

**ANNUAL FINANCIAL REPORT  
MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY, OKLAHOMA  
JULY 1, 2019 TO JUNE 30, 2020**

**AUDITED BY  
KERRY JOHN PATTEN, C.P.A.**

**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY, OKLAHOMA  
SCHOOL CENTER OFFICIALS  
JUNE 30, 2020**

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**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY, OKLAHOMA  
JUNE 30, 2020**

TABLE OF CONTENTS

	Page
Report of Independent Auditor .....	1
Management’s Discussion and Analysis .....	3
Basic Financial Statements	
Government-Wide Financial Statements --	
Statement of Net Assets .....	11
Statement of Activities .....	12
Fund Financial Statements	
Statement of Assets, Liabilities and Fund Balances – Governmental Funds .....	13
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	14
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities .....	15
Notes to the Financial Statements .....	16
Combining Financial Statements	
Statement of Net Position – Fiduciary Funds .....	34
Statement of Changes in Assets and Liabilities – Activity Fund.....	35
Statement of Revenues, Expenditures, and Changes in Fund Balance – Federal Pell Grant Fund .....	36
Required Supplementary Information	
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – (Budgetary Basis) – General Fund.....	37
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – (Budgetary Basis) – Building Fund.....	38
Schedule of Proportionate Share of the Net Pension Liability Oklahoma Teachers Retirement System .....	39
Schedule of Contributions to the Oklahoma Teachers Retirement System .....	40
Schedule of the District’s Proportionate Share of the Net OPEB Liability Supplemental Health Insurance Program .....	41
Schedule of the District’s Contributions Supplemental Health Insurance Program .....	42

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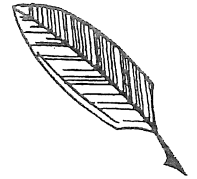
Supporting Schedules

Schedule of Expenditures of Federal Awards .....	43
Notes to the Schedule of Expenditures of Federal Awards .....	44
<i>Reports Required by Government Auditing Standards</i>	
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 <i>Government Auditing Standards</i> .....	45
Summary of Prior Audit Findings .....	47
Schedule of Comments .....	48
Schedule of Accountant's Professional Liability Insurance Affidavit .....	49

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## INDEPENDENT AUDITOR'S REPORT

The Board of Education  
Meridian Technology Center No. 16  
Stillwater, Oklahoma

### **Report on the Financial Statements**

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Meridian Technology Center No. 16, Payne County, Oklahoma, as of and for the year ended June 30, 2020, which collectively comprise the 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**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Meridian Technology Center No. 16 as of June 30, 2020, and the respective changes in its financial position and, where applicable, cash flows 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 and the required supplementary information, 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 Auditing Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

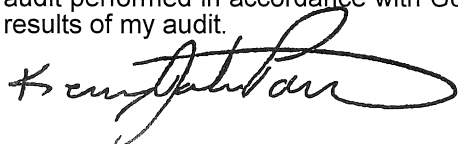
### Other Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for additional analysis, and is not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial and other additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the supplementary information including the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements taken as a whole.

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated, February 24, 2021, on my consideration of Meridian Technology Center No.16, Payne County, Oklahoma's, internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my 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* and should be considered in assessing the results of my audit.



Kerry John Patten, C.P.A.  
Broken Arrow, OK  
February 24, 2021

## **MANAGEMENT DISCUSSION AND ANALYSIS**

MERIDIAN TECHNOLOGY CENTER  
Management's Discussion and Analysis (MD&A)  
June 30, 2020

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

**Organization**

Meridian Technology Center School District 16 is a political subdivision of the Oklahoma Department of Career and Technology Education. The school is located in Stillwater, Oklahoma and operates under the local control of a five-member board of education with a designated chief executive officer. The Meridian Technology Center School District includes portions of five counties, Lincoln, Logan, Noble, Pawnee and Payne, and includes the public school districts of Agra, Carney, Glencoe, Guthrie, Morrison, Mulhall-Orlando, Pawnee, Perkins-Tryon, Perry and Stillwater.

The district offers three basic types of instruction, Full Time Programs, Adult and Career Development, Workforce and Economic Development, as well as entrepreneurial services offered through the Center for Business Development. The full time programs division includes a variety of career major offerings designed to lead to industry certifications, licenses, employment and/or continuing education. The course offerings in the Adult and Career Development instruction are designed to enhance knowledge of specific topics, while the Workforce and Economic Development division strives to meet the training and development needs of business and industry. The Center for Business Development provides customized support, education and training for entrepreneurs and small businesses in the district.

**FINANCIAL STATEMENTS**

The financial statements consist of three parts: management discussion and analysis, the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of Meridian Technology Center. The first two statements, pages 11 and 12, 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 Meridian Technology Center's overall financial status.

See auditor's disclaimer of opinion



MERIDIAN TECHNOLOGY CENTER  
Management's Discussion and Analysis (MD&A)  
June 30, 2020

The remaining statements are fund financial statements, pages 13-15, that focus on individual parts of Meridian Technology Center's operations in more detail than the district-wide statements. The governmental fund 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 Fund, Special Revenue or Building Fund and a Capital Project Fund that consists of funds received by entering into Revenue Lease Finance agreements, July 1, 2018 and March, 2020 for building projects.

The financial statements also include notes, beginning on page 16, 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 the financial statements.

## **OVERVIEW OF FINANCIAL STATEMENTS**

### **District-Wide Statements**

The district-wide statements report information about Meridian Technology Center as a whole. The Statement of Net Position includes all of the district's assets and liabilities, with the difference reported as net position. All of the current year's revenues and expenses are accounted for in the statement of activities.

The two district-wide statements report Meridian Technology Center's net assets and how they have changed. Net position, the difference between Meridian Technology Center's assets and liabilities, is one way to measure Meridian Technology Center's financial health or position.

Over time, increases or decreases in Meridian Technology Center's net position is an indication of whether its financial health is improving or deteriorating, respectively. To assess the overall financial health of Meridian Technology Center, you need to consider additional factors, such as changes in the ad valorem valuation and the projected student enrollment.

### **Fund Financial Statements**

Meridian Technology Center's fund financial statements provide detailed information about each fund – not Meridian Technology Center 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.

See auditor's disclaimer of opinion

MERIDIAN TECHNOLOGY CENTER  
Management's Discussion and Analysis (MD&A)  
June 30, 2020

- Governmental funds – Most of Meridian Technology Center's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. The governmental fund statements provide a detailed short-term view of Meridian Technology Center's operations and the services it provides.
  
- Fiduciary funds - Meridian Technology Center is the trustee, or fiduciary, for assets that belong to others, such as student activity funds. Meridian Technology Center is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. Meridian Technology Center excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

**FINANCIAL ANALYSIS OF MERIDIAN TECHNOLOGY CENTER AS A WHOLE**

**Net Position**

Meridian Technology Center's total assets increased by 8.07% or \$4,160,660 over 2019. The increase is largely due to Construction in Progress, which includes two building projects. One building project, the Science, Technology, Engineering and Mathematics (STEM) Building project started in August 2018 and the South Division campus in Guthrie which began construction September 2019 .

In turn, total liabilities increased by \$3,011,931 from the previous year which includes an additional Revenue Lease Finance agreement of \$3,000,000 instituted March,2020 for the South Division campus. Meridian Technology Center's portion of the Oklahoma Teachers Retirement System's unfunded liability increased by \$793,986. Governmental Accounting Standards Board pension reporting standards require Meridian Technology Center to report a proportionate share of the Oklahoma Teachers Retirement System's net pension liability, deferred outflow of resources, deferred inflows of resources and pension expense.

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MERIDIAN TECHNOLOGY CENTER  
Management's Discussion and Analysis (MD&A)  
June 30, 2020

Net Position

	FY2020	FY2019
Current Assets	\$26,629,807	\$29,178,470
Net Capital Assets	\$29,102,970	\$22,393,647
Total Assets	\$55,732,777	\$51,572,117
Deferred Outflow of Resources	\$1,927,566	\$1,689,474
Current Liabilities	\$2,788,009	\$990,683
Long term Liabilities	\$25,000,561	\$23,785,957
Total Liabilities	\$27,788,571	\$24,776,640
Deferred Inflow of Resources	\$1,010,216	\$1,799,689
Net Position Invested in Capital Assets		
Net of Related Debt	\$13,235,564	\$22,288,474
Restricted	\$12,804,360	\$237,068
Unrestricted	\$2,821,632	\$4,159,720
Total Net Position	\$28,861,556	\$26,685,262

Since the majority of Meridian Technology Center's net assets are invested in capital assets (buildings, land, and equipment), the remaining net assets are unrestricted and are used to fund cash flow needs, as well as accumulating in the Building Fund for future expansion plans.

**Statement of Activities**

The result of this year's operations as a whole are reported in the Statement of Activities. The largest general revenue category is property taxes (ad valorem).

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MERIDIAN TECHNOLOGY CENTER  
Management's Discussion and Analysis (MD&A)  
June 30, 2020

**Statement of Activities (continued)**

The information below, from the Statement of Activities, page 12, shows the sources of revenues and expenses, resulting in the change in net assets.

Changes in Net Position

<b>Revenues</b>	<b>FY 2020</b>	<b>FY 2019</b>
<b>Program Revenues</b>		
Charges for Services	\$1,550,929	\$1,872,303
Operating Grants & Contributions	\$583,835	\$596,479
<b>General Revenues</b>		
Property & Other Taxes	\$13,492,179	\$12,893,074
Federal and State Aid	\$3,505,828	\$2,892,360
Interest and Investment Earnings	\$346,500	\$460,253
Miscellaneous	\$127,626	\$44,394
<b>Total Revenues</b>	<b>\$19,606,897</b>	<b>\$18,758,863</b>
<b>Expenses</b>		
Instruction	\$6,843,413	\$6,670,574
Instructional Support Services	\$3,047,675	\$2,996,350
Support Services- Operational	\$4,868,292	\$4,538,055
Non-Instructional	\$252,527	\$306,958
Other Outlays	\$68,034	\$402,002
Other Uses	\$56,096	\$49,653
Capital Outlays	\$995,442	\$836,313
Interest Expense	\$91,684	0
Depreciation - Unallocated	\$1,200,842	\$1,126,508
<b>Total Expenses</b>	<b>\$17,430,603</b>	<b>\$16,926,413</b>
<b>Increase (decrease) in net position</b>		<b>\$2,176,294</b>

Meridian Technology Center experienced an increase of approximately 4.5% of total revenues during fiscal year 2020. Despite a decrease in charges for services of 17%, local ad valorem and federal and state aid increased sufficiently to overcome the deficit, which was mainly due to the pandemic.

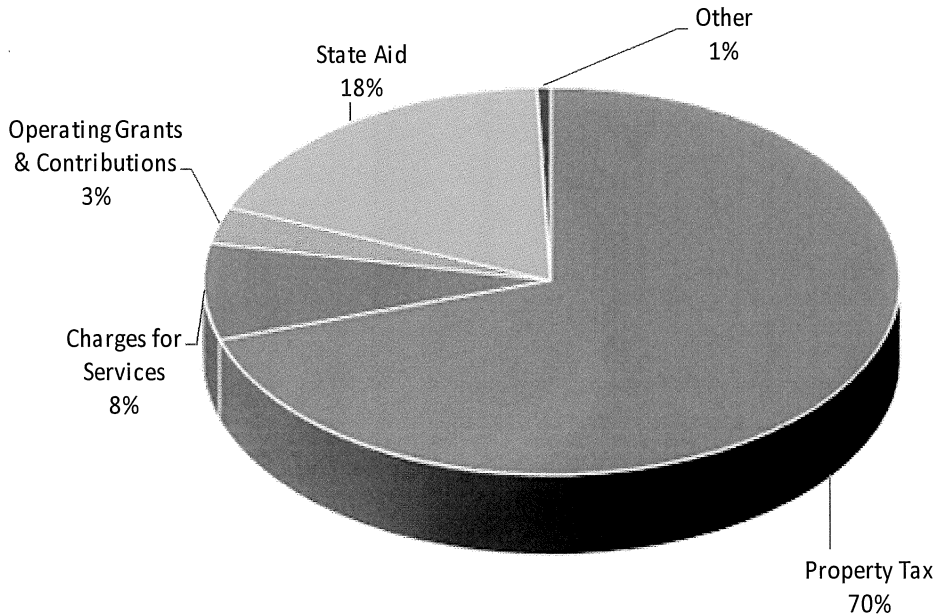
No new programs were started during fiscal year 2020; although Energy and Power was expanded by adding another full-time instructor. No programs were discontinued.

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MERIDIAN TECHNOLOGY CENTER  
Management's Discussion and Analysis (MD&A)  
June 30, 2020

By the nature of funding for technology centers, the sources of revenue remain relatively constant from year to year. Although state aid has started to increase, it still remains a smaller portion of overall revenue than in year's past. State aid from formula operations has decreased from 23% of total revenues in FY2008 to 18% of total revenues in FY2020. Coupled with the decrease in state operating grants and contributions from 7% of total revenues to 3% during the same period. Property taxes, considered a local funding source and the district's largest funding source, continue to increase from 65% of total income in fiscal year 2015 to 70% in fiscal year 2020. Consequently, in fiscal year 2020, 78% of Meridian Technology Center's total revenues were derived from local sources; slightly down from 2019's 81%.

**Sources of Revenue  
For Fiscal Year 2020**



See auditor's disclaimer of opinion

MERIDIAN TECHNOLOGY CENTER  
Management's Discussion and Analysis (MD&A)  
June 30, 2020

**FINANCIAL ANALYSIS OF MERIDIAN TECHNOLOGY CENTER'S FUNDS**

At June 30, 2020, Meridian Technology Center's governmental funds reported combined revenues of \$19,606,897 compared to \$18,758,863 at June 30, 2019. The main increase was in ad valorem. The primary source of revenue for the governmental funds is property tax (ad valorem). The property tax is not received evenly throughout the fiscal year, with the majority of property tax revenues received between December 15<sup>th</sup> and March 31<sup>st</sup> of each year. The governmental funds must carry forward 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. The district received an increase in unrestricted funds for operations from federal restricted sources and revenue from local sources.

**Building Fund**

Meridian Technology Center has managed the Building Fund balance in order to fund remodel, expansion, and construction projects of the technology center without the need for a school bond. Although the district is allowing the building fund to accumulate in order to fund future projects, due to decreased state funding the district has utilized building funds for limited operational expenditures.

**Capital Project Fund**

Meridian Technology Center chose to participate in a Revenue Lease Finance agreement to aid in the construction process of two buildings. The funds acquired through this process have been used for the construction of a Science, Technology, Engineering and Mathematics (STEM) building as well as a new campus in Guthrie on the property purchased in FY16.

**BUDGETARY HIGHLIGHTS**

Meridian Technology Center prepares budgets in compliance with Oklahoma statutes. The preliminary 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 budget was approved with a general fund budget of \$18,072,418, 5.8% more than fiscal year 2019. Local taxes and state aid were the main contributors.

See auditor's disclaimer of opinion

**MERIDIAN TECHNOLOGY CENTER**  
Management's Discussion and Analysis (MD&A)  
June 30, 2020

**CAPITAL ASSETS**

At June 30, 2020, Meridian Technology Center had \$29,003,650 invested in a broad range of capital assets including land, school buildings, construction in progress, furniture and equipment, infrastructure, and vehicles. The 29.5% increase is mainly attributed to construction in progress.

**FACTORS IMPACTING MERIDIAN TECHNOLOGY CENTER'S FUTURE**

The district continues to analyze and assess opportunities to increase local funding sources, in anticipation of continuing declines in state aid. Tax Increment Financing projects throughout the districts could also affect the future growth of ad valorem revenue. However, Meridian Technology Center is financially positioned so that possible reductions, whether ad valorem or state funding, will not have an immediate adverse impact on the District's future operations. Meridian Technology Center will continue to upgrade equipment and facilities as appropriate for technology training, and will continue to cautiously consider purchases.

**CONTACTING MERIDIAN TECHNOLOGY CENTER FINANCIAL MANAGEMENT**

This financial report is designed to provide citizens, taxpayers, parents, students and creditors with a general overview of Meridian Technology Center'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 Superintendent's Office, Meridian Technology Center, 1312 South Sangre Road, Stillwater, OK 74074.

See auditor's disclaimer of opinion

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**



**MERIDIAN TECHNOLOGY CENTER NO. 16  
STATEMENT OF NET POSITION  
JUNE 30, 2020**

		Governmental Activities
<b><u>ASSETS</u></b>		
Cash and investments	\$	12,684,150
Restricted Cash		12,804,360
Property tax receivable		951,717
Interest receivable		50,703
Due from other governments		100,019
Due from activity fund		26,085
Other local receivable		-
Prepaid insurance		12,773
Capital assets		
Construction in Progress		9,301,310
Land		643,588
Other capital assets, net of accumulated depreciation		19,058,752
Net OPEB asset		99,320
Total Assets	\$	55,732,777
<b><u>DEFERRED OUTFLOW OF RESOURCES</u></b>		
Deferred amounts of resources related to pensions	\$	1,922,951
Deferred amounts of resources related to OPEB		4,615
Total deferred outflow of resources		1,927,566
<b><u>LIABILITIES</u></b>		
Current liabilities		
Accounts payable	\$	1,136,941
Wages payable		21,616
Accrued Interest		91,684
Current portion of long-term liabilities		1,537,769
Long-term liabilities		
Non-current portion of long-term liabilities		14,370,231
Net pension liability		10,630,330
Total Liabilities	\$	27,788,571
<b><u>DEFERRED INFLOW OF RESOURCES</u></b>		
Deferred inflows of resources related to pensions	\$	959,662
Deferred inflows of resources related to OPEB		50,554
Total deferred inflow of resources		1,010,216
<b><u>NET POSITION</u></b>		
Net investment in capital assets	\$	13,235,564
Restricted		12,804,360
Unrestricted		2,821,632
Total Net Position	\$	28,861,556

The accompanying notes are an integral part of these financial statements.

**MERIDIAN TECHNOLOGY CENTER NO. 16  
STATEMENT OF ACTIVITIES  
FOR YEAR ENDED JUNE 30, 2020**

	Expenses	Program Revenues		Capital Grants & Contributions	Net (Expenses) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants & Contributions		
<b>Governmental Activities:</b>					
Instruction	\$ (6,843,413)	\$ 795,958	\$ 169,878	\$ -	\$ (5,877,577)
Support Services - Instructional	(3,047,675)	228,323	413,957	-	(2,405,395)
Support Services - Operational	(4,868,292)	526,648	-	-	(4,341,644)
Non-Instructional	(252,527)	-	-	-	(252,527)
Other Outlays	(68,034)	-	-	-	(68,034)
Other Uses	(56,096)	-	-	-	(56,096)
Capital Outlay	(995,442)	-	-	-	(995,442)
Interest Expense	(91,684)	-	-	-	(91,684)
Depreciation - Unallocated	(1,200,842)	-	-	-	(1,200,842)
Repayments	(6,598)	-	-	-	(6,598)
<b>Governmental Activities</b>	<b>\$ (17,430,603)</b>	<b>\$ 1,550,929</b>	<b>\$ 583,835</b>	<b>\$ -</b>	<b>\$ (15,295,839)</b>

**General revenues**

Taxes:

Property taxes, levied for general purposes	\$ 13,489,023
Other Taxes	3,156

Federal and State aid not restricted to specific purposes:

General	3,505,828
Interest and investment earnings	346,500
Miscellaneous	<u>127,626</u>

Total general revenues 17,472,133

Changes in net position 2,176,294

Net position - beginning 26,685,262

Net position - ending \$ 28,861,556

The accompanying notes are an integral part of these financial statements.

**FUND FINANCIAL STATEMENTS**

**MERIDIAN TECHNOLOGY CENTER NO. 16  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2020**

	General Fund	Building Fund	Capital Project Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 5,482,231	\$ 7,201,919	\$ 12,804,360	\$ 25,488,510
Restricted Cash	-	-	-	-
Property taxes receivable	634,393	317,324	-	951,717
Interest receivable	50,703	-	-	50,703
Due from other governments	99,848	171	-	100,019
Due from activity fund	26,085	-	-	26,085
Other local	-	-	-	-
Prepaid insurance	12,773	-	-	12,773
	<u>\$ 6,306,033</u>	<u>\$ 7,519,414</u>	<u>\$ 12,804,360</u>	<u>\$ 26,629,807</u>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 133,292	\$ 1,003,649	\$ -	\$ 1,136,941
Accrued wages payable	21,616	-	-	21,616
Compensated absences-current	139,914	-	-	139,914
	<u>\$ 294,822</u>	<u>\$ 1,003,649</u>	<u>\$ -</u>	<u>\$ 1,298,471</u>
<b>Deferred inflow or resources:</b>				
Deferred property taxes	\$ 436,273	218,208	-	654,481
	<u>\$ 436,273</u>	<u>218,208</u>	<u>-</u>	<u>654,481</u>
<b>Fund balances:</b>				
<b>Nonspendable Fund Balances:</b>				
<i>Prepaid Items</i>	\$ 12,773	\$ -	\$ -	\$ 12,773
<b>Restricted Fund Balances:</b>				
<i>Restricted by statute</i>	-	3,978,003	-	3,978,003
<i>Restricted for Capital Obligations</i>	-	-	12,804,360	12,804,360
<b>Committed Fund Balances:</b>				
<i>Contractual Obligations</i>	-	-	-	-
<b>Assigned Fund Balances:</b>				
<i>Encumbrances</i>	587,909	2,319,554	-	2,907,463
<i>Other Assigned Fund Balances</i>	-	-	-	-
Unassigned	4,974,256	-	-	4,974,256
	<u>\$ 5,574,938</u>	<u>\$ 6,297,557</u>	<u>\$ 12,804,360</u>	<u>\$ 24,676,855</u>
Total Fund Balances	<u>\$ 5,574,938</u>	<u>\$ 6,297,557</u>	<u>\$ 12,804,360</u>	<u>\$ 24,676,855</u>
Total Liabilities and Fund Balances	<u>\$ 5,869,760</u>	<u>\$ 7,519,414</u>	<u>\$ 12,804,360</u>	<u>\$ 28,861,556</u>
<b>Reconciliation to the Statement of Net Position</b>				
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds. The cost of the assets is \$49,599,099 and accumulated depreciation is \$20,595,449.				
				29,003,650
Long-Term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-Term liabilities at year-end consist of:				
Compensated Absences				-
Lease Purchase Financing				(15,768,086)
Property taxes receivable will be collected this year, but are not available soon enough to pay current period's expenditures, therefore they are deferred in the funds.				
				654,481
Accrued interest is not due and payable in the current period and is therefore not reported in the governmental funds.				
				(91,684)
Deferred outflows and inflows of resources related to pensions and OPEB applicable to future periods and, therefore not required in funds				
				917,350
Net OPEB asset is not a financial resource, therefore not reported in funds				
				99,320
Net pension obligations are not due and payable in the current period and, therefore are not reported in the funds.				
				(10,630,330)
Total Net Position				<u>\$ 28,861,556</u>

The accompanying notes are an integral part of these financial statements

**MERIDIAN TECHNOLOGY CENTER NO. 16  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020**

	General Fund	Building Fund	Capital Project Fund	Total Governmental Funds
<b>Revenues:</b>				
Local sources	\$ 10,837,030	\$ 4,482,570	\$ 136,317	\$ 15,455,917
Intermediate sources	-	-	-	-
State sources	3,677,690	1,172	-	3,678,862
Federal sources	413,957	-	-	413,957
	<b>Total revenues</b>	<b>\$ 4,483,742</b>	<b>\$ 136,317</b>	<b>\$ 19,548,736</b>
<b>Expenditures:</b>				
Instructional	\$ 6,549,208	\$ 908,441	\$ -	\$ 7,457,649
Support services - Instructional	3,157,212	570	-	3,157,782
Support services - Operational	4,423,490	738,958	-	5,162,448
Non-instructional	253,370	-	-	253,370
Capital outlay	17,000	3,433,877	4,337,400	7,788,277
Other outlays	-	-	68,034	68,034
Other uses	56,096	-	-	56,096
Repayments	6,598	-	-	6,598
Debt Services				
Principal	-	1,068,323	-	1,068,323
Interest	-	444,771	-	444,771
	<b>Total expenditures</b>	<b>\$ 6,594,940</b>	<b>\$ 4,405,434</b>	<b>\$ 25,463,348</b>
Excess of revenues over (under) expenditures	\$ 465,703	\$ (2,111,198)	\$ (4,269,117)	\$ (5,914,612)
<b>Other financing sources (uses):</b>				
Lease Purchase Financing	\$ -	\$ -	\$ 3,000,000	\$ 3,000,000
Excess of revenues and other sources of funds over (under) expenditures and other financing sources (uses)	\$ 465,703	\$ (2,111,198)	\$ (1,269,117)	\$ (2,914,612)
Fund balance, beginning of year	\$ 5,109,235	\$ 8,408,755	\$ 14,073,477	\$ 27,591,467
Fund balance, end of year	\$ 5,574,938	\$ 6,297,557	\$ 12,804,360	\$ 24,676,855

The accompanying notes are an integral part of these financial statements

**MERIDIAN TECHNOLOGY CENTER NO. 16  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES,  
FOR THE YEAR ENDED JUNE 30, 2020**

Net change in fund balances - governmental funds \$ (2,914,612)

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 assets and allocated over their estimated useful lives as annual  
depreciation expenses in the statement of activities. This is the amount by which  
capital outlays exceeds depreciation in the period.

Capital outlay expenditures	\$	7,916,018	
Depreciation expense		(1,200,842)	
			6,715,176

Governmental funds report district pension contributions as expenditures. However, the Statement of Activities reports the cost of pension benefits earned net of employee contributions as pension expense.			227,726
--	--	--	---------

Adjustment to compensated absences liability			113,204
--	--	--	---------

Accrual of interest expense			(91,684)
-----------------------------	--	--	----------

Some of the assets acquired this year were financed through Lease-Purchase financing. The amount financed is reported in the governmental funds as a source of financing, but increases long-term liabilities in the statement of net position and does not affect the Statement of Activities.			(3,000,000)
--	--	--	-------------

Repayment of Lease financing principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Assets and does not affect the Statement of Activities.			1,068,323
--	--	--	-----------

Property taxes receivable will be collected this year, but are not available soon enough to pay current period's expenditures, therefore they are counted as deferred in flows of revenue. They are however, recorded as revenue in the Statement of Activities.			58,161
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Change in Net Position of Governmental Activities	\$		2,176,294
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The accompanying notes are an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**

**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2020**

**1. Summary of Significant Accounting Policies**

The financial statements of the Meridian Technology Center No. 16 (the "Center") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units. The governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Center's accounting policies are described below.

**A. Reporting Entity**

In accordance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity," the Center has presented the entities which comprise the primary government in the fiscal year 2020 basic financial statements.

The Center 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 Center is part of the public school system of Oklahoma under the general direction and control of the State Board of Education and is financially dependent on the State of Oklahoma for support. The general operating authority for the public school system is the Oklahoma School Code contained in Title 70, Oklahoma Statutes.

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

As required by accounting principles generally accepted in the United States of America, the basic financial statements present the reporting entity which consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the Center's basic financial statements to be misleading or incomplete.

**B. Basis of Presentation**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Center. For the most part, the effect of interfund 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 is 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 students or citizens of the Center 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.

Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

**Fund Financial Statements**

The Technology Center segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Statements for governmental activities present each fund as a separate column on the fund financial statements.

Governmental funds are used to account for all or most of a government's general activities. The measurement focus of governmental funds is on the sources uses and balance of current financial resources. The Center has presented the following governmental funds:



**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS - GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2020**

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

Fund Financial Statements

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

Special Revenue Fund – The Center's Building Fund is a Special Revenue Fund and consists of monies derived from property taxes levied for the purpose of creating, remodeling or repairing buildings and for purchasing furniture and equipment.

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 Center.

The Center's Fiduciary Funds have been excluded from the government-wide financial statements.

Agency Fund – The Center's Agency Fund consists of the Activity fund and the Federal Pell Grant fund. The Center's Activity fund is used to account for monies collected that are held on behalf of others as their agent and do not involve the measurement of results of operations. The Federal Pell Grant fund is used to account for student financial aid which is collected by the Center and disbursed to eligible students or to pay educational costs on their behalf. The administration is responsible under the authority of the Board, for collecting, disbursing and accounting for these funds.

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.

C. Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. 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. For this purpose, the government considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Property taxes and interest and certain state and federal grants associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2020**

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

**D. Budgets and Budgetary Accounting**

A budget is legally adopted by the Board of Education for the General Fund and Special Revenue Fund that includes revenues and expenditures. These budgets are prepared on a budgetary basis of accounting. Budgetary control is maintained by fund, function, and activity and budgeted expenditures may not exceed appropriations at the fund level. Amendments may be made to the budget without approval by the governing body at the function and activity levels. Fund level budgetary amendments require approval of the governing body.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting – under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable fund balance – is utilized in all governmental funds of the Center. Appropriations which are not spent lapse at the end of the fiscal year and encumbrances are reversed. On the first day of the following fiscal year, the encumbrances are reinstated and the expenditures are applied against that year's budget.

**E. Net Position and Fund Balance**

The government-wide financial statements utilize a net position presentation. Net positions are categories of net investment in capital assets, restricted net position and unrestricted net position.

Net Investment in Capital Assets – is intended to reflect the portion of net assets, which are associated with non-liquid capital related debt. The net related debt is debt less the outstanding liquid assets and any associated unamortized cost.

Restricted Net Position – are liquid assets generated from revenues and not bond proceeds, which have third party (statutory bond covenant or granting agency) limitations on their use. The Center would typically use restricted net assets first, as appropriate opportunities arise, but reserve the right to selectively defer the use thereof to a future project or replacement equipment acquisition.

Unrestricted Net Position – represent unrestricted liquid assets.

Governmental Fund Financial Statements – The District has adopted Governmental Accounting Standards Board Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statements. The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications available in the governmental fund financial statements are as follows:

Nonspendable – Amounts that are not in a spendable form such as prepaid expenses, inventory, or required to be maintained intact such as the corpus of permanent fund.

Restricted – Amounts that are designated for specific purposes by their providers such as bondholders, grantors, or imposed by law through constitutional provisions or enabling legislation. The Building Fund is restricted by statute to certain capital related costs.

Committed – Amounts designated for specific purposes by the District's highest level of decision making authority (Board of Education) and cannot be used for any other purposes unless the same highest level (Board of Education) takes action to remove or change the designation.

The District commits a portion of the fund balance to honor the commitments made by the District for encumbrances (purchase orders) for which goods or services have not yet been received. The fund balance committed to encumbrances will be equivalent to the purchase orders rolled forward from one fiscal year to the next fiscal year

**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2020**

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

Assigned – Amount the District intends to use for specific purposes; intent can be expressed by the governing body or by an official to which the governing body delegates the authority.

The District assigns a portion of the fund balance in both the general fund and building fund for funding the cash flow needs during the first half of each fiscal year. The superintendent and the chief financial officer will determine the amount of assigned fund balance at the end of each fiscal year.

Unassigned – Amounts that are available for any purposes; reported only in the general fund. Fund balance represents the funds not restricted in use by statute nor encumbered by purchase order or legal contract.

**F. Assets, Liabilities and Cash Fund Balances**

Cash – Cash consists of currency and checks on hand and demand deposit accounts with banks and other financial institutions.

Property Tax Revenue and Receivables – The Center is authorized by state law to levy property taxes which consist of ad valorem taxes on real and personal property within the Center. 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 taxes becomes delinquent on April 1 of the year following the year of assessment. If taxes are delinquent and unpaid for a period of three years or more the real estate may be sold for such taxes.

Uncollected taxes assessed on valuations made each year are recorded in the Center's combined financial statements. Uncollectible personal and real property taxes are deemed to be immaterial because the property can be sold for the amount of taxes due.

Inventories – The cost of consumable materials and supplies on hand are immaterial to the financial statements, and the Technology Center has therefore chosen to report these items as expenditures/expenses at the time of purchase.

Capital Assets – Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements.

All purchased capital assets are valued at cost when historical records exist and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their fair market value on the date donated.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Assets capitalized have an original cost of \$2,500 or more. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings and structures	40 years	Improvements	Remaining Life
Equipment	3-20 years	Furniture and fixtures	10 years

**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2020**

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

Compensated Absences – A twelve-month salaried employee excluding directors, chief financial officer, deputy superintendent, superintendent and assistant superintendent is eligible for ten (10) days paid vacation each year accrued at the rate of 6.7 hours per month. Directors, chief financial officer, deputy superintendent, assistant superintendents and the superintendent are eligible for twelve (12) days paid vacation each year accrued at the rate of 8 hours per month.

Vacation days can be accumulated and carried forward one fiscal year and must be used by July 31 of the subsequent fiscal year. Upon retirement or termination, the Center will purchase any leave accumulated under policy guidelines. The Center accrues vacation leave when the benefits are earned and it is probable that the employee will be compensated through paid time off or some other means.

Long-Term Debt – Long-term debt is recognized as a liability of the applicable governmental activities statement on net assets.

Fund Equity – Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

**G. Revenue, Expenses and Expenditures**

Revenues are classified by source as follows:

Local – Revenue from local sources is revenue produced within the Center, which includes ad valorem taxes. It is available for current educational expenses and for other purposes authorized by the Technology Center.

Intermediate – Revenue from intermediate sources is revenue from funds collected by an intermediate administrative unit or political sub-division, like a county or municipality, and redistributed to the Technology Center.

State – Those revenues received from the State, which are dedicated or are appropriated by the State legislature. Some of this aid is restricted for specific purposes.

The Center 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 Career & Technology Education requires that categorical educational program revenues be accounted for in the general fund.

Federal – Revenue from Federal sources is money originating from the Federal government and made available to the Technology Center either as direct grants or under various programs passed-through the State Department of Career & Technology Education.

Expenditures are classified by function as follows:

Instruction Expenditures – Instruction expenditures include the activities dealing directly with the interaction between teachers and students. Teaching may be provided for students in a school classroom, in another location, such as a home or hospital, and in other learning situations, such as those involving co-curricular activities. It may also be provided through some other approved medium, such as television, radio, telephone and correspondence. Examples of expenditures that might be included here are the activities of teacher assistant of any type (clerks, graders, teaching machines, etc.), which assist in the instructional process. The activities of tutors, translators, and interpreters would be recorded here. Department chairpersons who teach for any portion of time are included here. Tuition/transfer fees paid to other LEAs would be included here.

**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2020**

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

Support Services - Instructional Expenditures – Support services expenditures provide administrative, technical (such as guidance and health) and logistical support to facilitate and enhance instruction. These services exist as adjuncts for fulfilling the objective of instruction, community services and enterprise programs, rather than as entities within them.

Operation of Non-Instructional Services Expenditures – Activities concerned with providing non-instructional services to students, staff, and the community.

Support Services - Operational Expenditures - Activities that support the overall administration of the district, the operation and maintenance of the plant and student transportation.

Other Outlays Expenditures – A number of outlays of governmental funds are not properly classified as expenditures, but still require budgetary or accounting control. These are classified as Other Outlays. These include debt service payments (principal and interest).

Other Uses Expenditures – This includes scholarships provided by private gifts and endowments; student aid and staff awards supported by outside revenue sources (i.e., foundations). Also, expenditures for self-funded employee benefit programs administered either by the District or a third party administrator.

Repayment Expenditures – Repayment expenditures represent checks/warrants issued to outside agencies for refund or restricted revenue previously received for overpayments, non-qualified expenditures, and other refunds to be repaid from Center funds.

Deferred outflows of resources: Deferred outflows are the consumption of net position by the center that are applicable to a future reporting period. At June 30, 2020, the center's deferred outflows of resources were comprised of deferred outflows related to pensions and OPEB.

Deferred inflows of resources: Deferred inflows are the acquisition of net position by the center that are a future reporting period. At June 30, 2020, the center's deferred inflows of resources were comprised of deferred inflows to pensions and OPEB.

**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2020**

**2. Deposit Categories of Credit Risk**

Collateral is required for demand deposits and certificates of deposit for all amounts not covered by federal deposit insurance. The Center's investment policies are governed by state statute. Permissible investments include:

1. Direct obligations of the United States Government to the payment of which the full faith and credit of the government is pledged.
2. Obligations to the payment of which the full faith and credit of the state is pledged.
3. Certificates of deposits of banks when such certificates of deposits are secured by acceptable collateral as in the deposit of other public monies.
4. Savings accounts or savings certificates of savings and loan associations to the extent that such accounts or certificates are fully insured by the Federal Savings and Loan Insurance Corporation.
5. Repurchase agreements that have underlying collateral consisting of those items specified in paragraphs 1 and 2 of this section including obligations of the United States, its agencies and instrumentalities, and where collateral has been deposited with a trustee of custodian bank in an irrevocable trust or escrow account established for such purposes.
6. County, municipal or school district direct debt obligations for which an ad valorem tax may be levied or bond and revenue anticipation notes, money judgments against such county, municipality or school district ordered by a court of record or bonds or bond and revenue anticipation notes issued by a public trust for which such county, municipality or school district is a beneficiary thereof. All collateral pledged to secure public funds shall be valued at no more than market value.
7. Money market mutual funds regulated by the Securities and Exchange Commission and which investments consist of obligations of the United States, its agencies and instrumentalities, and investments in those items listed above.
8. Warrants, bonds or judgments of the Center.
9. Qualified pooled investment programs, the investments of which consist of those items specified above, as well as obligations of the United States agencies and instrumentalities, regardless of the size of the Center's budget. To be qualified, a pooled investment program for school funds must be governed through an Inter-local cooperative agreement formed pursuant to Title 70 Section 5-117b, and the program must competitively select its investment advisors and other professionals. Any pooled investment program must be approved by the Board of Education.

**Custodial Credit Risk:**

Deposits and Investments - The Center's demand deposits are required by law to be collateralized by the amount that is not federally insured.

Securities pledged as collateral are held by a third party or Federal Reserve Bank. Joint custody safekeeping receipts are held in the name of the depositing institution, but are pledged to the Center. The security cannot be released, substituted, or sold without the Treasurer's approval and release of the security.

Certificates of deposit are collateralized at least by the amount not federally insured. As of June 30, 2020, the Center had no deposits exposed to custodial credit risk.

**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2020**

**Deposit Categories of Credit Risk (continued)**

Interest Rate Risk:

Investments are made based upon prevailing market conditions at the time of the transaction with the intent to hold the instrument until maturity. However, the District has no formal written policy addressing interest rate risk.

Credit Risk:

The Center's investment policy requires that the investment portfolio be diversified to avoid one class of investment having a disproportionate impact on the portfolio. The District's policy also requires that all deposits and investments in excess of amounts covered by federal deposit insurance be fully collateralized by the institution holding the deposits or investments.

At June 30, 2020, the Center has no investments that are not guaranteed by the full faith and credit of the United States Government.

**3. Receivables**

Receivables at June 30, 2020, for the individual Governmental funds and Fiduciary funds in the aggregate are as follows:

Governmental Funds

	<u>General</u>	<u>Building</u>	<u>Total Governmental</u>
Receivables			
Ad valorem taxes	\$ 634,393	\$ 317,324	\$ 951,717
Federal grants	99,506	-	99,506
State revenues	342	171	513
Due from Activity Fund	26,085	-	26,085
Other local	-	-	-
Interest	50,703	-	50,703
	<hr/>	<hr/>	<hr/>
Gross Receivables	811,029	317,495	1,128,524
Less: deferred revenue	436,273	218,208	654,481
	<hr/>	<hr/>	<hr/>
Net Total Receivables	\$ 374,756	\$ 99,287	\$ 474,043
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Fiduciary Funds

	<u>Activity</u>	<u>Pell Grant Fund</u>	<u>Total Fiduciary</u>
Receivables			
Tuition	\$ 16,652	\$ -	\$ 16,652
Rentals	8,970	-	8,970
School Activities	463	-	463
Federal Grants	-	-	-
	<hr/>	<hr/>	<hr/>
Gross Receivables	26,085	-	26,085
Less allowance for uncollectible	-	-	-
	<hr/>	<hr/>	<hr/>
Net Total Receivables	\$ 26,085	\$ -	\$ 26,085
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**PAYNE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2020**

**4. Capital Assets**

A summary of changes in general fixed assets for the year ended June 30, 2020, follows:

	Balance July 1, 2019	Additions	Retirements	Balance July 1, 2020
<b>Governmental Activities:</b>				
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 643,588	\$ -	\$ -	\$ 643,588
Construction in Progress	20,851	1,319	-	22,170
Construction in Progress	1,203,498	4,476,772	-	5,680,270
Construction in Progress	<u>838,036</u>	<u>2,760,834</u>	<u>-</u>	<u>3,598,870</u>
Total Assets Not Being Depreciated	\$ <u>2,705,973</u>	\$ <u>7,238,925</u>	\$ <u>-</u>	\$ <u>9,944,898</u>
<b>Capital Assets Being Depreciated</b>				
Buildings	\$ 31,919,186	\$ -	\$ -	\$ 31,919,186
Furniture	126,488	-	4,346	122,142
Machinery & Equipment	5,145,739	536,851	102,035	5,580,555
Vehicles	<u>1,892,076</u>	<u>140,241</u>	<u>-</u>	<u>2,032,317</u>
Total Capital Assets Being Depreciated	<u>39,083,488</u>	<u>677,093</u>	<u>106,381</u>	<u>39,654,200</u>
Less:				
Accumulated Depreciation	<u>19,500,987</u>	<u>1,200,842</u>	<u>106,381</u>	<u>20,595,448</u>
Total Capital Assets Being Depreciated -Net	\$ <u>19,582,501</u>	\$ <u>(523,749)</u>	\$ <u>-</u>	\$ <u>19,058,752</u>
Total Capital Assets Net	\$ <u><u>22,288,474</u></u>	\$ <u><u>6,715,175</u></u>	\$ <u><u>-</u></u>	\$ <u><u>29,003,650</u></u>



**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2020**

**5. Interfund Transactions**

Interfund 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. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**6. Employee Retirement System**

Description of Plan

The District participates in the state-administrated Teacher's Retirement System of Oklahoma (the "system"), which is a cost-sharing multiple-employer public employee retirement system. The supervising authority for the management and operation of the System is a 13-member Board of Trustees, which acts as a fiduciary for investment of the funds and the application of plan interpretations. The System provides retirement and disability benefits, annual cost of living adjustments, death benefits and other benefits to plan members and beneficiaries. Oklahoma State Statutes establish benefit provisions and may be amended only through legislative action. The District has no responsibility or authority for the operation and administration of the system nor has it any liability, except for contribution requirements. The Oklahoma Teachers' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Oklahoma Teachers' Retirement System, P.O. Box 53624, Oklahoma City, Oklahoma 73152.

Basis of Accounting

The System's financial statements are prepared using the cash basis of accounting, except for accruals of interest income. Plan member contributions are recognized in the period in which the contributions are made. Benefits and refunds are recognized when paid. The pension benefit obligation is a standardized disclosed measure of the present value of pension benefits. This pension valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of employee services performed to date and is adjusted for the effect of projected salary increases. There are no actuarial valuations performed on individual school districts. The System has an under-funded pension benefit obligation as determined as part of the latest actuarial valuation.

Funding Policy

The District, the State of Oklahoma, and the participating employee make contributions. The contribution rates for the District and its employees are established by and may be amended by Oklahoma Statutes. The rates are not actuarially determined. The rates are applied to the employee's earnings plus employer-paid fringe benefits. The required contribution for the participating members is 7.0% of compensation. The contribution rate for employers is 9.5%. Additionally, the State of Oklahoma contributes a percentage of its revenues from sales taxes, use taxes, corporate income taxes, individual income taxes, and lottery proceeds to the system. For the fiscal year ending June 30, 2020, the dedicated state revenue was equivalent to a contribution rate of approximately 7.0% of covered payroll. Finally, the Teacher's Retirement System receives "grant matching" contributions from employers for positions whose funding comes from federal and certain other grants. The matching contribution rate for FY 2020 is 7.7% of applicable payroll. The District is allowed by the Oklahoma Teacher's Retirement System to make the required contributions on behalf of participating members. The school is required to pay 16.5% for any compensated retired teachers already receiving retirement benefits.

Annual Pension Cost

The Center's contributions to the Teachers Retirement System for years ending 2020, 2019, and 2018 were \$1,292,629.45, \$1,262,249.46, and \$1,167,305, respectively. The Center's total payroll for fiscal year 2019-20 amounted to \$7,988,490.31.

**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2020**

**Employee Retirement System (continued)**

On Behalf Contributions

The State of Oklahoma makes retirement contributions each year for teachers employed by Oklahoma School Districts. The contribution amounts are based on the teacher's years of service and amounts paid are prescribed by O.S. 70 Section 17-108.2 subsection A. During fiscal year 2019-20, the State of Oklahoma's contribution was \$53,378.03. The District recognized revenue and expenditures of this amount in the 2019-20 financial statements.

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

At June 30, 2020, the center reported a liability of \$10,630,330 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The center's proportion of the net pension liability was based on the center's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2020. Based upon this information, the center's proportion was .16062754% percent.

For the year ended June 30, 2020, the center recognized pension expense of \$236,920. At June 30, 2020, the school 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	\$ 545,696	\$ 455,541
Changes of assumptions	558,115	358,751
Net difference between projected and actual earnings on pension plan investments	72,095	-
Differences in center's proportionate share of contributions and changes in proportion		108,419
System contributions during measurement date		36,951
Center contributions subsequent to the measurement date	747,045	
Total	\$ 1,922,951	\$ 959,662

**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2020**

**Employee Retirement System (continued)**

Deferred pension outflows totaling \$1,922,951 resulting from the center'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. The deferred outflows totaling \$72,095 resulting from the difference between projected and actual earnings on pension plan investments will be recognized in pension expense over five years. The deferred inflows totaling \$455,541 and deferred outflows totaling \$545,696 resulting from differences between expected and actual experience will be recognized in pension expense using the average expected remaining service life of the plan participants. The average expected remaining life of the plan participants is determined by taking the calculated total future service years of the plan participants divided by the number of people in the Plan including retirees. The total future service years of the plan participants are estimated at 5.33 years at June 30, 2019, and are determined using the mortality, termination, retirement and disability assumptions associated with the Plan.

Deferred inflows of resources will be recognized in pension expense as follows:  
Year ended,

2021	\$	307,671
2022		(277,130)
2023		(59,249)
2024		214,440
2025		<u>30,511</u>
	\$	<u><u>216,243</u></u>

**Actuarial Assumptions** – The total pension liability as of June 30, 2020, 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 – 2.50 percent
- Future Ad Hoc Cost-of-living Increases – None
- Salary Increases-Composed of 3.00 percent wage inflation, including .75 percent price inflation, plus step-rate promotional increases for members with less than 25 years of service.
- Investment Rate of Return-7.50 percent
- 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 ending 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%.

**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2020**

**Employee Retirement System (continued)**

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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%
Total	<u>100.00%</u>	

Discount rate – A single discount rate of 7.50% was used to measure the total pension liability. 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 total pension liability.

Sensitivity of the Center’s proportionate share of the net pension liability to changes in the discount rate

The following presents the Center’s proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the Center’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.50%) or 1-percentage point higher (8.50%) than the current rate:

	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
Center’s proportionate share of the net pension liability	<u>\$ 14,979,296</u>	<u>\$ 10,630,330</u>	<u>\$ 6,992,204</u>

Pension plan fiduciary net position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued TRS financial report that can be obtained at <http://www.ok.gov/trs/> or by writing to the Oklahoma Teachers Retirement System, P.O. Box 53624, Oklahoma City, Oklahoma 73152 or by calling 405-521-2387.

**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2020**

**7. General Long-Term Debt**

The Center's long term debt consisted of compensated absences and two capital leases.

The following is a summary of the long-term debt transactions for the year ended June 30, 2020:

	Balance July 1, 2019	Additions	Retirements	Balance June 30, 2020
Compensated Absences	\$ 120,430	\$ 19,484	\$ -	\$ 139,914
Lease Purchase Financing	<u>13,836,409</u>	<u>3,000,000</u>	<u>1,068,323</u>	<u>15,768,086</u>
<b>Total</b>	<b>\$ <u>13,956,839</u></b>	<b>\$ <u>3,019,484</u></b>	<b>\$ <u>1,068,323</u></b>	<b>\$ 15,908,000</b>
Less: Amounts Due Within One Year				<u>(1,537,769)</u>
<b>Total Long-Term Debt</b>				<b><u>14,370,231</u></b>

**Capital Lease Commitments**

The Technology Center entered into a ground lease agreement with the Payne County Economic Development Authority dated July 1, 2018, under which the Technology Center is leasing land owned by the technology center to the Authority. The Ground Lease Agreement was made to facilitate the issuance of \$15,000,000 in revenue bonds by the Economic Development Authority to provide funds to construct, improve, or acquire property, buildings, equipment and provide a method for the Technology Center to obtain title to the property and improvements. The lease agreements remain in effect until April 30, 2030. The advance funds are being held by a trustee bank which makes payments after authorization from the Technology Center. The balance of the advanced funds at June 30, 2020 are recorded as restricted cash in the governmental and government wide financial statements.

The following is a schedule by years of future principal and interest payments required under the lease-purchase agreement:

Year ending June 30,	Principal	Interest	Total
2021	\$ 1,102,691	\$ 410,749	\$ 1,513,440
2022	1,138,164	375,276	1,513,440
2023	1,174,779	338,661	1,513,440
2024	1,212,572	300,868	1,513,440
2025	1,251,580	261,860	1,513,440
2026-2030	<u>6,888,300</u>	<u>678,812</u>	<u>7,567,112</u>
<b>Totals</b>	<b>\$ <u>12,768,086</u></b>	<b>\$ <u>2,366,226</u></b>	<b>\$ <u>15,134,312</u></b>

**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2020**

**General Long-Term Debt (continued)**

The Technology Center entered into a \$3,000,000 lease-purchase financing agreement with F&M Bank dated March 24, 2020 for equipment and facilities. This agreement finances the acquisition, construction, equipping and furnishing of new educational facilities including the completion of a 42,520 square foot facility located in Logan County, Oklahoma. Interest on the lease accrues at a fixed rate of 1.690%. The Center is utilizing a debt service fund for payments related to this lease-purchase agreement.

The following is a schedule by years of future principal and interest payments required under the lease-purchase agreement:

Year ending June 30,	Principal	Interest	Total
2021	\$ 295,164	\$ 29,575	\$ 324,739
2022	280,788	45,712	326,500
2023	285,534	40,966	326,500
2024	290,359	36,141	326,500
2025	295,266	31,234	326,500
2026-2030	<u>1,552,889</u>	<u>79,611</u>	<u>1,632,500</u>
Totals	<u>\$ 3,000,000</u>	<u>\$ 263,239</u>	<u>\$ 3,263,239</u>

**8. OPEB**

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

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

**Contributions** – Employer and employee contributions are made based upon the TRS Plan provisions contained in Title 70, as amended. However the statutes do not specify or identify any particular contribution source to pay the health insurance subsidy. Based on the contribution requirements of Title 70 employers and employees contribute a single amount based on a single contribution rate as described in Note 7; from this amount OTRS allocates a portion of the contributions to the supplemental health insurance program. The cost of the supplemental health insurance program averages 1.5% of normal cost, as determined by an actuarial valuation. Contributions allocated to the OPEB plan from the District were \$4,740.

**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2020**

**OPEB (continued)**

**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 \$99,320 for its proportionate share of the new OPEB asset. The net OPEB asset was measured as of June 30, 2019, and the total OPEB 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 .16062754% percent.

For the year ended June 30, 2020, the District recognized OPEB expense of (\$10,647). 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	\$ -	\$ 36,303
Net difference between projected and actual earnings on OPEB plan investments		
Changes in Proportion	14,251	353
Contributions during measurement date	2,801	
District contributions subsequent to the measurement date	1,461	-
<b>Total</b>	<b>\$ 4,615</b>	<b>\$ 50,554</b>

The \$4,615 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, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2021	\$	(17,322)
2022		(17,322)
2023		(7,500)
2024		(1,979)
2025		(2,690)
Thereafter		(586)
	\$	(47,399)

**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2020**

**OPEB (continued)**

**Actuarial Assumptions** – The total OPEB liability (asset) as of June 30, 2020, was determined based on an actuarial assumptions:

- Actuarial Cost method-Entry Age Normal
- Inflation – 2.50 percent
- Future Ad Hoc Cost-of-living Increases – None
- Salary Increases-Composed of 3 percent wage inflation, including .75 percent per productive increase.
- Investment Rate of Return-7.50 percent
- 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 ending 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%.

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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%
 Total	 <u>100.00%</u>	

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

**Discount Rate** – A single discount rate of 7.50% was used to measure the total OPRB liability (asset) as of June 30, 2020. This single discount rate was based solely on the expected rate of return on OPEB plan investments of 7.50%.

Based on the stated assumptions and the projection of cash flows, the OPEB plan's fiduciary net position and future contributions were projected to be available to finance all projected future payments of current plan members. Therefore, the long term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability (asset). The projection of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the 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.



**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2020**

**OPEB (continued)**

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate – The following presents the net OPEB liability (asset) of the employer calculated using the discount rate of 7.5%, as well as what the Plan’s net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point higher (8.5%) than the current rate, and 1-percentage point lower (6.5%) than the current rate.

	1% Decrease (6.5%)		Current Discount Rate (7.5%)		1% Increase (8.5%)
Employer’s Net OPEB Liability (asset) \$	(33,282)	\$	(99,320)	\$	(155,746)

OPEB Plan Fiduciary Net Position – Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued financial report of the OTRS; which can be located at [www.ok.gov/OTRS](http://www.ok.gov/OTRS).

**9. Litigation**

The Center is contingently liable for lawsuits and other claims in the ordinary course of its operations. The settlement of such contingencies under the budgetary process would require appropriation of revenues yet to be realized and would not materially affect the financial position of the Center at June 30, 2020.

**10. Contingent Liabilities**

The Center receives significant financial assistance from the United States government in the form of grants and other federal assistance. Entitlement to the resources is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors. Any disallowances as a result of these audits become a liability of the Center. The Center estimates that no material liabilities will result from such audits.

**11. Risk Management**

The Center purchases commercial insurance for all types of risk including, but not limited to, property, casualty, workers’ compensation, vehicle, unemployment, and employee life.

**12. Related Party Transactions**

The Center contracts with the Meridian Technology Center Foundation to provide office space, clerical time, and administrator’s time to the Foundation. The total annual cost of the contract was minimal for fiscal year 2020. The contract is renewable annually.

**13. Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**MERIDIAN TECHNOLOGY CENTER NO. 16**  
**PAYNE COUNTY, OKLAHOMA**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**OKLAHOMA TEACHERS RETIREMENT SYSTEM**  
**LAST TEN FISCAL YEARS\***  
**FOR THE YEAR ENDED JUNE 30, 2020**

**14. Surety Bonds**

The Center has a continuous Public Education Name Schedule Bond, number 3811390, with The Ohio Casualty Insurance Company. It covers the eight employees whose positions are listed below for the term of July 1, 2019, through July 1, 2020.

Position	Bond Amount
Treasurer	\$ 100,000
Deputy Treasurer	100,000
Encumbrance and Minutes Clerk	100,000
Bursar	100,000
Evening Registrar	100,000
(2) Finance Secretaries	100,000
Financial Aid Officer	1,000

The Superintendent is bonded by The Ohio Casualty Insurance Company, bond number LSF041390, for the penal sum of \$100,000.

**MERIDIAN TECHNOLOGY CENTER NO. 16  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2020**

	Agency Funds		
	Federal Pell Grant Fund	Activity Fund	Total
<b>ASSETS</b>			
Cash	\$ -	\$ 9,174	\$ 9,174
Miscellaneous Receivables	-	26,085	26,085
Federal Grant Receivables	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 35,259</b>	<b>\$ 35,259</b>
<b>LIABILITIES</b>			
Due to student groups	\$ -	\$ 9,174	\$ 9,174
Due to other funds	-	26,085	26,085
Due to student aid	-	-	-
<b>Total liabilities</b>	<b>\$ -</b>	<b>\$ 35,259</b>	<b>\$ 35,259</b>

**COMBINING FINANCIAL STATEMENTS**

**MERIDIAN TECHNOLOGY CENTER NO. 16  
ACTIVITY FUND  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2020**

Activities	Beginning Balance 7-01-19	Revenue	Transfers	Expenditures	Ending Balance 6-30-20
<b><i>Tuition:</i></b>					
Business Development	-	255	75	330	-
Business Management	-	210	10	220	-
Computer Training Services	-	47,572	3,105	50,677	-
Cosmetology	-	40,135	11,098	51,233	-
Daytime Instruction	-	146,144	(23,710)	122,434	-
Health Informatics	-	34,528	1,972	36,500	-
Management Services	-	110,976	7,500	118,476	-
Practical Nursing	-	81,031	2,987	84,018	-
Radiologic Technology	-	50,924	9,175	60,099	-
Safety Training	-	92,099	19,407	111,506	-
Short Term Courses	-	87,413	1,385	88,798	-
Short Term Medical	-	99,068	6,320	105,388	-
Technical Services	-	129,808	12,000	141,808	-
<b><i>Livework:</i></b>					
Automotive Technology Livework	-	1,221	-	1,221	-
Collision Repair Technology Livework	-	258	-	258	-
Cosmetology Livework	-	21,851	3,212	25,063	-
Culinary Arts/Terrace	-	87,956	10,522	98,478	-
Precision Metal Fabrication Livework	-	1,815	486	2,301	-
Welding Technology Livework	-	67	-	67	-
<b><i>Resale:</i></b>					
Resale - Business Development	-	120	20	140	-
Resale - Computer Training Services	-	3,963	(136)	3,827	-
Resale - Cosmetology	-	29,090	3,241	32,331	-
Resale - Daytime Programs	-	6,612	(924)	5,688	-
Resale - Management Services	-	6,270	2,937	9,207	-
Resale - Practical Nursing	-	6,664	(341)	6,323	-
Resale - Radiologic Technology	-	6,966	699	7,665	-
Resale - Safety	-	27,190	12,833	40,023	-
Resale - Short Term Courses	-	11,281	(1,020)	10,261	-
Resale - Short Term Medical	-	44,848	3,831	48,679	-
Resale - Technical Services	-	600	50	650	-
Skywalk	-	162,350	9,977	172,327	-
<b><i>Youth Organizations:</i></b>					
BPA	940	2,871	(107)	2,733	971
FCCLA	982	1,358	(95)	1,098	1,147
HOSA	2,333	4,598	(417)	3,747	2,767
Skills USA	3,690	6,068	(62)	5,407	4,289
<b><i>Miscellaneous:</i></b>					
Auction Proceeds	-	27,056	5,400	32,456	-
CBD Clearing Account	-	99,585	14,517	114,102	-
CBD Tenant Reimbursable Costs	-	515	85	600	-
Clearing Account	-	29,431	(493)	28,938	-
Employee Fundraising	-	260	-	260	-
Miscellaneous	-	967	112	1,079	-
Federal Fund Grants	-	47,610	-	47,610	-
Total Activity Sub-accounts	\$ 7,945	\$ 1,559,604	\$ 115,651	\$ 1,674,026	\$ 9,174

**MERIDIAN TECHNOLOGY CENTER NO. 16  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - FEDERAL PELL GRANT FUND  
FOR THE YEAR ENDED JUNE 30, 2020**

	Pell Grant Fund
Revenues	
Federal sources	
Pell Grants	\$ 287,885
Pell Administration Fee	410
Total revenues	\$ 288,295
Expenditures	
Student Financial Assistance	
Tuition and Fees	\$ 129,385
Payments to Students	163,731
Administrative Expense to General Fund	410
Return to Title IV	(5,231)
Total expenditures	\$ 288,295
Excess of revenues over expenditures	\$ -
Fund balances, beginning of year	\$ -
Fund balances, end of year	\$ -

**REQUIRED SUPPLEMENTAL INFORMATION**

**MERIDIAN TECHNOLOGY CENTER NO. 16**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL - (BUDGETARY BASIS)**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Fund balances, beginning of year	\$ 4,257,258	\$ 4,257,258	\$ 4,257,258
Revenues collected:			
Local sources	\$ 9,882,964	\$ 9,895,623	\$ 10,926,781
Intermediate sources	-	-	-
State sources	3,600,363	3,600,363	3,635,604
Federal sources	<u>331,833</u>	<u>331,833</u>	<u>309,639</u>
Total revenues collected	<u>\$ 13,815,160</u>	<u>\$ 13,827,819</u>	<u>\$ 14,872,024</u>
Expenditures paid:			
Instruction	\$ 8,087,823	\$ 8,100,482	\$ 6,530,648
Support services	9,234,995	9,234,995	7,581,260
Non-instructional services	568,000	568,000	270,292
Capital outlay	41,000	41,000	7,000
Other outlays	-	-	-
Other uses	130,600	130,600	82,336
Repayments	<u>10,000</u>	<u>10,000</u>	<u>6,598</u>
Total expenditures paid	<u>\$ 18,072,418</u>	<u>\$ 18,085,077</u>	<u>\$ 14,478,134</u>
Excess of revenues collected over (under) expenses paid before adjustments to prior year encumbrances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,651,148</u>
Adjustments to prior year encumbrances	<u>\$ -</u>	<u>\$ -</u>	<u>243,174</u>
Other financing sources (uses):			
Operating transfers in/out	\$ -	\$ -	\$ -
Bank charges	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash fund balance end of year - budgetary basis	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,894,322</u></u>
Reconciliation of Budgetary Basis fund balance and GAAP fund balance:			
Fund balance, June 30, 2020 - Budgetary Basis			\$ 4,894,322
Accounts receivable not recognized as revenue			374,756
Accounts payable and wages payable not recognized in budgetary basis			(154,908)
Compensated absences not recognized in budgetary basis			(139,914)
Prepaid insurance			12,773
Reserves not recognized as expenses in GAAP basis			<u>587,909</u>
Cash fund balance end of year - GAAP basis			<u><u>\$ 5,574,938</u></u>



**MERIDIAN TECHNOLOGY CENTER NO. 16**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL - (BUDGETARY BASIS)**  
**BUILDING FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Fund balances, beginning of year	\$ 5,612,221	\$ 5,612,221	\$ 5,612,221
Revenues collected:			
Local sources	\$ 4,114,902	\$ 4,114,902	\$ 4,433,113
Intermediate sources	-	-	-
State sources	-	-	1,320
Federal sources	-	-	-
Total revenues collected	<u>\$ 4,114,902</u>	<u>\$ 4,114,902</u>	<u>\$ 4,434,433</u>
Expenditures paid:			
Instruction	\$ 1,806,522	\$ 1,806,522	\$ 962,664
Support services	1,777,074	1,777,074	677,643
Non-instructional services	6,500	6,500	-
Capital outlay	6,137,027	6,137,027	4,676,654
Repayments	-	-	-
Total expenditures paid	<u>\$ 9,727,123</u>	<u>\$ 9,727,123</u>	<u>\$ 6,316,961</u>
Excess of revenues collected over (under) expenses paid before adjustments to prior year encumbrances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,729,693</u>
Adjustments to prior year encumbrances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,152,672</u>
Other financing sources (uses):			
Bank charges	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash fund balance end of year - budgetary basis	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,882,365</u></u>
Reconciliation of Budgetary Basis fund balance and GAAP fund balance:			
Fund balance, June 30, 2020 - Budgetary Basis			\$ 4,882,365
Accounts receivable not recognized as revenue			99,287
Accounts payable not recognized in budgetary basis			(1,003,649)
Reserves not recognized as expenses in GAAP basis			<u>2,319,554</u>
Cash fund balance end of year - GAAP basis			<u><u>\$ 6,297,557</u></u>

**MERIDIAN TECHNOLOGY CENTER NO. 16**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL - (BUDGETARY BASIS)**  
**CAPITAL PROJECT FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Fund balances, beginning of year	\$ 14,073,477	\$ 14,073,477	\$ 14,073,477
Revenues collected:			
Local sources	\$ -	\$ -	\$ 136,317
Intermediate sources	-	-	-
State sources	-	-	-
Federal sources	-	-	-
Total revenues collected	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 136,317</u>
Expenditures paid:			
Instruction	\$ -	\$ -	\$ -
Support services	-	-	-
Non-instructional services	-	-	-
Capital outlay	-	-	4,337,400
Other outlays	-	-	68,034
Total expenditures paid	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,405,434</u>
Excess of revenues collected over (under) expenses paid before adjustments to prior year encumbrances	<u>\$ 14,073,477</u>	<u>\$ -</u>	<u>\$ 9,804,360</u>
Adjustments to prior year encumbrances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other financing sources (uses):			
Lease Purchase Financing	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,000,000</u>
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,000,000</u>
Cash fund balance end of year - budgetary basis	<u>\$ 14,073,477</u>	<u>\$ -</u>	<u>\$ 12,804,360</u>
Reconciliation of Budgetary Basis fund balance and GAAP fund balance:			
Fund balance, June 30, 2020 - Budgetary Basis			\$ 12,804,360
Accounts receivable not recognized as revenue			-
Accounts payable not recognized in budgetary basis			-
Reserves not recognized as expenses in GAAP basis			-
Cash fund balance end of year - GAAP basis			<u>\$ 12,804,360</u>

**MERIDIAN TECHNOLOGY CENTER NO. 16**  
**PAYNE COUNTY, OKLAHOMA**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**OKLAHOMA TEACHERS RETIREMENT SYSTEM**  
**LAST TEN FISCAL YEARS\***  
**FOR THE YEAR END JUNE 30, 2020**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
School's Proportion of the net pension liability	0.16435229%	0.16461497%	0.16819385%	0.16948960%	0.16274259%	0.16062754%
School's proportionate share of the net pension liability	\$ 8,841,933	\$ 9,996,669	\$ 14,036,718	\$ 11,222,444	\$ 9,836,344	\$ 10,630,330
School's covered-employee payroll	\$ 6,788,409	\$ 7,225,633	\$ 7,238,076	\$ 7,218,088	\$ 7,876,516	\$ 7,988,490
School's proportionate share of the net pension liability as a percentage of its covered-employee payroll	130%	138%	194%	155%	125%	133%
Plan fiduciary net position as a percentage of total pension liability	72.43%	70.31%	62.24%	69.32%	72.74%	71.56%

\*The amounts presented for each fiscal year were determined as of 6/30.

**Note to Schedule:**

Information to present a 10 year history is not readily available.

**MERIDIAN TECHNOLOGY CENTER NO. 16**  
**PAYNE COUNTY, OKLAHOMA**  
**SCHEDULE OF THE CONTRIBUTIONS**  
**OKLAHOMA TEACHERS RETIREMENT SYSTEM**  
**LAST TEN FISCAL YEARS\***  
**FOR THE YEAR END JUNE 30, 2020**

	2015	2016	2017	2018	2019	2020
Contractually required contribution	\$ 644,899	\$ 686,435	\$ 687,617	\$ 687,617	\$ 756,913	\$ 702,967
Contributions in relation to the contractually required contribution	\$ 644,899	\$ 686,435	\$ 687,617	\$ 687,617	\$ 756,913	\$ 702,967
Contribution deficiency (excess)	<u>          -</u>	<u>          -</u>	<u>          -</u>	<u>          -</u>	<u>          -</u>	<u>          -</u>
School's covered-employee payroll	\$ 6,788,409	\$ 7,225,633	\$ 7,238,076	\$ 7,218,088	\$ 7,876,516	\$ 7,988,490
Contributions as a percentage of covered-employee payroll	9.5%	9.5%	9.5%	9.5%	9.6%	8.8%

Notes to Schedule:

Information to present a 10 year history is not readily available.

**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY, OKLAHOMA  
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)  
SUPPLEMENTAL HEALTH INSURANCE PROGRAMS  
LAST TEN FISCAL YEARS\*  
FOR THE YEAR END JUNE 30, 2020**

	<u>2018</u>	<u>2019</u>	<u>2020</u>
District's portion of the net OPEB liability (asset)	0.16948964%	0.16274259%	0.16062754%
District's proportionate share of the net OPEB liability (asset)	\$ (75,582)	\$ (105,173)	\$ (99,320)
District's covered payroll	\$ 7,218,008	\$ 7,876,516	\$ 7,988,490
District's proportionate share of the new OPEB liability (asset) as a percentage of its Covered-employee payroll	1.05%	1.34%	1.24%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	110.40%	115.40%	115.07%

\*The amount present for each fiscal year were determined as of 6/30

**Notes to Schedule:**

Information to present a 10 year history is not readily available.

**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY, OKLAHOMA  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
SUPPLEMENTAL HEALTH INSURANCE PROGRAMS  
LAST TEN FISCAL YEARS\* (DOLLAR AMOUNTS IN THOUSANDS)  
FOR THE YEAR END JUNE 30, 2020**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Contractually required contribution	\$ 10,896	\$ 10,964	\$ 10,440	\$ 4,615
Contributions in relation to the contractually required contribution	<u>10,896</u>	<u>10,964</u>	<u>10,440</u>	<u>4,615</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 7,238,076	\$ 7,218,088	\$ 7,876,516	\$ 7,988,490
Contributions as a percentage of covered payroll	0.15%	0.15%	0.13%	0.13%

**Notes to Schedule:**

Information to present a 10 year history is not readily available.

## **SUPPORTING SCHEDULES**

**MERIDIAN TECHNOLOGY CENTER NO. 16  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA #	Grantor's Number	Balance at July 1, 2019	Revenue	Expenditures	Balance at June 30, 2020
<u>U.S. Department of Education</u>						
Direct Programs:						
Pell Grants	84.063	P063P193659	\$ -	\$ 287,885	\$ 287,885	\$ -
Pell Admin Fee	84.063	P063Q183659	-	410	410	-
Title VIII Coronavirus Aid, Relief and Economic Security Act	84.425E	P425E204411	-	47,610	47,610	-
Title VIII Coronavirus Aid, Relief and Economic Security Act	84.425F	P425F203826	-	42,285	42,285	-
Sub-Total			\$ -	\$ 378,190	\$ 378,190	\$ -
Passed-Through Oklahoma State Department of Career and Technology Education:						
Carl Perkins	84.048	N/A	\$ -	\$ 151,915	\$ 151,915	\$ -
Tech Centers That Work	84.048	N/A	-	11,746	11,746	-
Adult Ed & Family Literacy	84.002	N/A	-	138,414	138,414	-
Sub-Total			\$ -	\$ 302,075	\$ 302,075	\$ -
<u>U.S. Department of Commerce</u>						
Passed-Through Oklahoma Alliance for Manufacturing Excellence, Inc.:						
Oklahoma Alliance for Manufacturing Excellence, Inc.	11.611	70NANB15H354	\$ -	\$ 68,937	\$ 68,937	\$ -
<b>TOTAL FEDERAL ASSISTANCE</b>			<b>\$ -</b>	<b>\$ 749,202</b>	<b>\$ 749,202</b>	<b>\$ -</b>

\* Major Program

The accompanying notes are an integral part of this schedule.



**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY, OKLAHOMA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2020**

1. For all federal programs, the Center uses the fund types prescribed by the Oklahoma State Department of Career and Technology Education and conforms to the system of accounting authorized by the State of Oklahoma. General and Building Funds are used to account for resources restricted, or designated for, specific purposes by a grantor. Student Financial Assistance funds are transacted through a separate Pell Grant Fund, which the Center has classified as an Agency fund. Agency Funds are considered Fiduciary Fund types.
2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial measurement focus. All Federal grant funds were accounted for in the General and Agency Funds. With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

The modified accrual basis of accounting is used for the Governmental Fund types and Agency Funds. This basis of accounting recognizes revenue in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and accordingly, when such funds are received, they are recorded as deferred revenue until earned.

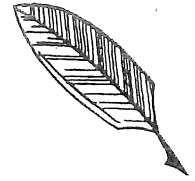
3. The District has not elected to use the 10% de minimus indirect cost rate allowed under the Uniform Guidance.

**REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS**

# KERRY JOHN PATTEN, C.P.A.

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Broken Arrow, OK 74012  
Phone Number (918) 250-8838  
FAX Number (918) 250-9853

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

The Honorable Board of Education  
Meridian Technology Center No. 16  
Payne County, Oklahoma

I 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 financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Meridian Technology Center No. 16, Payne County, Oklahoma (Center), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Center's financial statements, and have issued my report thereon dated February 24, 2021.

### Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Center's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, I 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 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.

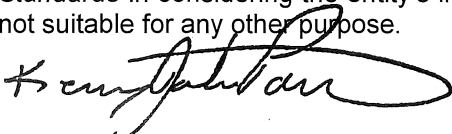
My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Center's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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



Kerry John Patten, C.P.A.  
Broken Arrow, OK  
February 24, 2021

**MERIDIAN TECHNOLOGY CENTER NO. 16  
SUMMARY OF PRIOR AUDIT FINDINGS  
JULY 1, 2019 TO JUNE 30, 2020**

The summary of prior audit findings is required to report the status of all audit findings reported in the prior audit's schedule of findings and questioned costs relative to federal awards.

The Center had no prior year audit findings relative to federal award programs.

**MERIDIAN TECHNOLOGY CENTER NO. 16  
SCHEDULE OF COMMENTS  
JULY 1, 2019 TO JUNE 30, 2020**

Based on my tests of accounting records and related procedures, I found nothing to indicate that Meridian Technology Center No. 16 had not complied with significant compliance rules and regulations of the Oklahoma State Department of Career & Technology Education.

**Previous Year's Audit Comments**

There were no items in the school's 2018-19 audit report which required correction.

I would like to express my appreciation for the courtesies and cooperation extended to us by Center administrators and employees during the course of this audit.

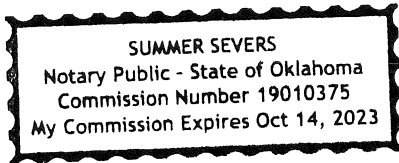
**MERIDIAN TECHNOLOGY CENTER NO. 16  
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE AFFIDAVIT  
JULY 1, 2019 TO JUNE 30, 2020**

State of Oklahoma )  
County of Tulsa )

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 Meridian Technology Center for the audit year 2019-20.

\_\_\_\_\_  
Kerry John Patten, C.P.A.  
AUDITING FIRM

BY *Kerry John Patten*  
AUTHORIZED AGENT



Subscribed and sworn to before me on this

26<sup>th</sup> day of February, 2021

*[Signature]*  
NOTARY PUBLIC

My commission expires on:

14<sup>th</sup> day of October, 2023