

**ANNUAL FINANCIAL REPORT  
MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY, OKLAHOMA  
JULY 1, 2021 TO JUNE 30, 2022**

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

**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY, OKLAHOMA, OKLAHOMA  
SCHOOL CENTER OFFICIALS  
JUNE 30, 2022**

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**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY, OKLAHOMA, OKLAHOMA  
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JUNE 30, 2022**

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### *Opinions*

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 (the Center), as of and for the year ended June 30, 2022, which collectively comprise the Center's basic financial statements as listed in the table of contents.

In my opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Center, as of June 30, 2022, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Bases for Opinions*

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

#### *Emphasis of Matter*

As discussed in Note A to the financial statements, the Center adopted Governmental Accounting Standards Statement No. 87, *Leases*, as of July 1, 2021. My opinions are not modified with respect to this matter.

#### *Responsibilities of Management for the Financial Statements*

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in my judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern for a reasonable period of time.

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in the Center's total OPEB liability and related ratios, the schedule of the Center's proportionate share of the net pension liability—Oklahoma Teachers' Retirement System, the schedule of the Center's contributions to the Oklahoma Teachers' Retirement System, and the schedule of revenues, expenditures and changes in fund balance—budgetary and actual (budgetary basis)—budgeted governmental fund types—General Fund and Building Fund, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate, operational, economical, 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 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 us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Center's basic financial statements. The schedule of revenues, expenditures and changes in fund balance—budget and actual (budgetary basis)—Budgetary Governmental Fund types for the General Fund and Building Fund, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of revenues, expenditures and changes in fund balance—budget and actual (budgetary basis)—Budgetary Governmental Fund types for the General Fund are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

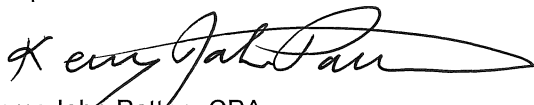
**Other Information**

Management is responsible for the other information included in this annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and my auditor's report thereon. My opinions on the basic financial statements do not cover the other information, and I do not express any opinion or any form of assurance thereon.

In connection with my audit of the basic financial statements, my responsibility is to read other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, I conclude that an uncorrected material misstatement of the other information exists, then I am required to describe it in my report.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, I have also issued my report dated February 20, 2023, on my consideration of the Center'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 solely 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 effectiveness of the Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.



Kerry John Patten, CPA  
Broken Arrow, OK  
February 20, 2023

## **MANAGEMENT DISCUSSION AND ANALYSIS**



MERIDIAN TECHNOLOGY CENTER  
Management's Discussion and Analysis (MD&A)  
June 30, 2022

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, 2022. 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 and The Peak. 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 and Peak 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, 2022

The remaining statements are fund financial statements, pages 13-16, 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. Also, included, as per Government Accounting Standard Board 84, is the Activity Fund, where all funds from student, other extracurricular activities or other revenue-generating sources including tuition and fees are deposited. Monies from this fund are transferred monthly to the General Fund, and at the end of the fiscal year the fund is depleted except for balances in the Student Organization Accounts (Restricted Cash).

The financial statements also include notes, beginning on page 17, 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, 2022

- 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. These funds cannot be used to finance Meridian's operations, however, they have been added to the statements.

## FINANCIAL ANALYSIS OF MERIDIAN TECHNOLOGY CENTER AS A WHOLE

### Net Position

Meridian Technology Center's total assets experienced a less than one percent increase over 2021. Current assets such as cash, investments and taxes receivable showed an increase, however, the full payout of the Higher Education Emergency Relief Funds (HEERF) monies resulted in an 85.64% decrease in receivables. The completion of the South Campus and exhausting the Revenue Lease finance funds also created a decline in Construction in Progress and Restricted Cash, but was offset by an increase in Net Capital Assets.

Total liabilities decreased \$8,530,113; of which almost \$7 million was a result of Net Pension Liability. This is Meridian Technology Center's portion of the Oklahoma Teachers Retirement System's unfunded liability. 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. Expending the funds of the second Revenue Lease Finance and its going into full repayment increased the current portion of long-term liabilities resulting in a 10.4% increase in current liabilities. Long-term liabilities, less net pension liability, reflected a decrease of 13.6% as payments towards both Revenue Lease Finance accounts were made.

See auditor's disclaimer of opinion

MERIDIAN TECHNOLOGY CENTER  
Management's Discussion and Analysis (MD&A)  
June 30, 2022

Net Position

	FY2022	FY2021
Current Assets	\$16,112,342	\$18,981,886
Net Capital Assets	\$41,546,092	\$38,554,120
Total Assets	\$57,658,434	\$57,536,006
Deferred Outflow of Resources	\$2,861,390	\$4,813,816
Current Liabilities	\$2,265,427	\$2,051,879
Long term Liabilities	\$20,044,233	\$28,787,894
Total Liabilities	22,309,660	\$30,839,773
Deferred Inflow of Resources	\$4,992,527	\$653,929
Net Position Invested in Capital Assets		
Net of Related Debt	\$28,155,648	\$26,872,795
Restricted		
Capital Projects	0	\$4,004,062
School Organizations	\$66,979	\$61,218
Unrestricted	\$4,995,010	(\$81,955)
Total Net Position	\$33,217,637	\$30,856,120

Since the majority of Meridian Technology Center's net assets are invested in capital assets (buildings, land, and equipment), the remaining majority of net assets are unrestricted and are used to fund cash flow needs, as well as accumulating in the Building Fund for future expansion plans. Overall, Net Position showed an increase over 2021.

**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).

See auditor's disclaimer of opinion

MERIDIAN TECHNOLOGY CENTER  
Management's Discussion and Analysis (MD&A)  
June 30, 2022

**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>FY2022</b>	<b>FY2021</b>
<b>Program Revenues</b>		
Charges for Services	\$1,682,188	\$1,269,643
Operating Grants & Contributions	\$1,036,106	\$1,178,960
<b>General Revenues</b>		
Property & Other Taxes	\$14,989,745	\$14,164,462
Federal and State Aid	\$3,286,101	\$3,231,594
Interest and Investment Earnings	\$28,090	\$72,466
Miscellaneous	\$802,173	\$612,637
<b>Total Revenues</b>	<b>\$21,824,403</b>	<b>\$20,529,762</b>
 <b>Expenses</b>		
Instruction	\$6,756,846	\$6,753,416
Instructional Support Services	\$3,180,204	\$3,097,070
Support Services- Operational	\$5,799,926	\$5,174,508
Non-Instructional	\$400,530	\$184,969
Other Outlays		0
Other Uses	\$719,680	\$480,192
Capital Outlays	\$147,113	\$301,194
Interest Expense	\$424,826	\$411,963
Depreciation - Unallocated	\$1,963,689	\$1,538,365
Repayments	\$2,038	\$4,000
<b>Total Expenses</b>	<b>\$19,394,852</b>	<b>\$18,545,677</b>
 <b>Increase (decrease) in net position</b>	 <b>\$2,429,551</b>	 <b>\$1,984,085</b>

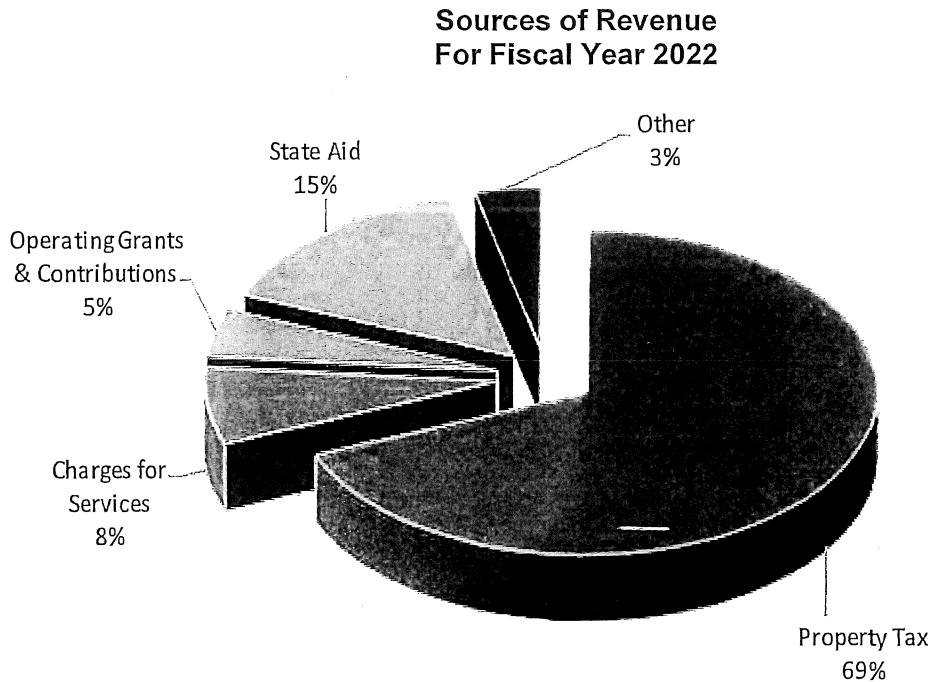
Meridian Technology Center experienced an increase of 6.3% in total revenues and 4.6% in expenses. In revenues, Property Taxes, Charges for Services and Miscellaneous all showed increases. Charges for Services and Miscellaneous could be attributed to activities resuming to pre-COVID levels, including enrollment which affected tuition and fees and resale items. The completion of South Campus resulted in a decrease in Capital Outlays, however Operational Expenses for the school increased. Transportation costs, also Operational, saw a significant increase. Overall net position grew \$445,466, a 22.5% increase over 2021.

One full-time program was discontinued in 2022 and one was added.

See auditor's disclaimer of opinion

MEIDIAN TECHNOLOGY CENTER  
Management's Discussion and Analysis (MD&A)  
June 30, 2022

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, local revenues also continue to increase, resulting in a stable or smaller portion of overall revenue from state than in year's past. State aid from formula operations has been as high as 23% in 2008 and is now at 15% of total revenues in FY22. Property taxes, considered a local funding source and the district's largest funding source, remained steady at 69% of 2022's revenue. Consequently, in fiscal year 2022, 76.5% of Meridian Technology Center's total revenues were derived from local sources; a slight increase over last year's 75.4%.



See auditor's disclaimer of opinion

MERIDIAN TECHNOLOGY CENTER  
Management's Discussion and Analysis (MD&A)  
June 30, 2022

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

At June 30, 2022, Meridian Technology Center's governmental funds reported combined revenues of \$21,517,942 compared to \$20,398,353 at June 30, 2021. 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's primary increase was revenue from local sources.

**Building Fund**

Meridian Technology Center has managed the Building Fund balance 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 to fund future projects, due to decreased percentage of state funding, some years the district has utilized building funds for limited operational expenditures.

**Capital Project Fund**

Meridian Technology Center chose to participate in two Revenue Lease Finance agreements to aid in the construction process of two buildings. The funds acquired through this process were used for the construction of a Science, Technology, Engineering and Mathematics (STEM) building, completed in FY21, as well as a new campus in Guthrie, completed in FY22. Available funds were drawn down as needed for building expenses related to the projects. With both projects complete, there are no funds available for draw-down.

**Activity Fund**

Meridian Technology Center manages an activity fund where all funds from student, other extracurricular activities or other revenue-generating sources including tuition and fees are deposited. Monthly monies are transferred to the General Fund and at the end of the fiscal year, all monies, except those generated by Student Organizations are deposited to the General Fund.

See auditor's disclaimer of opinion

MERIDIAN TECHNOLOGY CENTER  
Management's Discussion and Analysis (MD&A)  
June 30, 2022

**FINANCIAL ANALYSIS OF FUNDS, continued**

**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 \$19,907,873, 5.7% more than fiscal year 2021, largely due to an increase in local taxes.

**CAPITAL ASSETS**

At June 30, 2022, Meridian Technology Center had \$41,337,896 invested in a broad range of capital assets including land, school buildings, construction in progress, furniture and equipment, infrastructure, and vehicles. The final completion of South Campus in Guthrie was the main contributor to the 7.3% increase.

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

The district continues to analyze and assess opportunities to increase local funding sources, in anticipation of flat funding 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, 2022**

		Governmental Activities
<b><u>ASSETS</u></b>		
Cash and investments	\$	14,714,693
Restricted Cash		11,124
Property tax receivable		1,242,737
Interest receivable		14,634
Due from other governments		60,588
Due from local sources		55,855
Other local receivable		
Prepaid insurance		12,711
Capital assets		
Construction in Progress		23,047
Land		643,588
Other capital assets, net of accumulated depreciation		40,671,261
Net OPEB asset		208,196
Total Assets	\$	57,658,434
<b><u>DEFERRED OUTFLOW OF RESOURCES</u></b>		
Deferred amounts of resources related to pensions	\$	2,821,165
Deferred amounts of recourses related to OPEB		40,225
Total deferred outflow of resources		2,861,390
<b><u>LIABILITIES</u></b>		
Current liabilities		
Accounts payable	\$	620,513
Wages payable		30,228
Compensated Absences		125,562
Current portion of long term liabilities		1,489,124
Long-term liabilities		
Non-current portion of long-term liabilities		11,693,124
Net pension liability		8,351,109
Total Liabilities	\$	22,309,660
<b><u>DEFERRED INFLOW OF RESOURCES</u></b>		
Deferred inflows of resources related to pensions	\$	4,840,450
Deferred inflows of resources related to OPEB		152,077
Total deferred inflow of resources		4,992,527
<b><u>NET POSITION</u></b>		
Net investment in capital assets	\$	28,155,648
Restricted		
School Organizations		66,979
Unrestricted		4,995,010
Total Net Position	\$	33,217,637

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

**MERIDIAN TECHNOLOGY CENTER NO. 16  
STATEMENT OF ACTIVITIES  
FOR YEAR ENDED JUNE 30, 2022**

	Program Revenues			Capital Grants & Contributions	Net (Expenses) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants & Contributions		Government Activities
Governmental Activities:					
Instruction	\$ (6,756,846)	\$ 1,007,418	\$ 274,320	\$ -	\$ (5,475,108)
Support Services - Instructional	(3,180,204)		278,200	-	(2,902,004)
Support Services - Operational	(5,799,926)	-	415	-	(5,799,511)
Non-Instructional	(400,530)	-	-	-	(400,530)
Other Outlays	-	-	-	-	-
Other Uses	(719,680)	674,770	483,171	-	438,261
Capital Outlay	(147,113)	-	-	-	(147,113)
Interest Expense	(424,826)				(424,826)
Depreciation - Unallocated	(1,963,689)				(1,963,689)
Repayments	(2,038)	-	-	-	(2,038)
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Governmental Activities	\$ <u>(19,394,852)</u>	\$ <u>1,682,188</u>	\$ <u>1,036,106</u>	\$ <u>-</u>	\$ <u>(16,676,558)</u>

**General revenues**

Taxes:	
Property taxes, levied for general purposes	\$ 14,986,651
Other Taxes	3,094
Federal and State aid not restricted to specific purposes:	
General	3,286,101
Interest and investment earnings	28,090
Miscellaneous	802,173
Total general revenues	<u>19,106,109</u>
Changes in net position	2,429,551
Net position - beginning-as restated	<u>30,788,086</u>
Net position - ending	<u>\$ 33,217,637</u>

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, 2022**

	General Fund	Building Fund	Capital Project Fund	Activity Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments	\$ 6,631,766	\$ 8,082,927	\$ -	\$ -	\$ 14,714,693
Restricted Cash	-	-	-	11,124	11,124
Property taxes receivable	828,338	414,399	-	-	1,242,737
Interest receivable	14,634	-	-	-	14,634
Due from other governments	60,390	198	-	-	60,588
Due from local sources	-	-	-	55,855	55,855
Prepaid insurance	12,711	-	-	-	12,711
	<u>\$ 7,547,839</u>	<u>\$ 8,497,524</u>	<u>\$ -</u>	<u>\$ 66,979</u>	<u>\$ 16,112,342</u>
<b>LIABILITIES AND FUND EQUITY</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 156,280	\$ 464,233	\$ -	\$ -	\$ 620,513
Accrued wages payable	30,228	-	-	-	30,228
Compensated absences-current	125,562	-	-	-	125,562
	<u>\$ 312,070</u>	<u>\$ 464,233</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 776,303</u>
<b>Deferred inflow of resources:</b>					
Deferred property taxes	\$ 728,101	364,250	-	-	1,092,351
	<u>\$ 728,101</u>	<u>364,250</u>	<u>-</u>	<u>-</u>	<u>1,092,351</u>
<b>Fund balances:</b>					
<b>Nonspendable Fund Balances:</b>					
<i>Prepaid Items</i>	\$ 12,711	\$ -	\$ -	\$ -	\$ 12,711
<b>Restricted Fund Balances:</b>					
<i>Restricted by statute</i>	-	5,943,072	-	11,124	5,954,196
<i>Restricted for Capital Obligations</i>	-	-	-	-	-
<b>Committed Fund Balances:</b>					
<i>Contractual Obligations</i>	-	-	-	-	-
<b>Assigned Fund Balances:</b>					
<i>Encumbrances</i>	940,928	1,725,969	-	-	2,666,897
<i>Other Assigned Fund Balances</i>	-	-	-	-	-
Unassigned	5,554,029	-	-	55,855	5,609,884
Total Fund Balances	<u>\$ 6,507,668</u>	<u>\$ 7,669,041</u>	<u>\$ -</u>	<u>\$ 66,979</u>	<u>\$ 14,243,688</u>
Total Liabilities and Fund Balances	<u>\$ 7,547,839</u>	<u>\$ 8,497,524</u>	<u>\$ -</u>	<u>\$ 66,979</u>	<u>\$ 16,112,342</u>

Continued

**MERIDIAN TECHNOLOGY CENTER NO. 16**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2022**

Total Fund Balances	\$	14,243,688
Reconciliation to the Statement of Net Position		
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 \$65,088,793 and accumulated depreciation is \$23,750,897		
		41,337,896
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		(13,182,248)
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.		
		1,092,351
Accrued interest is not due and payable in the current period and is therefore not reported in the governmental funds.		
		-
Deferred outflows and inflows of resources related to pensions and OPEB applicable to future periods and, therefore not required in funds		
		(2,131,137)
Net OPEB asset is not a financial resource, therefore not reported in funds		
		208,196
Net pension obligations are not due and payable in the current period and, therefore are not reported in the funds.		
		<u>(8,351,109)</u>
Total Net Position	\$	<u><u>33,217,637</u></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, 2022

	General Fund	Building Fund	Capital Project Fund	Activity Fund	Total Governmental Funds
Revenues:					
Local sources	\$ 11,623,738	\$ 4,894,095	\$ -	\$ 674,770	\$ 17,192,603
Intermediate sources	-	-	-	-	-
State sources	3,558,860	1,031	-	-	3,559,891
Federal sources	765,448	-	-	-	765,448
Non-revenue sources	-	-	-	-	-
Total revenues	\$ 15,948,046	\$ 4,895,126	\$ -	\$ 674,770	\$ 21,517,942
Expenditures:					
Instructional	\$ 6,562,425	\$ 945,453	\$ -	\$ -	\$ 7,507,878
Support services - Instructional	3,251,329	49,851	-	-	3,301,180
Support services - Operational	5,011,685	1,290,129	3,635	-	6,305,449
Non-instructional	400,530	-	-	-	400,530
Capital outlay	10,660	468,754	3,932,393	-	4,411,807
Other outlays	-	-	-	-	-
Other uses	50,671	-	-	669,009	719,680
Repayments	2,038	-	-	-	2,038
Debt Services					
Principal	-	1,415,114	-	-	1,415,114
Interest	-	424,826	-	-	424,826
Total expenditures	\$ 15,289,338	\$ 4,594,127	\$ 3,936,028	\$ 669,009	\$ 24,488,502
Excess of revenues over (under) expenditures	\$ 658,708	\$ 300,999	\$ (3,936,028)	\$ 5,761	\$ (2,970,560)
Other financing sources (uses):					
Transfer In	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer Out	-	-	-	-	-
Lease Purchase Financing	-	-	-	-	-
Total Other Financing Sources Uses	\$ -	\$ -	\$ -	\$ -	\$ -
Excess of revenues and other sources of funds over (under) expenditures and other financing sources (uses)	\$ 658,708	\$ 300,999	\$ (3,936,028)	\$ 5,761	\$ (2,970,560)
Fund balance, beginning of year	\$ 5,848,960	\$ 7,368,042	\$ 3,936,028	\$ 61,218	\$ 17,214,248
Fund balance, end of year	\$ 6,507,668	\$ 7,669,041	\$ -	\$ 66,979	\$ 14,243,688

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, 2022

Net change in fund balances - governmental funds	\$	(2,970,560)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>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.</p>		
Capital outlay expenditures	\$	5,043,588
Depreciation expense		(2,243,882)
Capital outlay retirement		280,193
		3,079,899
<p>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. This is the difference between the two.</p>		
		598,636
<p>In the Statement of Activities, Compensated Absences are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are measured by the amount of financial resources used.</p>		
		-
<p>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.</p>		
		-
<p>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.</p>		
		1,415,114
<p>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 inflows of revenue. They are however, recorded as revenue in the Statement of Activities.</p>		
		306,462
Change in Net Position of Governmental Activities	\$	2,429,551

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



**NOTES TO THE FINANCIAL STATEMENTS**

**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2022**

**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 2021 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..

**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, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS - GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

**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.

The District's student activities fund is a special revenue fund and is used to account for monies collected principally through fundraising efforts of the students and District sponsored groups. The administration is responsible, under the authority of the Board of Education, for collecting, disbursing and accounting for these activity funds.

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.

Agency Fund –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 60 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, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

**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 lease financing 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 Center 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 Center 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 Center'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 Center commits a portion of the fund balance to honor the commitments made by the Center 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, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2022**

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

Assigned – Amount the Center 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 Center 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, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2022**

**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 August 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 appropriate 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.

**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2022**

**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, 2022, 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, 2022, the center's deferred inflows of resources were comprised of deferred inflows to pensions and OPEB.

**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2022**

**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, 2022, the Center had no deposits exposed to custodial credit risk.



**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2022**

**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 Center 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 Center'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, 2022, 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, 2022, for the individual Governmental Funds in the aggregate are as follows:

Governmental Funds

	<u>General</u>	<u>Building</u>	<u>Activity</u>	<u>Total Governmental</u>
Receivables				
Ad valorem taxes	\$ 828,338	\$ 414,399	\$	\$ 1,242,737
Interest receivable	14,634			14,634
Due from other governments	60,390	198		60,588
Miscellaneous			55,855	55,855
	<hr/>	<hr/>	<hr/>	<hr/>
Gross Receivables	959,217	414,597	55,855	1,429,669
Less: deferred revenue	<hr/> 728,101	<hr/> 364,250	<hr/>	<hr/> 1,092,351
Net Total Receivables	\$ <u>231,116</u>	\$ <u>50,347</u>	\$ <u>55,855</u>	\$ <u>337,318</u>

**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2022**

**4. Capital Assets**

A summary of changes in General Fixed Assets for the year ended June 30, 2022, are as follows:

	Balance				Balance
	July 1, 2021	Additions	Transfers	Retirements	June 30, 2022
Land	\$ 643,588	\$ -	\$ -	\$ -	\$ 643,588
Construction in process	23,047		-	-	23,047
Construction in process	-		-	-	-
Construction in process	<u>11,376,004</u>	<u>3,933,939</u>	<u>(15,309,943)</u>	<u>-</u>	<u>-</u>
Total Assets Not Being Depreciated	<u>12,042,639</u>	<u>3,933,939</u>	<u>-</u>	<u>15,309,943</u>	<u>666,635</u>
<u>Capital Assets Being Depreciated</u>					
Building & Improvements	\$ 39,960,403	\$ 340,760	\$ 15,309,943	\$ -	\$ 55,611,106
Furniture	141,810	35,603	-	-	177,413
Machinery & Equipment	6,096,993	604,062	-	280,194	6,420,861
Vehicles	<u>2,083,553</u>	<u>129,224</u>	<u>-</u>	<u>-</u>	<u>2,212,777</u>
Total Capital Assets being depreciated	<u>48,282,759</u>	<u>1,109,649</u>	<u>15,309,943</u>	<u>280,194</u>	<u>64,422,157</u>
Less: Accumulated Depreciation	<u>21,787,208</u>	<u>2,243,882</u>	<u>-</u>	<u>280,194</u>	<u>23,750,896</u>
Total Capital Assets being Depreciated - Net	<u>26,495,551</u>	<u>(1,134,233)</u>	<u>15,309,943</u>	<u>-</u>	<u>40,671,261</u>
Total Capital Assets Net	<u>\$ 38,538,190</u>	<u>\$ 2,799,708</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,337,896</u>

**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2022**

**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 Center 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 Center, the State of Oklahoma, and the participating employee make contributions. The contribution rates for the Center and its employees are established by and may be amended by Oklahoma Statutes. 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%. 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. This percentage has been 5.00% since FY 2008. HB 2741 passed during the 2020 legislative session which temporarily reduced the rate to 3.50% for FY 2021. HB 2894 passed during the 2021 legislative session which restored the rate to 5.00% for FY 2022 and then changed the rate to 5.25% for FY 2023 through FY 2027. The rate is scheduled to return back to 5.00% beginning in FY 2028. The lottery proceeds contributed to the System were not impacted by this legislation. The matching contribution rate for FY 2021 is 7.7% of applicable payroll. The Center 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 2022, 2021, and 2020 were \$1,358,324, \$1,342,915, and \$1,292,629, respectively. The Center's total payroll for fiscal year 2021-22 amounted to \$8,287,363.

MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

**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 2021-22, the State of Oklahoma's contribution was \$51,302. The Center recognized revenue and expenditures of this amount in the 2021-22 financial statements.

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

At June 30, 2022, the center reported a liability of \$8,351,109 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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, 2022. Based upon this information, the center's proportion was .16346432% percent.

For the year ended June 30, 2022, the Center recognized pension expense of \$598,636. At June 30, 2022, 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	\$ 550,648	\$	310,549
Changes of assumptions	1,299,095		83,167
Net difference between projected and actual earnings on pension plan investments	0		4,337,465
Differences in center's proportionate share of contributions and changes in proportion	165,330		58,341
System contributions during measurement date			50,928
Center contributions subsequent to the measurement date	806,092		
Total	\$ 2,821,165	\$	4,840,450

MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

**Employee Retirement System (continued)**

Deferred pension outflows totaling \$806,092 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, 2022. The deferred inflows totaling \$4,337,465 resulting from the difference between projected and actual earnings on pension plan investments will be recognized in pension expense over five years. The deferred outflows totaling \$550,648 and deferred outflows totaling \$310,549 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 5.27 years at June 30, 2022, 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,

2023	\$	(638,106)
2024		(359,583)
2025		(547,158)
2026		(1,275,487)
2027		<u>(5,043)</u>
	\$	<u>(2,825,377)</u>

**Actuarial Assumptions** – The total pension liability as of June 30, 2022, was determined based on an actuarial valuation prepared as of June 30, 2021 using the following actuarial assumptions:

- Actuarial Cost method-Entry Age Normal
- Amortization Method-Level Percentage of Payroll
- Amortization Period-Amortization over an open 30-year period
- Asset Valuation Method-5-year smooth market
- Inflation – 2.25 percent
- Salary Increases-Composed of 2.25 percent wage inflation, plus .75 percent productivity increase rate, plus step-rate promotional increase for members with less than 25 years of service.
- Investment Rate of Return-7.00 percent, net of expenses and compounded annually.
- Retirement Age-Experience-based table of rates based on age, service, and gender. Adopted by the Board in July 2020 in conjunction with the five year experience study for the period ending June 30, 2019.
- Mortality rates after retirement-Males & Females: 2020 GRS Southwest Region Teacher Mortality table. Generational mortality improvements with the Ultimate MP scales are projected from the Year 2020.

MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

**Employee Retirement System (continued)**

The target asset allocation and best estimate of arithmetic expected real rates of return for each major asset class as of June 30, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	43.5%	4.3%
International Equity	19.0%	5.2%
Fixed Income	22.0%	0.4%
Real Estate*	9.0%	4.3%
Alternative Assets	6.5%	6.5%
Total	<u>100.00%</u>	

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

Discount rate – A single discount rate of 7.00% was used to measure the total pension liability as of June 30, 2021. This single discount rate was based solely on the expected rate of return on pension plan investments of 7.00%. 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 5 years of actual contributions. 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 7.00%, 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 (6.00%) or 1-percentage point higher (8.00%) than the current rate:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Center's proportionate share of the net pension liability	<u>\$13,650,025</u>	<u>\$ 8,351,109</u>	<u>\$ 3,964,327</u>

**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2022**

**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, 2022:

	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2022</u>
Lease Purchase Financing	\$ <u>14,579,361</u>	\$ _____	\$ <u>1,415,114</u>	\$ <u>13,182,247</u>
Total	\$ <u>14,579,361</u>	\$ _____	<u>1,415,114</u>	\$ <u>13,182,247</u>
Less: Amounts Due Within One Year				<u>1,489,124</u>
Total Long-Term Debt				<u>11,693,124</u>

**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, 2022 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,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,291,843	221,597	1,513,440
2027-2030	<u>5,596,457</u>	<u>457,215</u>	<u>6,053,672</u>
Totals	\$ <u>10,527,231</u>	\$ <u>1,580,200</u>	\$ <u>12,107,431</u>

**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2022**

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

On March 1, 2020, Meridian Technology Center entered into an agreement with F & M Bank (the “Bank”). The lease terms run through April 15, 2030, with the Bank as lessor and the Center as lessee. The proceeds of the lease purchase financing, in an amount not to exceed \$3,000,000 is to be used to finance the construction, equipping, and furnishing of new educational facilities to serve students at the Vocational School District. In a trust agreement dated March 1, 2020, UMB Bank, Oklahoma City, Oklahoma was appointed trustee, wherein UMB Bank, N.A. will hold and administer the funds used in conjunction with the lease purchase financing and to receive rental payments paid by the Vocational School District.

Interest on the lease purchase accrues on the outstanding principal balance at a fixed rate of 1.690%, and at June 30, 2022 the Vocational School District had not drawn down any of the \$3,000,000 and the amortization schedule with principal and interest payments dates and amounts will vary based on draw down amounts and dates of the principal lease purchase proceeds.

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
2023	\$ 314,344	\$ 44,870	\$ 359,214
2024	319,170	39,557	358,727
2025	324,077	34,163	358,240
2026	329,067	28,686	357,753
2027-2030	1,368,357	58,268	1,426,626
Totals	\$ 2,655,016	\$ 205,546	\$ 2,860,562

**7. Other Post-Employment Benefits OPEB**

**Plan Description** – The District as the employer, participates in the Supplemental Health Insurance Program – a cost sharing multiple-employer defined benefit OPEB plan administered by the Oklahoma Teachers Retirement System (OTRS). Title 74 O. S. Sec. 1316.3 defines the health insurance benefits. The authority to establish and amend benefit provisions rests with the State Legislature. OTRS issues a publicly available financial report that can be obtained at [www.ok.gov/OTRS](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 6 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.



**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2022**

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

On March 1, 2020, Meridian Technology Center entered into an agreement with F & M Bank (the “Bank”). The lease terms run through April 15, 2030, with the Bank as lessor and the Center as lessee. The proceeds of the lease purchase financing, in an amount not to exceed \$3,000,000 is to be used to finance the construction, equipping, and furnishing of new educational facilities to serve students at the Vocational School District. In a trust agreement dated March 1, 2020, UMB Bank, Oklahoma City, Oklahoma was appointed trustee, wherein UMB Bank, N.A. will hold and administer the funds used in conjunction with the lease purchase financing and to receive rental payments paid by the Vocational Technology Center.

Interest on the lease purchase accrues on the outstanding principal balance at a fixed rate of 1.690%, and the amortization schedule with principal and interest payments dates and amounts will vary based on draw down amounts and dates of the principal lease purchase proceeds.

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Totals	\$ 2,655,016	\$ 205,546	\$ 2,860,562

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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 and 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.

**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS-GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2022**

**Other Post-Employment Benefits OPEB (continued)**

OPEB Liabilities (Assets), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – At June 30, 2022, the Center reported an asset of \$208,196 for its proportionate share of the new OPEB asset. The net OPEB asset was measured as of June 30, 2021, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of June 30, 2021. The Center's proportion of the net OPEB asset was based on the Center'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, 2022. Based upon this information, the Center's proportion was 0.163457% percent.

For the year ended June 30, 2022, the Center recognized OPEB expense of \$9,964. At June 30, 2022, the Center reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 32,595
Net difference between projected and actual earnings on OPEB plan investments	-	111,662
Changes of assumption	28,299	-
Changes in proportion	219	731
Contributions during measurement date	1,743	7,089
Center contributions subsequent to the measurement date	9,964	-
Total	<u>\$ 40,225</u>	<u>\$ 152,077</u>

The \$9,965 reported as deferred outflows of resources related to OPEB resulting from Center contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended June 30, 2022. 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:

2023	\$ (31,720)
2024	(26,101)
2025	(26,826)
2026	(34,774)
2027	(1,820)
Thereafter	<u>(576)</u>
Total	<u>\$ (121,816)</u>

**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2022**

**OPEB (continued)**

**Actuarial Assumptions** – The total OPEB liability (asset) as of June 30, 2022, was determined based on an actuarial valuation prepared as of June 30, 2022, using the following actuarial assumptions:

- Actuarial Cost method-Entry Age
- Inflation – 2.25%
- Salary Increases-Composed of 2.25% wage inflation, plus .75 percent productivity increase rate, plus step-rate promotional increases for members with less than 25 years of service.
- Investment Rate of Return-7.00%
- Retirement Age-Experience-based table of rates based on age, service, and gender. Adopted by the Board in July 2020 in conjunction with the five year experience study for the period ending June 30, 2019
- Mortality Rates after Retirement – Males & Females: 2020 GRS Southwest Region Teacher Mortality Table. Generational mortality improvements in accordance with the Ultimate MP Scales are projected from the 2020.
- Mortality Rates for Active Members – PUP -2010 Teachers Activity Employee Mortality Table. Generational Mortality Improvements in accordance with the Ultimate MP Scales are projected from the year 2010.
- Due to the nature of the benefit, health care trend rates are not applicable to the calculation of contribution rates.

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	43.5%	4.3%
International Equity	19.0%	8.2%
Fixed Income	22.2%	.4%
Real Estate*	9.0%	4.3%
Alternative Assets	6.5%	6.5%
Total	100.00%	

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

**Discount Rate** – A single discount rate of 7.00% was used to measure the total OPRB liability (asset) as of June 30, 2022. This single discount rate was based solely on the expected rate of return on OPEB plan investments of 7.00%. Based on the stated assumptions and the projection of cash flows, the OPEB plan's fiduciary net position and future contributions were projected to be available to finance all projected future 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, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2022**

**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 7.0%, as well as what the Plan’s net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point higher (8.0%) than the current rate:

		1% Decrease (6.0%)		Current Discount Rate (7.0%)		1% Increase (8.0%)
Employer’s Net OPEB Liability (asset)	\$	(133,755)	\$	(208,196)	\$	(271,273)

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, 2022.

**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 2022. 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  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2022**

**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, 2021, through July 1, 2022.

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	100,000

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

**15. Change In Beginning Net Position**

The Center's June 30, 2021, Net Position was adjusted for an immaterial error in the previous year's Capital Project Fund.

	Government Funds Capital Projects Fund	Government-Wide Net Position
Fund Balance, beginning of year, as previously stated:	\$ 4,004,062	30,856,120
Decrease due to Error:	\$ <u>(68,034)</u>	<u>(68,034)</u>
Fund Balance, beginning of year, as restated:	\$ <u>3,936,028</u>	<u>30,788,086</u>

**16. Tax Abatement**

The State of Oklahoma has authorized by Oklahoma Statute 62-850, the creation of tax increment financing (TIF) districts. These districts are intended to provide incentives and exemptions from taxation within certain areas to encourage investment, development, and economic growth. TIF districts reduces the ad valorem taxes remitted to the Center over the term of the agreements.

Oklahoma Statute Title 31 offers a homestead exemption of up to 1 acre of property in an urban area or 160 acres in a rural area. These homestead exemptions reduce the ad valorem taxes remitted to the Center.

For the year ended June 30, 2022, abated property taxes were \$421,859 from homestead exemption and \$134,177 from TIF Districts.

**COMBINING FINANCIAL STATEMENTS**

**MERIDIAN TECHNOLOGY CENTER NO. 16  
ACTIVITY FUND  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2022**

Activities	Beginning Balance 7-01-21	Revenue	Transfers	Expenditures	Ending Balance 6-30-22
<b><i>Tuition:</i></b>					
Business Development	-		-	-	-
Business Management	-	170	(170)	-	-
Computer Training Services	2,139	14,692	(13,666)	2,139	1,026
Cosmetology	-	39,365	(38,348)	1,017	-
Daytime Instruction	12,995	234,273	(167,917)	55,891	23,460
Health Informatics	-	26,654	(25,916)	738	-
Management Services	2,539	61,680	(58,176)	3,670	2,373
Practical Nursing	-	134,297	(122,385)	9,949	1,963
Radiologic Technology	-	52,059	(44,359)	7,700	-
Safety Training	20,988	115,630	(101,341)	21,018	14,259
Short Term Courses	600	119,442	(104,215)	15,827	-
Short Term Medical	2,830	110,738	(102,140)	7,226	4,202
Technical Services	-	18,443	(18,443)	-	-
<b><i>Livework:</i></b>					
Automotive Technology Livework	-	7,811	(7,811)	-	-
Collision Repair Technology Livework	-	895	(895)	-	-
Computer Aided Drafting Livework	-	55	(55)	-	-
Cosmetology Livework	-	23,722	(23,649)	73	-
Culinary Arts/Terrace	792	50,518	(49,495)	1,381	434
Precision Metal Fabrication Livework	-	7,323	(7,323)	-	-
Welding Technology Livework	-	684	(684)	-	-
<b><i>Resale:</i></b>					
Resale - Business Development	-	180	(180)	-	-
Resale - Computer Training Services	-	220	(220)	-	-
Resale - Cosmetology	-	22,510	(22,289)	221	-
Resale - Daytime Programs	-	15,905	(10,079)	5,826	-
Resale - Management Services	-	5,526	(5,526)	-	-
Resale - Practical Nursing	-	19,123	(18,985)	138	-
Resale - Radiologic Technology	-	8,108	(8,108)	-	-
Resale - Safety	-	29,922	(29,922)	-	-
Resale - Short Term Courses	-	22,772	(21,520)	1,252	-
Resale - Short Term Medical	-	48,372	(46,940)	1,432	-
Resale - Technical Services	-	510	(510)	-	-
Skywalk	-	165,063	(164,943)	120	-

(Continued)

**MERIDIAN TECHNOLOGY CENTER NO. 16  
ACTIVITY FUND  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2022**

<b><i>Youth Organizations:</i></b>					
BPA	1,084	1,738	-	1,733	1,089
FCCLA	1,036	-		-	1,036
HOSA	2,944	750		1,126	2,568
Skills USA	4,476	2,828		2,378	4,926
<b><i>Miscellaneous:</i></b>					
Auction Proceeds	-	67,707	(67,707)	-	-
CBD Clearing Account	7,490	107,700	(93,718)	13,971	7,501
CBD Tenant Reimbursable Costs	-	-		-	-
Clearing Account	-	5,113	(160)	4,953	-
Employee Fundraising	-	5,647	(61)	5,586	-
Facilities Usage	-	18,179	(1,555)	16,274	350
Miscellaneous	-	529,044	(114)	528,643	287
Vending Machines	-	77	(77)	-	-
Federal Fund Grants	-	9,099		9,099	-
<b><i>Change Bags:</i></b>					
Burser	200			-	200
Daytime Cosmetology	50	-		-	50
Evening Cosmetology	150	-		-	150
Evening Registrar	75	-		-	75
AM Skywalk	200	-		-	200
PM Skywalk	100	-		-	100
Terrace	200	-		-	200
Short Term Medical	200	-		-	200
Skywalk Vending	50	-		-	50
Trades Vending	80	-		-	80
South Division	-	200		-	200
Total Activity Sub-accounts	\$ 61,218	2,104,744	(1,379,602)	\$ 719,381	\$ 66,979



MERIDIAN TECHNOLOGY CENTER NO. 16  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Pell Grant Fund</u>	<u>COVID 19 - HEERF Fund</u>	<u>Total</u>
Revenues			
Federal sources			
Pell Grants	\$ 295,651	\$ -	\$ 295,651
Pell Administration Fee	415	-	415
FY21 Pell Received	13,403	-	13,403
COVID-19 HEERF Funds	<u>-</u>	<u>1,225,245</u>	<u>1,225,245</u>
Total revenues	<u>\$ 309,469</u>	<u>\$ 1,225,245</u>	<u>\$ 1,534,714</u>
Expenditures			
Student Financial Assistance			
Tuition and Fees	\$ 136,231	\$ -	\$ 136,231
Payments to Students	164,249	530,141	694,390
Payments to Institution	-	695,104	695,104
Administrative Expense to General Fund	415	-	415
Return to Title IV-Covid 19	200	-	200
Return to Title IV	<u>8,374</u>	<u>-</u>	<u>8,374</u>
Total expenditures	<u>\$ 309,469</u>	<u>\$ 1,225,245</u>	<u>\$ 1,534,714</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances, beginning of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**REQUIRED SUPPLEMENTARY 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, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Fund balances, beginning of year	\$ 4,928,922	\$ 4,928,922	\$ 4,928,922
Revenues collected:			
Local sources	\$ 10,643,031	\$ 10,643,031	\$ 11,683,475
Intermediate sources	-	-	-
State sources	3,525,707	3,525,707	3,504,225
Federal sources	810,213	810,213	1,130,141
	<u>14,978,951</u>	<u>14,978,951</u>	<u>16,317,841</u>
Total revenues collected	\$ 14,978,951	\$ 14,978,951	\$ 16,317,841
Expenditures paid:			
Instruction	\$ 8,049,046	\$ 8,049,046	\$ 6,705,110
Support services	10,822,325	10,822,325	8,578,876
Non-instructional services	830,200	830,200	430,543
Capital outlay	78,350	78,350	33,070
Other outlays	50	50	38
Other uses	121,500	121,500	69,411
Repayments	6,402	6,402	2,000
	<u>19,907,873</u>	<u>19,907,873</u>	<u>15,819,048</u>
Total expenditures paid	\$ 19,907,873	\$ 19,907,873	\$ 15,819,048
Excess of revenues collected over (under) expenses paid before adjustments to prior year encumbrances	\$ -	\$ -	\$ 5,427,715
Adjustments to prior year encumbrances	\$ -	\$ -	263,124
Other financing sources (uses):			
Operating transfers in/out	\$ -	\$ -	\$ -
Bank charges	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	\$ -	\$ -	\$ -
Cash fund balance end of year - budgetary basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,690,839</u>
Reconciliation of Budgetary Basis fund balance and GAAP fund balance:			
Fund balance, June 30, 2022 - Budgetary Basis			\$ 5,690,839
Accounts receivable not recognized as revenue			175,260
Accounts payable and wages payable not recognized in budgetary basis			(186,508)
Compensated absences not recognized in budgetary basis			(125,562)
Prepaid insurance			12,711
Reserves not recognized as expenses in GAAP basis			940,928
Cash fund balance end of year - GAAP basis			<u>\$ 6,507,668</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, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Fund balances, beginning of year	\$ 6,311,935	\$ 6,311,935	\$ 6,311,935
Revenues collected:			
Local sources	\$ 4,498,055	\$ 4,498,055	\$ 4,925,869
Intermediate sources	-	-	833
State sources	-	-	-
Federal sources	-	-	-
Total revenues collected	<u>\$ 4,498,055</u>	<u>\$ 4,498,055</u>	<u>\$ 4,926,702</u>
Expenditures paid:			
Instruction	\$ 4,304,139	\$ 4,304,139	\$ 1,161,783
Support services	3,008,324	3,008,324	1,874,781
Non-instructional services	500	500	-
Capital outlay	3,497,027	3,497,027	2,030,340
Repayments	-	-	-
Total expenditures paid	<u>\$ 10,809,990</u>	<u>\$ 10,809,990</u>	<u>\$ 5,066,904</u>
Excess of revenues collected over (under) expenses paid before adjustments to prior year encumbrances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,171,733</u>
Adjustments to prior year encumbrances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 185,225</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>\$ 6,356,958</u></u>
Reconciliation of Budgetary Basis fund balance and GAAP fund balance:			
Fund balance, June 30, 2022 - Budgetary Basis			\$ 6,356,958
Accounts receivable not recognized as revenue			50,347
Accounts payable not recognized in budgetary basis			(464,233)
Reserves not recognized as expenses in GAAP basis			1,725,969
Cash fund balance end of year - GAAP basis			<u><u>\$ 7,669,041</u></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, 2022**

	2015	2016	2017	2018	2019	2020	2021	2022
School's Proportion of the net pension liability	0.16435229%	0.16461497%	0.16819385%	0.16948960%	0.16274259%	0.16062754%	0.16080388%	0.16346432%
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	\$ 15,260,663	\$ 8,351,109
School's covered-employee payroll	\$ 6,788,409	\$ 7,225,633	\$ 7,238,076	\$ 7,218,088	\$ 7,876,516	\$ 7,988,490	\$ 8,554,581	\$ 8,287,363
School's proportionate share of the net pension liability as a percentage of its covered-employee payroll	130%	138%	194%	155%	125%	133%	178%	101%
Plan fiduciary net position as a percentage of total pension liability	72.43%	70.31%	62.24%	69.32%	72.74%	71.56%	63.47%	80.80%

\*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, 2022**

	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution	\$ 644,899	\$ 686,435	\$ 687,617	\$ 687,617	\$ 756,913	\$ 702,967	\$ 802,930	\$ 801,421
Contributions in relation to the contractually required contribution	\$ 644,899	\$ 686,435	\$ 687,617	\$ 687,617	\$ 756,913	\$ 702,967	\$ 802,930	\$ 801,421
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
School's covered-employee payroll	\$ 6,788,409	\$ 7,225,633	\$ 7,238,076	\$ 7,218,088	\$ 7,876,516	\$ 7,988,490	\$ 8,554,581	\$ 8,287,363
Contributions as a percentage of covered-employee payroll	9.5%	9.5%	9.5%	9.5%	9.6%	8.8%	9.4%	9.7%

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, 2022**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
District's portion of the net OPEB liability (asset)	0.16948964%	0.16274259%	0.16062754%	0.16080070%	0.16345700%
District's proportionate share of the net OPEB liability (asset)	\$ (75,582)	\$ (105,173)	\$ (99,320)	\$ (15,930)	\$ (208,196)
District's covered payroll	\$ 7,218,008	\$ 7,876,516	\$ 7,988,490	\$ 8,554,581	\$ 8,287,363
District's proportionate share of the new OPEB liability (asset) as a percentage of its Covered-employee payroll	1.05%	1.34%	1.24%	0.19%	2.51%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	110.40%	115.40%	115.07%	115.07%	129.91%

\*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, 2022**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Contractually required contribution	\$ 10,896	\$ 10,964	\$ 10,440	\$ 4,615	\$ 2,272	\$ 9,964
Contributions in relation to the contractually required contribution	<u>10,896</u>	<u>10,964</u>	<u>10,440</u>	<u>4,615</u>	<u>2,272</u>	<u>9,964</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 7,238,076	\$ 7,218,088	\$ 7,876,516	\$ 7,988,490	\$ 8,554,581	\$ 8,287,363
Contributions as a percentage of covered payroll	0.15%	0.15%	0.13%	0.06%	0.03%	0.12%

**Notes to Schedule:**

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



**OTHER SUPPLEMENTARY INFORMATION**

**MERIDIAN TECHNOLOGY CENTER NO. 16  
SCHEDULE OF FEDERAL AWARDS EXPENDED  
FOR THE YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA #	Grantor's Number	Balance at July 1, 2021	Revenue	Expenditures	Balance at June 30, 2022
<u>U.S. Department of Education</u>						
<b>Direct Programs:</b>						
<u>2020-21 Programs</u>						
COVID-19 Education Stabilization Fund Under the 84.425F Coronavirus Aid, Relief, and Economic Security Act Higher Ed Emergency Relief (HEERF II)-Institution		P425F203826	\$ (197,500)	\$ 197,500	\$ -	\$ -
<u>2021-22 Programs</u>						
PELL	84.063	P063P23659	\$ (13,403)	\$ 309,054	\$ 295,651	\$ -
PELL Adm	84.063	P063Q213659	-	415	415	-
* COVID-19 Education Stabilization Fund Under the 84.425E Coronavirus Aid, Relief, and Economic Security Act Higher Ed Emergency Relief (HEERF II)-Student		P425E204411	-	530,341	530,341	-
* COVID-19 Education Stabilization Fund Under the 84.425F Coronavirus Aid, Relief, and Economic Security Act Higher Ed Emergency Relief (HEERF II)-Institution		P425F203826	-	694,904	694,904	-
<b>Direct Programs Sub-Total</b>			<u>\$ (210,903)</u>	<u>\$ 1,732,214</u>	<u>\$ 1,521,311</u>	<u>\$ -</u>
<b>Passed-Through State Department of Career and Technology Education:</b>						
<u>2020-21 Programs</u>						
Carl Perkins Post Secondary	84.048	N/A	\$ (2,400)	\$ 2,400	\$ -	\$ -
Adult Education	84.002	N/A	(27,274)	27,274	-	-
<u>2021-22 Programs</u>						
Carl Perkins Secondary Consortium/Coop	84.048	N/A	-	135,658	151,543	(15,885)
Carl Perkins TCTW	84.048	N/A	-	5,560	5,560	-
Adult Education	84.002	N/A	-	84,861	124,721	(39,860)
<b>Passed Through State Department of Career and Technology Education Sub-Total</b>			<u>\$ (29,674)</u>	<u>\$ 255,753</u>	<u>\$ 281,824</u>	<u>\$ (55,745)</u>
<b>TOTAL FEDERAL ASSISTANCE</b>			<u>\$ (240,577)</u>	<u>\$ 1,987,967</u>	<u>\$ 1,803,135</u>	<u>\$ (55,745)</u>

\* Major program

See accompanying notes to Schedule of Federal Awards Expended

**MERIDAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY, OKLAHOMA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2022**

**Note A: Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Meridian Technology Center No. 16 under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 US. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements/or Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Meridian Technology Center No. 16 it is not intended to and does not present the basic financial statements as listed in the table of contents of Meridian Technology Center No. 16.

**Note B: Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on using the accrual basis of accounting. Some amounts presented in the schedule may differ from amounts presented in or used in the preparation of the basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, where certain types of expenditures are not allowable or are limited as to reimbursement.

**Note C: Indirect Cost Rate**

Meridian Technology Center No. 16 has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**Note D: Subrecipients**

Meridian Technology Center No. 16 did not have any awards that have been passed through to subrecipients.

**REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

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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, 2022, and the related notes to the financial statements, which collectively comprise the Center's financial statements, and have issued my report thereon dated February 20, 2023.

### 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 20, 2023

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## REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

### INDEPENDENT AUDITOR'S REPORT

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

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

##### *Opinion on Each Major Federal Program*

I have audited Meridian Technology Center No. 16's (the Center) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Center's major federal programs for the year ended June 30, 2022. The Center's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In my opinion, the Center complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

##### *Basis for Opinion on Each Major Federal Program*

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

I am required to be independent of the Center and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis my opinion on compliance for the major federal program. My audit does not provide a legal determination of the Center's compliance with the compliance requirements referred to above.

##### *Responsibilities of Management for Compliance*

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, I

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

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

### ***Report on Internal Control Over Compliance***

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

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

My audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion was expressed.

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



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

I have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Center as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively compose the Center's basic financial statements. I issued my report thereon dated February 20, 2023, which contained unmodified opinions on those financial statements. My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Kerry John Patten, CPA  
Broken Arrow, OK  
February 20, 2023

**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY, OKLAHOMA, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2022**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unmodified opinion on the basic financial statements of Meridian Technology Center.
2. There were no audit findings reported of deficiencies in internal control, which the auditor considers to be "significant deficiencies" as defined in A.I.C.P.A. standards.
3. No instances of noncompliance material to the financial statements of Meridian Technology Center which would be required to be reported in accordance with Government Auditing Standards were disclosed during the audit.
4. There were no audit findings reported of deficiencies in internal control over major programs, which the auditor considers to be "significant deficiencies" as defined by A.I.C.P.A. standards.
5. The auditor's report on compliance for the major federal award programs for Meridian Technology Center expresses an unmodified opinion.
6. There were no audit findings relative to major federal award programs for Meridian Technology Center.
7. The programs tested as major programs included: COVID 19-CARES Act Education HEERFIII – Student Aid (84.425E), & COVID 19 CARES Act Education Stabilization HEERF-III Institutional (84.425F).
8. The threshold for distinguishing Types A and B programs was \$750,000.00.
9. Meridian Technology Center did qualify as a low-risk auditee.

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT**

1. No matters were reported.

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

1. No matters were reported.

**MERIDIAN TECHNOLOGY CENTER NO. 16  
SUMMARY OF PRIOR AUDIT FINDINGS  
JULY 1, 2021 TO JUNE 30, 2022**

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, 2021 TO JUNE 30, 2022**

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 2020-21 audit report which required correction.

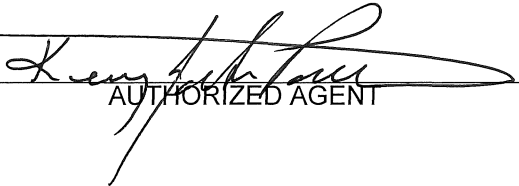
I would like to express my appreciation for the courtesies and cooperation extended to us by Center administrators and employees during the course of this audit.

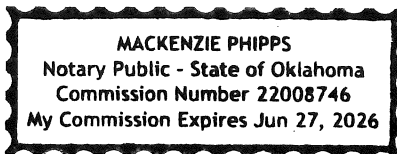
**MERIDIAN TECHNOLOGY CENTER NO. 16  
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE AFFIDAVIT  
JULY 1, 2021 TO JUNE 30, 2022**

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 2021-22.

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

BY   
AUTHORIZED AGENT



Subscribed and sworn to before me on this  
20<sup>th</sup> day of Feb., 2023

  
NOTARY PUBLIC

My commission expires on:  
27<sup>th</sup> day of June, 2026