

See Independent Auditor's Report

See Accompanying Notes to Financial Statements

FUND FINANCIAL STATEMENTS

MID AMERICA TECHNOLOGY CENTER SCHOOL DISTRICT NO. 8
McCLAIN COUNTY, OKLAHOMA
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

	General	Special Revenue Fund Building	Totals (Memorandum Only)
<u>ASSETS</u>			
Cash and Cash Equivalents	\$12,158,183	13,339,127	25,497,310
Property Tax Receivable	260,981	26,247	287,228
Receivable From Other Governments	2,825		2,825
Consumable Inventories	105,676		105,676
	Total Assets	13,365,374	25,893,039
<u>LIABILITIES</u>			
Warrants Payable	\$219,656		219,656
Compensated Absences	214,069		214,069
Reserved for Encumbrances	373,854		373,854
	Total Liabilities	0	807,579
<u>NET ASSETS</u>			
Fund Balances:			
Unrestricted	11,720,086	13,365,374	25,085,460
	Total Fund Balance	13,365,374	25,085,460

Amounts reported for governmental activities in the statement of assets, liabilities, and net position are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds. The cost of the assets is \$23,167,590, and the accumulated depreciation is (\$21,914,134.) 1,253,456

Certain long-term liabilities which are not due and payable in the current period are not recognized:
Net long-term pension obligations (10,478,820)

Net Position of Governmental Activities **\$15,860,096**

See Independent Auditors' Report

See Accompanying Notes to Financial Statements

**MID AMERICA TECHNOLOGY CENTER NO. 8
McCLAIN COUNTY, OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	Governmental Fund Types		Totals
	General	Special Revenue	(Memorandum Only)
REVENUES:			
Property Taxes	\$9,989,851	1,003,921	10,993,772
Tuition & Fees	354,082		354,082
Miscellaneous	205,326		205,326
Investment Income	34,822	51,064	85,886
State Sources	2,906,202	301	2,906,503
Federal Sources	590,061		590,061
Total Revenues Collected	14,080,344	1,055,286	15,135,630
EXPENDITURES:			
Instruction	5,713,613		5,713,613
Support Services	7,163,214		7,163,214
Non-Instructional Services	171,847		171,847
Facilities Acquisition & Construction Services	532,752		532,752
Other Outlays	36,631		36,631
Other Uses	148,047		148,047
Repayments	0		0
Total Expenditures	13,766,104	0	13,766,104
Revenues Over (Under) Expenditures	314,240	1,055,286	1,369,526
OTHER FINANCING SOURCES (USES):			
Return of Assets	68,585		68,585
Estopped Warrants	0		0
Deobligation of Prior Year Funds	52,854		52,854
Total Other Financing Sources (Uses):	121,439	0	121,439
Revenue and Other Sources Over (Under) Expenditures and Other Uses	435,679	1,055,286	1,490,965
Fund Balance Unreserved, Beginning of Year	8,886,332	12,310,086	21,196,418
Fund Balance Unreserved, End of Year	\$9,322,011	13,365,372	22,687,383

Net change in fund balances-governmental funds \$1,490,965

Governmental funds do not report change in noncurrent compensated absences as expenditures, while government activities report the change as an expense of the current period:

Change in Compensated absences	(15,124)
Change in Consumable inventories	8,084

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 and allocated over their estimated useful lives as annual depreciation expenses in the statement of revenues, expenditures, and changes in net position. This is the amount by which depreciation exceeds capital outlays in the period.

Capital asset purchases capitalized	484,282
Depreciation	(423,294)

Changes in net position of governmental activities \$1,544,913

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

**MID AMERICA TECHNOLOGY CENTER NO. 8
McCLAIN COUNTY, OKLAHOMA
STATEMENT OF NET POSITION
TRUST AND AGENCY FUNDS
JUNE 30, 2022**

	<u>ACTIVITY FUND</u>	<u>TOTALS (Memorandum Only)</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	<u>\$175,995</u>	<u>175,995</u>
 Total Assets	 <u>\$175,995</u>	 <u>175,995</u>
 <u>LIABILITIES AND FUND EQUITY</u>		
Liabilities:	<u>\$0</u>	<u>0</u>
 Total Liabilities	 <u>0</u>	 <u>0</u>
 Net Position:		
Restricted for Student Activities	175,741	175,741
Restricted for Administrative Activities	<u>254</u>	<u>254</u>
 Total Fund Equity	 <u>175,995</u>	 <u>175,995</u>
 Total Liabilities and Fund Equity	 <u>\$175,995</u>	 <u>175,995</u>

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

NOTES TO THE FINANCIAL STATEMENTS

**MID AMERICA TECHNOLOGY CENTER SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

1. Summary of Significant Accounting Policies

The government-wide financial statements of the Mid America Technology Center School District No. 8 (the "District") have been prepared in accordance with generally accepted accounting principles. However, the other supplementary information has prepared in accordance with a statutory basis prescribed by the State Department of Education, which is a comprehensive basis of accounting other than generally accepted accounting principles. The more significant of the District's accounting policies are described below.

A. Reporting Entity

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

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

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

MID AMERICA TECHNOLOGY CENTER SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1. Summary of Significant Accounting policies - continued

B. Basic Financial Statements

New Reporting Standard

In June 1999, the GASB issued Statement No.34 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Government." This statement establishes new financial reporting requirements for state and local governments throughout the United States. It creates new information and restructures much of the information that governments have presented in the past. Comparability with reports issued in all prior years is affected. The District is required to implement this standard for the fiscal year ending June 30, 2022.

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

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: (1) tuition or fees paid by student or citizens of the District, and (2) grants and 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 properly included among program revenues are reported as general revenues.

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

Governmental Fund Types

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

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

MID AMERICA TECHNOLOGY CENTER SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1. Summary of Significant Accounting Policies - continued

B. Basic Financial Statements - continued

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

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

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

Proprietary Fund Types

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the District (internal service funds). The District did not maintain any proprietary funds during the year under review.

Fiduciary Fund Types

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District. When these assets are held under the terms of a formal trust agreement, either a nonexpendable trust fund or an expendable trust fund is used. The terms "nonexpendable" and "expendable" refer to whether or not the District is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the District holds on behalf of others as their agent and do not involve measurement of results of operations.

Trust and Agency Funds - The trust and agency funds group includes the School Activities Funds which are maintained at various sites throughout the District. The School Activities Funds are used to account for monies collected principally through fundraising efforts of the students and District-sponsored groups. The administration is responsible, under the authority of the Board, for collecting, disbursing and accounting for these activity funds.

MID AMERICA TECHNOLOGY CENTER SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1. **Summary of Significant Accounting Policies (continued)**

B. **Basic Financial Statements (continued)**

Account Groups

GASB Statement No. 34 eliminates the presentation of account groups, but provides for these records to be maintained and incorporates the information into the governmental column in the government-wide statement of net assets.

Memorandum Only - Total Column

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

C. **Basis of Accounting**

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

In the other supplemental information section, all governmental and expendable trust funds are accounted for using the Statutory basis of accounting. Revenues are recognized when they are received rather than earned under this method of accounting. Also, under the Statutory basis of accounting, expenditures are generally recognized when encumbered or reserved rather than at the time the related fund liability is incurred.

D. **Budgets and Budgetary Accounting**

The District is required by state law to prepare an annual budget. A preliminary budget must be submitted to the Board of Education by December 31 for the fiscal year beginning the following July 1. If the preliminary budget requires an additional levy, the District must hold an election on the first Tuesday in February to approve the levy. If the preliminary budget does not require an additional levy, it becomes the legal budget. If an election is held and the taxes are approved, then the preliminary budget becomes the legal budget. If voters reject the additional taxes, the District must adopt a budget within the approved tax rate.

MID AMERICA TECHNOLOGY CENTER SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1. **Summary of Significant Accounting Policies (continued)**

D. **Budgets and Budgetary Accounting (continued)**

A budget is legally adopted by the Board of Education for the General Fund and Special Revenue Funds that includes revenues and expenditures. The budget is prepared on the same basis of accounting as the financial statements. All appropriations lapse at the end of each fiscal year.

Encumbrances represent commitments 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.

E. **Assets, Liabilities and Fund Balance**

Cash and Cash Equivalents - For the purpose of the financial statements, the District considers all cash on hand, demand deposits and highly liquid investments with an original maturity of three months or less when purchased to be cash and cash equivalents.

Investments - Investments consist of direct obligations of the United States Government and Agencies with maturities greater than three months when purchased. All investments are recorded at cost, which approximates market value.

Property Tax Revenues - The District is authorized by state law to levy property taxes which consist of ad valorem taxes on real and personal property within the District. The County Assessor, upon receipt of the certification of tax levies from the county excise board, extends the tax levies on the tax roll for submission to the county treasurer prior to October 1. The county treasurer must commence tax collection within fifteen days of receipt of the tax rolls. The first half of taxes is due prior to January 1. The second half is due prior to April 1.

If the first payment is not made timely, the entire tax becomes due and payable on January 2. The second half of the taxes becomes delinquent on April 1 of the year following the year of assessment. If not paid by the following October 1, the property is offered for sale for the amount of taxes due. The owner has two years to redeem the property by paying the taxes and penalty owed. If at the end of two years the owner has not done so, the purchaser is issued a deed to the property.

MID AMERICA TECHNOLOGY CENTER SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1. **Summary of Significant Accounting Policies (continued)**

E. **Assets, Liabilities and Fund Balance (continued)**

Inventories - Supply inventories are not presented in the financial statements and are not included in determining the District's fund balances in accordance with the Statutory basis of accounting.

Fixed Assets and Property, Plant and Equipment The capital assets for the year ended June 30, 2022 are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets	\$22,683,308.	492,112.	7,830	23,167,590.
Less accumulated Depreciation	(21,490,840.)	(401,790)	_____	(21,914,134.)
	<u>\$ 1,192,468.</u>	<u>68,818</u>	<u>7,830</u>	<u>1,253,456.</u>

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

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

F. **Revenue, Expenses and Expenditures**

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

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

MID AMERICA TECHNOLOGY CENTER SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1. **Summary of Significant Accounting Policies (continued)**

F. **Revenue, Expenses and Expenditures (continued)**

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

Inter-fund 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 inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers. There were no operating transfers or residual equity transfers during fiscal year 2022.

2. **Deposits and Investment Risks**

Custodial Credit Risk - The District's policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than market value, at least at a level of 100 percent of the uninsured deposits and accrued interest thereon. The investment policy and state law also limits acceptable collateral to U.S. Treasury and agency securities and direct debt obligations of the state, municipalities, counties, and school districts in the state of Oklahoma, surety bonds, and letters of credit. As required by Federal 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the District must have a written collateral agreement approved by the board of directors or loan committee.

At June 30, 2022, the District was not exposed to custodial credit risk as defined above.

Investment Credit Risk – The District's investment policy limits investments to those allowed in state law applicable to school districts as follows:

- a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.

MID AMERICA TECHNOLOGY CENTER SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

2. **Deposits and Investment Risks (continued)**

- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.

Investment Credit Risk (continued) - Investment credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District has no formal policy limiting investments based on credit rating, but discloses any such credit risk associated with their investments. Unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

Investment Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investment policy limits investments to those with a short-term maturities, as a means of managing exposure to fair value losses arising from increasing interest rates. The District discloses its exposure to interest rate risk by disclosing the maturity dates of its various investments.

Concentration of Investment Credit Risk – Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the District (any over 5 percent are disclosed). Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this consideration. The District's investment policy requires diversification of investments.

At June 30, 2022, the District had no concentration of credit risk as defined above.

3. **General Long-Term Debt**

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

General long-term debt of the District normally consists of bonds payable and related interest. The District had no other long-term debt for the year ended June 30, 2022, other than obligations which existed under lease purchase contracts. In accordance with Oklahoma law, lease purchase agreements and other contracts must be affirmed in each subsequent fiscal year in order to remain in effect.

**MID-AMERICA TECHNOLOGY CENTER NO. 8
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

4. Retirement Plan – Oklahoma Teacher’s Retirement System (OTRS)

Plan Description

The District as the employer, participates in the Oklahoma Teachers Retirement Plan—a cost-sharing multiple-employer defined benefit pension plan administered by the Oklahoma Teachers Retirement System (OTRS). Title 70 O.S. Sec. 17-105 defines all retirement benefits. The authority to establish and amend benefit provisions rests with the State Legislature. OTRS issues a publicly available financial report that can be obtained at www.ok.gov/OTRS.

Benefits Provided:

OTRS provides retirement, disability, and death benefits to members of the plan.

Benefit provisions include:

- Members become 100% vested in retirement benefits earned to date after five years of credited Oklahoma service. Members who joined the System on June 30, 1992 or prior are eligible to retire at maximum benefits when age and years of creditable service total 80. Members joining the System after June 30, 1992 are eligible for maximum benefits when their age and years of creditable service total 90. Members whose age and service do not equal the eligible limit may receive reduced benefits as early as age 55, and at age 62 receive unreduced benefits based on their years of service. The maximum retirement benefit is equal to 2% of final compensation for each year of credited service.
- Final compensation for members who joined the System prior to July 1, 1992 is defined as the average salary for the three highest years of compensation. Final compensation for members joining the System after June 30, 1992 is defined as the average of the highest five consecutive years of annual compensation in which contributions have been made. The final average compensation is limited for service credit accumulated prior to July 1, 1995 to \$40,000 or \$25,000, depending on the member’s election. Monthly benefits are 1/12 of this amount. Service credits accumulated after June 30, 1995 are calculated based on each member’s final average compensation. 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.

**MID-AMERICA TECHNOLOGY CENTER NO. 8
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Oklahoma Teachers' Retirement System (OTRS) (continued)

- Upon the death of a retired member, the System will pay \$5,000 to the designated beneficiary, in addition to the benefits provided for the retirement option selected by the member.
- A member is eligible for disability benefits after ten years of credited Oklahoma service. The disability benefit is equal to 2% of final average compensation for the applicable years of credited service.
- Upon separation from the system, members' contributions are refundable with interest based on certain restrictions provided in the plan, or by the IRC (Internal Revenue Code).
- 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).

Contributions

The contributions requirements of the Plan are at an established rate determine by Oklahoma Statute, as amended by the Oklahoma Legislature, and are not based on actuarial calculations. Employees are required to contribute 7% percent of their annual pay. Participating employers are required to contribute 9.5% of the employees' annual pay and an additional 7.7% for any employees' salaries covered by federal funds. Contributions to the pension plan from the District were \$555,462.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, the District reported a liability of \$6,253,443 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The District's proportion of the net pension liability was based on the District's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2021. Based upon this information, the District's proportion was 0.12451449%.

For the year ended June 30, 2022, the District recognized pension expense of \$21,875. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**MID-AMERICA TECHNOLOGY CENTER NO. 8
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Oklahoma Teachers' Retirement System (OTRS) (continued)

	Deferred Outflows of Resource	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 412,334	\$ 196,747
Changes of assumption	972,783	62,276
Net difference between projected and actual earnings on pension plan investments	1,018,605	3,553,457
Changes in District's proportion and differences between District contributions and proportionate share of contributions	224,124	412,897
District contributions subsequent to the measurement date	<u>634,130</u>	<u> </u>
Total	\$ <u>3,261,976</u>	\$ <u>4,225,377</u>

The \$634,130 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30 th ,		
	2023	\$ (428,751)
	2024	(239,630)
	2025	(287,555)
	2026	(639,012)
	2027	<u>(2,583)</u>
		<u>\$ (1,597,531)</u>

**MID-AMERICA TECHNOLOGY CENTER NO. 8
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Oklahoma Teachers' Retirement System (OTRS) (continued)

Actuarial Assumptions

The total OTRS pension liability as of June 30, 2022, was determined based on an actuarial valuation using the following actuarial assumptions:

- Actuarial Cost Method – Entry Age Normal
- Inflation – 2.25%
- Future Ad Hoc cost of living increases - None
- Salary Increases – Composed of 2.25% inflation, plus a service-related component ranging from 0% to 8% based upon years of service.
- Investment Rate of Return – 7.00%
- Retirement Age – Experience-based table of rates based on age, service, and gender. Adopted by the Board in July 2020 in conjunction with the five year experience study for the period ending June 30, 2019.
- Mortality Rates After Retirement – Males and females: 2020 GRS Southwest Region Teacher Mortality Table.. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020.
- Mortality Rates For Active Members – Pub-2010 Teachers Active Employee Mortality table. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2010.

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	43.5%	4.3%
International Equity	19.0%	5.2%
Fixed Income	22.0%	0.4%
Real Estate**	9.0%	4.3%
Alternative Assets	6.5%	6.5%
Total	<u>100.0%</u>	

**The Real Estate total expected return is a combination of US direct real estate (unleveraged) and US value added real estate (unleveraged.)

**MID-AMERICA TECHNOLOGY CENTER NO. 8
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Oklahoma Teachers' Retirement System (OTRS) (continued)

Discount Rate

A single discount rate of 7.0% was used to measure the total pension liability as of June 30, 2021. This single discount rate was based solely on the expected rate of return on pension plan investments of 7.0%. Based on the stated assumptions and the projection of cash flows, the pension plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The projection of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the current statutory levels and remain a level percentage of payrolls. The projection of cash flows also assumed that the State's contribution plus the matching contributions will remain a constant percent of projected member payroll based on the past five years of actual contributions.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease 6.0%	Current Discount Rate 7.0%	1% Increase 8.0%
Employers' net pension liability	\$ 10,221,355	\$ 6,253,443	\$ 2,968,551

Pension plan fiduciary net position

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

**MID-AMERICA TECHNOLOGY CENTER NO. 8
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

5. Risk Management and Litigation

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Therefore, insurance coverage is obtained from various insurance carriers.

Management estimates that the amount of actual or potential claims against the District as of June 30, 2022, will not materially affect the financial condition of the District. Therefore, none of the District's funds contain any provisions for these types of losses.

6. Contingencies

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

7. Subsequent Events

Subsequent events have been evaluated through December 15, 2022, which is the date the financial statements were issued.

REQUIRED SUPPLEMENTARY INFORMATION

**MID-AMERICA TECHNOLOGY CENTER NO. 8
McCLAIN COUNTY, OKLAHOMA
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSIONS LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2021**

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Pension Liability	0.1224%	0.1245%	0.1228%	0.1186%	0.1210%	0.1138%	0.1130%	0.0944%
District's Proportionate Share of the Net Pension Liability	\$6,253,443	\$11,816,715	\$8,128,153	\$7,169,300	\$8,011,292	\$9,534,562	\$6,860,548	\$5,349,608
District's Covered-Employee Payroll	\$6,675,062	\$6,120,646	\$6,117,566	\$5,891,183	\$5,287,850	\$5,169,285	\$4,955,608	\$4,854,580
District's Proportionate Share of the Net Pension Liability as a percentage of its covered-employee payroll	94%	193%	133%	122%	152%	184%	138%	110%
Plan fiduciary net position as a % of total pension liability	80.80%	63.47%	71.56%	72.74%	69.32%	62.24%	70.31%	72.43%

Notes to Schedule:

Only these years are presented because ten year data is not yet available.

The amounts presented for each fiscal year were determined as of June 30th of the prior year.

SCHEDULE OF DISTRICT'S CONTRIBUTIONS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contributions	\$634,130	\$581,462	\$581,169	\$559,663	\$502,346	\$491,082	\$470,783	\$461,185
Contributions in Relation to the Contractually Required Contributions	<u>634,130</u>	<u>581,462</u>	<u>581,169</u>	<u>559,663</u>	<u>502,346</u>	<u>491,082</u>	<u>470,783</u>	<u>461,185</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's Covered-Employee Payroll	\$6,675,062	\$6,120,646	\$6,117,566	\$5,891,183	\$5,287,850	\$5,169,285	\$4,955,608	\$4,854,580
Contribution as a % of Covered-Employee Payroll	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%

Notes to Schedule:

Only these years are presented because ten year data is not yet available.

**MID AMERICA TECHNOLOGY CENTER NO. 8
McCLAIN COUNTY, OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
STATUTORY BASIS - BUDGET AND ACTUAL - GENERAL FUND AND BUDGETED SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:						
Local Sources	\$9,413,702	10,571,077	1,157,375	900,783	1,054,261	153,478
State Sources	2,910,364	2,906,202	(4,162)		301	301
Federal Sources	605,868	633,224	27,356			0
Total Revenues	12,929,934	14,110,503	1,180,569	900,783	1,054,562	153,779
EXPENDITURES :						
Instruction	9,174,128	5,746,551	3,427,577			0
Support Services	8,226,442	6,010,941	2,215,501			0
Non-Instructional Services	273,576	172,772	100,804			0
Facilities Acquisition & Constr. Services	4,533,691	1,154,385	3,379,306	13,185,948	0	13,185,948
Other Outlays	156,376	46,429	109,947			0
Other Uses	320,000	148,047	171,953			0
Repayments	6,000	0	6,000			0
Total Expenditures	22,690,213	13,279,125	9,411,088	13,185,948	0	13,185,948
Revenues Over (Under) Expenditures	(9,760,279)	831,378	10,591,657	(12,285,165)	1,054,562	13,339,727
OTHER FINANCING SOURCES (USES):						
Return of Assets	103,680	68,585	(35,095)			0
Estopped Warrants		0	0			0
Deobligation of Prior Year Funds		52,854	52,854			0
Total Other Financing Sources (Uses)	103,680	121,439	17,759	0	0	0
Revenue and Other Sources Over (Under) Expenditures and Other Uses	(9,656,599)	952,817	10,609,416	(12,285,165)	1,054,562	13,339,727
Fund Balance, Beginning of Year	9,656,599	9,656,599	0	12,285,165	12,285,165	0
Fund Balance, End of Year	\$0	10,609,416	10,609,416	0	13,339,727	13,339,727

See Independent Auditors' Report

OTHER SUPPLEMENTARY INFORMATION

**MID AMERICA TECHNOLOGY CENTER DISTRICT NO. 8
MCCLAIN COUNTY, OKLAHOMA**

**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Project Number</u>	<u>Federal CFDA Number</u>	<u>Program or Award Amount</u>	<u>Cash/ Beginning Balance at July 1, 2021</u>	<u>Federal Receipts</u>	<u>Federal Expenditures</u>	<u>Refunds</u>	<u>Cash/ Ending Balance at June 30, 2022</u>
<u>Passed Through Department of Vocational and Technical Education:</u>								
Carl D. Perkins								
Secondary	423	84.048	\$116,478.00		113,652.54	116,478.00		(2,825.46)
Tech Centers that Work	429	84.048	12,000.00		12,000.00	12,000.00		0.00
Tech Centers that Work - Prior Year	799	84.048		(151.92)	151.92			0.00
HEERF II	416	84.425	34,796.74		34,796.74	34,796.74		0.00
HEERF II	417	84.425	609,355.79		609,355.79	609,355.79		0.00
HEERF II - Prior Year	799	84.425		(45,831.21)	45,831.21			0.00
Total			<u>772,630.53</u>	<u>(45,983.13)</u>	<u>815,788.20</u>	<u>772,630.53</u>	<u>0.00</u>	<u>(2,825.46)</u>
<u>U.S. Department of Education:</u>								
Direct Programs:								
Pell Grants	474	84.063	144,900.00		144,900.00	144,900.00		0.00
Pell Grants - Administrative Fee	474	84.063	125.00		125.00	125.00		0.00
Pell Grants - Administrative Fee - Prior Year	799	84.063		(5.00)	5.00			0.00
Total			<u>145,025.00</u>	<u>(5.00)</u>	<u>145,030.00</u>	<u>145,025.00</u>	<u>0.00</u>	<u>0.00</u>
Total Federal Assistance			<u>\$917,655.53</u>	<u>(45,988.13)</u>	<u>960,818.20</u>	<u>917,655.53</u>	<u>0.00</u>	<u>(2,825.46)</u>

See Independent Auditors' Report

See Accompanying Notes to Financial Statements

**MID AMERICA TECHNOLOGY CENTER NO. 8
McCLAIN COUNTY, OKLAHOMA**

**COMBINING STATEMENT OF ASSETS AND LIABILITIES - STATUTORY BASIS
(ALL GOVERNMENTAL FUND TYPES AND SIMILAR TRUST FUNDS)
JUNE 30, 2022**

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Types</u>	<u>Totals</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Trust and Agency</u>	<u>(Memorandum Only)</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	<u>\$12,158,183</u>	<u>13,339,127</u>	<u>175,995</u>	<u>25,673,305</u>
Total Assets	<u><u>\$12,158,183</u></u>	<u><u>13,339,127</u></u>	<u><u>175,995</u></u>	<u><u>25,673,305</u></u>
<u>LIABILITIES</u>				
Warrants Payable	\$219,656		20,159	239,815
Reserved for Encumbrances	<u>1,329,111</u>			<u>1,329,111</u>
Total Liabilities	<u>1,548,767</u>	<u>0</u>	<u>20,159</u>	<u>1,568,926</u>
<u>FUND EQUITY</u>				
Fund Balances:				
Restricted for Student Activities			155,836	155,836
Restricted for Building Activities		13,339,127		13,339,127
Unassigned	<u>10,609,416</u>			<u>10,609,416</u>
Total Fund Balance	<u>10,609,416</u>	<u>13,339,127</u>	<u>155,836</u>	<u>24,104,379</u>
Total Liabilities and Fund Equity	<u><u>\$12,158,183</u></u>	<u><u>13,339,127</u></u>	<u><u>175,995</u></u>	<u><u>25,673,305</u></u>

See Independent Auditors' Report

**MID AMERICA TECHNOLOGY CENTER NO. 8
McCLAIN COUNTY, OKLAHOMA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
STATUTORY BASIS - ALL GOVERNMENTAL FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	Governmental Fund Types		Fiduciary Fund Types	Totals
	General	Special Revenue	Trust and Agency	(Memorandum Only)
REVENUES:				
Local Sources	\$10,571,077	1,054,261	1,257,189	12,882,527
State Sources	2,906,202	301		2,906,503
Federal Sources	633,224		281,762	914,986
Total Revenues Collected	<u>14,110,503</u>	<u>1,054,562</u>	<u>1,538,951</u>	<u>16,704,016</u>
EXPENDITURES:				
Instruction	5,746,551			5,746,551
Support Services	6,010,941			6,010,941
Non-Instructional Services	172,772		1,538,928	1,711,700
Facilities Aquisition & Construction Services	1,154,385			1,154,385
Other Outlays	46,429			46,429
Other Uses	148,047			148,047
Repayments	0			0
Total Expenditures	<u>13,279,125</u>	<u>0</u>	<u>1,538,928</u>	<u>14,818,053</u>
Revenues Over (Under) Expenditures	<u>831,378</u>	<u>1,054,562</u>	<u>23</u>	<u>1,885,963</u>
OTHER FINANCING SOURCES (USES):				
Return of Assets	68,585			68,585
Estopped Warrants	0			0
Deobligation of Prior Year Funds	52,854			52,854
Total Other Financing Sources (Uses):	<u>121,439</u>	<u>0</u>	<u>0</u>	<u>121,439</u>
Revenue and Other Sources Over (Under) Expenditures and Other Uses	<u>952,817</u>	<u>1,054,562</u>	<u>23</u>	<u>2,007,402</u>
Fund Balance Unreserved, Beginning of Year	<u>9,656,599</u>	<u>12,285,165</u>	<u>155,813</u>	<u>22,097,577</u>
Fund Balance Unreserved, End of Year	<u>\$10,609,416</u>	<u>13,339,727</u>	<u>155,836</u>	<u>24,104,979</u>

See Independent Auditors' Report

**MID AMERICA TECHNOLOGY CENTER NO. 8
McCLAIN COUNTY, OKLAHOMA
SCHOOL ACTIVITY FUNDS--RECEIPTS, TRANSFERS
DISBURSEMENTS AND SUBACCOUNT BALANCES - STATUTORY BASIS
JULY 1, 2021 TO JUNE 30, 2022**

	Balance 7/01/21	Deposited	Transfers	Disbursements	Balance 6/30/22
Interest	\$1,598.00	(101.95)	0.00	0.00	1,496.05
Petty Cash	0.00	200.00	0.00	200.00	0.00
Refund	0.00	589,934.15	25.00	589,959.15	0.00
Miscellaneous	87,324.76	868,111.41	(17,000.00)	882,853.36	55,582.81
Business Prof Of America	6,877.39	1,668.98	3,000.00	3,179.13	8,367.24
Equine Production	44,685.35	57,770.50	0.00	33,669.12	68,786.73
HOSA/Health	6,310.89	5,527.09	3,000.00	7,331.97	7,506.01
HOSA/PN	2,033.42	420.00	0.00	581.44	1,871.98
Skills USA	6,657.31	15,421.03	10,975.00	21,081.87	11,971.47
Faculty and Staff	325.77	0.00	0.00	71.90	253.87
TOTAL	<u>\$155,812.89</u>	<u>1,538,951.21</u>	<u>0.00</u>	<u>1,538,927.94</u>	<u>155,836.16</u>

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

See Independent Auditors' Report

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**MID AMERICA TECHNOLOGY CENTER SCHOOL DISTRICT NO. 8
 MCCLAIN COUNTY, OKLAHOMA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2022**

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: Unqualified

Internal control over financial reporting:

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

* Significant Deficiency(ies) identified not considered to be material weakness(es)? _____ Yes X None Reported

Noncompliance material to financial statement noted? _____ Yes X No

Federal Awards

Internal control over major programs:

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

* Significant Deficiency(ies) identified not considered to be material weakness(es)? _____ Yes X None Reported

Type of auditors’ report issued on compliance for Major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? _____ Yes X No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
84.425	HEERF II

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

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

**MID AMERICA TECHNOLOGY CENTER SCHOOL DISTRICT NO. 8
MCCLAIN COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

Section II – Findings Relating to the Financial Statements

None

Section III – Findings and Questioned Costs for Federal Awards

N/A

Section IV – Status of Prior Year Audit Findings

None related to the financial statements or questioned costs for federal awards.

Section V – Management’s Corrective Action Plan

N/A

**ACCOUNTANT'S PROFESSIONAL
LIABILITY INSURANCE AFFIDAVIT**

**MID AMERICA TECHNOLOGY CENTER SCHOOL DISTRICT NO. 8
MCCLAIN COUNTY, OKLAHOMA
ACCOUNTANT'S PROFESSIONAL
LIABILITY INSURANCE AFFIDAVIT
FOR THE YEAR ENDED JUNE 30, 2022**

State of Oklahoma)

County of Oklahoma)

The undersigned auditing firm of lawful age, being first duly sworn on oath says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with Mid America Technology Center School District No. 8 for the audit year 2021-2022.

PUTNAM & COMPANY, PLLC

Jerry W. Putnam

Jerry W. Putnam



Subscribed and sworn to before me this
15th day of December 2022.

A handwritten signature in cursive script, appearing to read "Amy Ziemba", written over a horizontal line.

Amy Ziemba, Notary Public
Commission # 03003504
My commission expires
June 4, 2023.

MANAGEMENT LETTER AND COMMENTS

PUTNAM & COMPANY, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

169 S.E. 32ND

EDMOND, OKLAHOMA 73103

(405) 348-3800

Fax (405) 348-3846

December 15, 2022

The Honorable Board of Education
Mid America Technology Center School District No. 8
McClain County, Oklahoma

We have audited the financial statements of Mid America Technology Center School District No. 8, McClain County, Oklahoma, as of and for the year ended June 30, 2022, as listed in the table of contents, and have issued our report thereon dated December 15, 2022. As a part of our audit, we made a study and evaluation of the District's system of internal accounting control to the extent we considered necessary solely to determine the nature, timing and extent of our auditing procedures. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole, and we do not express such an opinion.

However, during our audit we became aware of some matters that, while not involving material weaknesses in internal accounting control, are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated December 15, 2022, on the financial statements of Mid America Technology Center School District No. 8.

We will review the status of these comments during our next audit engagement. We would be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters or to assist you in implementing the recommendations.

We also wish to express our appreciation of the courteous attention and cooperation which we received from staff members during our engagement.

Sincerely,

Jerry W. Putnam

Jerry W. Putnam

PUTNAM & COMPANY, PLLC

**MID AMERICA TECHNOLOGY CENTER SCHOOL DISTRICT NO. 8
MCCLAIN COUNTY, OKLAHOMA
MANAGEMENT LETTER COMMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

CURRENT YEAR'S COMMENTS AND RECOMMENDATIONS:

REVIEW OF APPROPRIATED FUND TRANSACTIONS

Our review of purchase orders and payment documentation indicated that the District was doing an excellent job of obtaining and maintaining supporting documentation for its payments.

REVIEW OF ACTIVITY FUND TRANSACTIONS

Our review of purchase orders and payment documentation indicated that the District was doing an excellent job of obtaining and maintaining supporting documentation for its payments. However, we did note on a few occasions that the invoices were dated before the purchase order. We recommend that all purchase orders be dated before the invoices.

DISTRICT'S RESPONSE TO AUDIT COMMENTS AND RECOMMENDATIONS

The District has received the findings and recommendations and will review current procedures in order to implement necessary changes.