

**ANNUAL FINANCIAL REPORT**  
**MERIDIAN TECHNOLOGY CENTER NO. 16**  
**PAYNE COUNTY, OKLAHOMA**  
**JULY 1, 2022 TO JUNE 30, 2023**

**AUDITED BY**  
**Patten & Odom, CPAs, PLLC**

**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY, OKLAHOMA, OKLAHOMA  
SCHOOL CENTER OFFICIALS  
JUNE 30, 2023**

Board of Education

President	Randy Kellogg
Vice-President	Vacant
Clerk	Sherri Huneycutt
Deputy Clerk	Lorrie Janzen
Member	Joe Williams

Superintendent of Schools

Dr. Douglas Major

Technology Center Treasurer

Monica Savory

Chief Financial Officer

Schelina Burnett

**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY, OKLAHOMA, OKLAHOMA  
TABLE OF CONTENTS  
JUNE 30, 2023**

TABLE OF CONTENTS

	Page
Report of Independent Auditor .....	1
Management’s Discussion and Analysis .....	4
Basic Financial Statements	
Government-Wide Financial Statements --	
Statement of Net Assets .....	12
Statement of Activities .....	13
Fund Financial Statements	
Balance Sheet –	
Governmental Funds .....	14
Reconciliation of Balance Sheet of Governmental Funds to the Statement	
of Net Position.....	15
Statement of Revenues, Expenditures	
and Changes in Fund Balances –	
Governmental Funds .....	16
Reconciliation of Statement of Revenues, Expenditures	
and Changes in Fund Balances to the Statement of Activities.....	17
Notes to the Financial Statements .....	18
Combining Financial Statements	
Statement of Changes in Assets and Liabilities – Activity Fund.....	37
Statement of Revenues, Expenditures, and Changes	
In Fund Balance – Fiduciary Fund .....	39
Required Supplementary Information	
Statement of Revenues, Expenditures, and Changes	
in Fund Balance – Budget and Actual – (Budgetary Basis) –	
General Fund.....	40
Statement of Revenues, Expenditures, and Changes	
in Fund Balance – Budget and Actual – (Budgetary Basis) –	
Building Fund.....	41
Schedule of Proportionate Share of the Net Pension Liability	
Oklahoma Teachers Retirement System .....	42
Schedule of Contributions to the Oklahoma Teachers Retirement System .....	43
Schedule of the District’s Proportionate Share of the Net OPEB Liability	
Supplemental Health Insurance Program .....	44
Schedule of the District’s Contributions	
Supplemental Health Insurance Program .....	45

(continued)

**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY, OKLAHOMA, OKLAHOMA  
TABLE OF CONTENTS  
JUNE 30, 2023**

TABLE OF CONTENTS

Other Supplementary Information

Schedule of Expenditures of Federal Awards .....	46
Notes to the Schedule of Expenditures of Federal Awards .....	47

Reports Required by *Government Auditing Standards*

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	48
---	----

Summary of Prior Audit Findings .....	50
---------------------------------------	----

Schedule of Comments .....	51
----------------------------	----

Schedule of Accountant's Professional Liability Insurance Affidavit .....	52
---	----

# Patten & Odom, CPAs, PLLC

2101 N. Willow Ave.  
Broken Arrow, OK 74012  
Phone Number 918.250.8838  
FAX Number 918.250.9853

---

## 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***

We 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, 2023, which collectively comprise the Center's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Center, as of June 30, 2023, 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***

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

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

Management is responsible for the preparation and fair presentation of 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***

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

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

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures 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 our 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.

We are 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 we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 our 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.

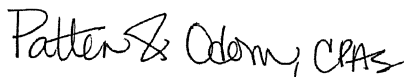
### ***Other Information***

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 our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express any opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our 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, we conclude that an uncorrected material misstatement of the other information exists, then we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2024, on our consideration of the Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



Patten & Odom, CPAs, PLLC  
Broken Arrow, OK  
February 27, 2024

## **MANAGEMENT DISCUSSION AND ANALYSIS**

MERIDIAN TECHNOLOGY CENTER  
Management's Discussion and Analysis (MD&A)  
June 30, 2023

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, 2023. 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 12 and 13, 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, 2023

The remaining statements are fund financial statements, pages 14-17, 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 and Special Revenue or Building Fund. 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). Outstanding tuition and fee invoices at year-end result in receivables.

The financial statements also include notes, beginning on page 18, 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, 2023

- 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 show a decrease from 2022 of 2.9%. While cash remained about the same, taxes receivable showed a significant decrease due to a year of overcollection in property taxes. Although over \$1.5 million was spent on new equipment, the completion of South Campus in FY22 allowed a full year of depreciation on the structure in FY23. This resulted in an overall decrease in capital assets and total assets.

Total liabilities increased 8.86%. All payables decreased, resulting in a reduction in Current Liabilities. However, Long Term liabilities showed an 11% increase due to Net Pension Liability. This amount 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.

See auditor's disclaimer of opinion

MERIDIAN TECHNOLOGY CENTER  
Management's Discussion and Analysis (MD&A)  
June 30, 2023

Net Position

	FY2023	FY2022
Current Assets	\$15,623,225	\$16,112,342
Net Capital Assets	\$40,361,932	\$41,546,092
Total Assets	\$55,985,157	\$57,658,434
 Deferred Outflow of Resources	 \$3,462,791	 \$2,861,390
 Current Liabilities	 \$1,968,235	 \$2,265,427
Long term Liabilities	\$22,317,172	\$20,044,233
Total Liabilities	\$24,285,407	\$22,309,660
 Deferred Inflow of Resources	 \$920,774	 \$4,992,527
 Net Position Invested in Capital Assets		
Net of Related Debt	\$28,897,309	\$28,155,648
OPEB Asset	\$71,499	
 Restricted		
School Organizations	\$50,700	\$66,979
Unrestricted	\$5,222,259	\$4,995,010
Total Net Position	\$34,241,767	\$33,217,637

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 2022.

**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, 2023

**Statement of Activities (continued)**

The information below, from the Statement of Activities, page 13, shows the sources of revenues and expenses, resulting in the change in net assets.

Changes in Net Position

<b>Revenues</b>		
<b>Program Revenues</b>	<b>FY2023</b>	<b>FY2022</b>
Charges for Services	\$2,084,770	\$1,682,188
Operating Grants & Contributions	\$494,278	\$1,036,106
<b>General Revenues</b>		
Property & Other Taxes	\$14,927,644	\$14,989,745
Federal and State Aid	\$3,352,734	\$3,286,101
Interest and Investment Earnings	\$385,691	\$28,090
Miscellaneous	\$57,765	\$802,173
<b>Total Revenues</b>	<b>\$21,302,882</b>	<b>\$21,824,403</b>
<b>Expenses</b>		
Instruction	\$7,039,194	\$6,756,846
Instructional Support Services	\$3,483,389	\$3,180,204
Support Services- Operational	\$6,031,545	\$5,799,926
Non-Instructional	\$474,420	\$400,530
Other Outlays	18,510	
Other Uses	\$173,109	\$719,680
Capital Outlays	\$236,496	\$147,113
Interest Expense	\$383,531	\$424,826
Depreciation - Unallocated	\$2,424,308	\$1,963,689
Repayments	\$14,250	\$2,038
<b>Total Expenses</b>	<b>\$20,278,752</b>	<b>\$19,394,852</b>
<b>Increase (decrease) in net position</b>	<b>\$1,024,130</b>	<b>\$2,429,551</b>

Although an increase in Charges for Services, the finalization of HEERF funds and a decrease in State Grants led to a 2.39% decrease in total revenues. The increase in Charges for Services could be attributed to the additional activity generated from a full year of service at South Campus. A total of 4.56% increase in expenses is a result of an increase in almost every category. Increased costs of equipment and overall services to do business is the main cause.

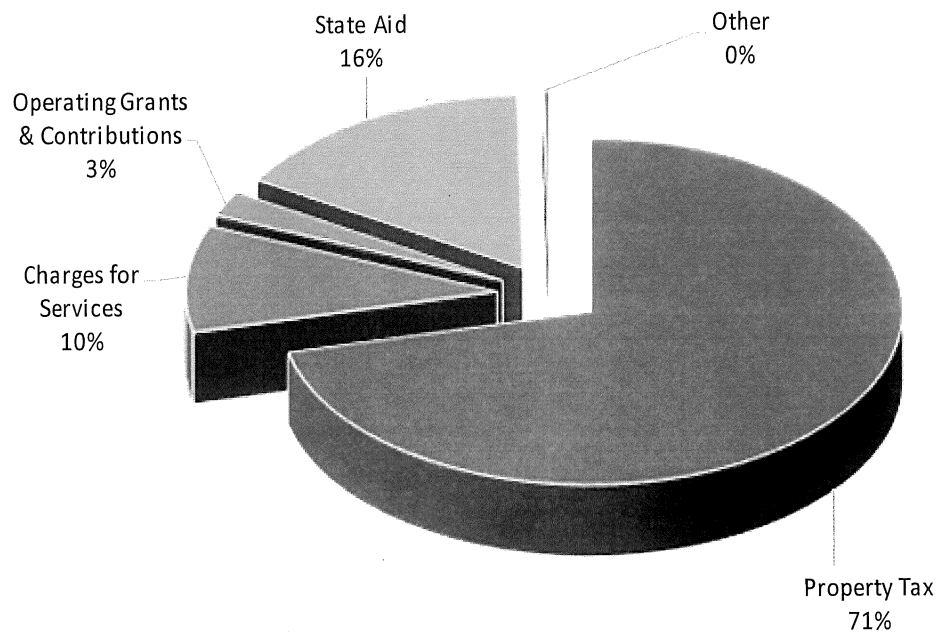
Two new full-time programs and an Apprenticeship program was added, with no program closures in FY2023.

See auditor's disclaimer of opinion

MERIDIAN TECHNOLOGY CENTER  
Management's Discussion and Analysis (MD&A)  
June 30, 2023

By the nature of funding for technology centers, the sources of revenue remain relatively constant from year to year. State aid has remained fairly flat and contributes 16% of FY23's revenue. State aid from formula operations has been as high as 23% in 2008. Property taxes, considered a local funding source and the district's largest, increased from 69% to 71% for 2023. Other local sources, Charges in Services increased by 2%. Meridian Technology Center's total revenues derived from local source for FY23 was 81.33%; an almost 5% increase over last year's 76.5%.

**Sources of Revenue  
For Fiscal Year 2023**



See auditor's disclaimer of opinion

MERIDIAN TECHNOLOGY CENTER  
Management's Discussion and Analysis (MD&A)  
June 30, 2023

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

At June 30, 2023, Meridian Technology Center's governmental funds reported combined revenues of \$21,975,317 compared to \$20,517,942 AT June 30, 2022. 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.

**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, 2023

**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 \$20,294,379, 1.94% increase from fiscal year 2022; largely due to an increase in local taxes.

**CAPITAL ASSETS**

At June 30, 2023, Meridian Technology Center had \$40,290,433 invested in a broad range of capital assets including land, school buildings, construction in progress, furniture and equipment, infrastructure, and vehicles.

**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 and hire personnel 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, 2023**

	Governmental Activities
<b><u>ASSETS</u></b>	
Cash and investments	\$ 14,731,811
Restricted Cash	11,799
Property tax receivable	535,718
Interest receivable	232,581
Due from other governments	59,698
Due from local sources	38,901
Other local receivable	
Prepaid insurance	12,717
Capital assets	
Construction in Progress	23,046
Land	643,588
Other capital assets, net of accumulated depreciation	39,623,799
Net OPEB asset	71,499
Total Assets	\$ 55,985,157
<b><u>DEFERRED OUTFLOW OF RESOURCES</u></b>	
Deferred amounts of resources related to pensions	\$ 3,392,183
Deferred amounts of resources related to OPEB	70,608
Total deferred outflow of resources	\$ 3,462,791
<b><u>LIABILITIES</u></b>	
Current liabilities	
Accounts payable	\$ 286,701
Wages payable	28,170
Compensated Absences	121,622
Current portion of long term liabilities	1,531,742
Long-term liabilities	
Non-current portion of long-term liabilities	9,861,382
Net pension liability	12,455,790
Total Liabilities	\$ 24,285,407
<b><u>DEFERRED INFLOW OF RESOURCES</u></b>	
Deferred inflows of resources related to pensions	\$ 890,666
Deferred inflows of resources related to OPEB	30,108
Total deferred inflow of resources	\$ 920,774
<b><u>NET POSITION</u></b>	
OPEB Asset	\$ 71,499
Net investment in capital assets	28,897,309
Restricted	
School Organizations	50,700
Unrestricted	5,222,259
Total Net Position	\$ 34,241,767

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

**MERIDIAN TECHNOLOGY CENTER NO. 16**  
**STATEMENT OF ACTIVITIES**  
**FOR YEAR ENDED JUNE 30, 2023**

	Program Revenues			Capital Grants & Contributions	Net (Expenses) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants & Contributions		
Governmental Activities:					
Instruction	\$ (7,039,194)	\$ 973,485	\$ 342,375	\$ -	(5,723,334)
Support Services - Instructional	(3,483,389)	-	151,903	-	(3,331,486)
Support Services - Operational	(6,031,545)	1,002,296	-	-	(5,029,249)
Non-Instructional	(474,420)	-	-	-	(474,420)
Other Outlays	(18,510)	-	-	-	(18,510)
Other Uses	(173,109)	108,989	-	-	(64,120)
Capital Outlay	(236,496)	-	-	-	(236,496)
Interest Expense	(383,531)	-	-	-	(383,531)
Depreciation - Unallocated	(2,424,308)	-	-	-	(2,424,308)
Repayments	(14,250)	-	-	-	(14,250)
Governmental Activities	\$ (20,278,752)	\$ 2,084,770	\$ 494,278	\$ -	(17,699,704)

**General revenues**

Taxes:

Property taxes, levied for general purposes	\$ 14,924,978
Other Taxes	2,666
Federal and State aid not restricted to specific purposes:	
General	3,352,734
Interest and investment earnings	385,691
Miscellaneous	57,765
Total general revenues	18,723,834
Changes in net position	1,024,130
Net position - beginning	33,217,637
Net position - ending	\$ 34,241,767

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, 2023**

	General Fund	Building Fund	Activity Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 6,484,763	\$ 8,247,048	\$ -	\$ 14,731,811
Restricted Cash	-	-	11,799	11,799
Property taxes receivable	357,141	178,577	-	535,718
Interest receivable	232,581	-	-	232,581
Due from other governments	59,488	210	-	59,698
Due from local sources	-	-	38,901	38,901
Prepaid insurance	12,717	-	-	12,717
Total assets	\$ 7,146,690	\$ 8,425,835	\$ 50,700	\$ 15,623,225
<b>LIABILITIES AND FUND EQUITY</b>				
Liabilities:				
Accounts payable	\$ 162,881	\$ 123,820	\$ -	\$ 286,701
Accrued wages payable	28,170	-	-	28,170
Compensated absences-current	121,622	-	-	121,622
Total liabilities	\$ 312,673	\$ 123,820	\$ -	\$ 436,493
Deferred inflow of resources:				
Deferred property taxes	\$ 280,399	140,185	-	420,584
Total deferred inflow of resources	\$ 280,399	140,185	-	420,584
Fund balances:				
Nonspendable Fund Balances:				
<i>Prepaid Items</i>	\$ 12,717	\$ -	\$ -	\$ 12,717
Restricted Fund Balances:				
<i>Restricted by statute</i>	-	6,642,432	11,799	6,654,231
<i>Restricted for Capital Obligations</i>	-	-	-	-
Committed Fund Balances:				
<i>Contractual Obligations</i>	-	-	-	-
Assigned Fund Balances:				
<i>Encumbrances</i>	726,170	1,519,398	-	2,245,568
<i>Other Assigned Fund Balances</i>	-	-	-	-
Unassigned	5,814,731	-	38,901	5,853,632
Total Fund Balances	\$ 6,553,618	\$ 8,161,830	\$ 50,700	\$ 14,766,148
Total Liabilities and Fund Balances	\$ 7,146,690	\$ 8,425,835	\$ 50,700	\$ 15,623,225

MERIDIAN TECHNOLOGY CENTER NO. 16  
**RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

Total Fund Balances	\$ 14,766,148
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 \$66,465,638 and accumulated depreciation is \$26,175,205	40,290,433
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	(11,393,124)
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.	420,584
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	2,542,017
Net OPEB asset is not a financial resource, therefore not reported in funds	71,499
Net pension obligations are not due and payable in the current period and, therefore are not reported in the funds.	<u>(12,455,790)</u>
Total Net Position	<u>\$ 34,241,767</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, 2023

	General Fund	Building Fund	Activity Fund	Total Governmental Funds
Revenues:				
Local sources	\$ 12,815,673	\$ 5,200,308	\$ 108,989	\$ 18,124,970
Intermediate sources	-	-	-	-
State sources	3,511,302	1,002	-	3,512,304
Federal sources	338,043	-	-	338,043
Non-revenue sources	-	-	-	-
Total revenues	\$ 16,665,018	\$ 5,201,310	\$ 108,989	\$ 21,975,317
Expenditures:				
Instructional	\$ 7,055,395	\$ 1,057,630	\$ -	\$ 8,113,025
Support services - Instructional	3,544,931	19,474	-	3,564,405
Support services - Operational	5,397,150	1,288,838	-	6,685,988
Non-instructional	474,420	-	-	474,420
Capital outlay	67,108	169,388	-	236,496
Other outlays	18,510	-	-	18,510
Other uses	47,304	537	125,268	173,109
Repayments	14,250	-	-	14,250
Debt Services	-	1,789,123	-	1,789,123
Principal	-	383,531	-	383,531
Interest	-	-	-	-
Total expenditures	\$ 16,619,068	\$ 4,708,521	\$ 125,268	\$ 21,452,857
Excess of revenues over (under) expenditures	\$ 45,950	\$ 492,789	\$ (16,279)	\$ 522,460
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)	\$ 45,950	\$ 492,789	\$ (16,279)	\$ 522,460
Fund balance, beginning of year	\$ 6,507,668	\$ 7,669,041	\$ 66,979	\$ 14,243,688
Fund balance, end of year	\$ 6,553,618	\$ 8,161,830	\$ 50,700	\$ 14,766,148

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, 2023**

Net change in fund balances - governmental funds	\$	522,460
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlays exceeds depreciation in the period.		
Capital outlay expenditures	\$	1,492,567
Depreciation expense		(2,424,308)
Capital outlay retirement		-
		(931,741)
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.		
		316,055
Repayment of Lease financing principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Assets and does not affect the Statement of Activities.		
		1,789,123
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.		
		<u>(671,767)</u>
Change in Net Position of Governmental Activities	\$	<u><u>1,024,130</u></u>

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, 2023**

**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 2023 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, 2023**

**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, 2023

**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 – represents 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:

Non-spendable – 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, 2023**

**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 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, 2023**

**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 appropriable for expenditure or legally segregated for a specific future use.

**G. Revenue, Expenses and Expenditures**

Revenues are classified by source as follows:

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

Intermediate – Revenue from intermediate sources is revenue from funds collected by an intermediate administrative unit or political subdivision, 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 assistants 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, 2023**

**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, 2023, 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, 2023, 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, 2023**

**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, 2023, 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, 2023**

**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, 2023, 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, 2023, 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	\$ 357,141	\$ 178,577	\$ -	\$ 535,718
Interest receivable	232,581	-	-	232,581
Due from other governments	59,488	210	-	59,698
Miscellaneous	-	-	38,901	38,901
	<hr/>	<hr/>	<hr/>	<hr/>
Gross Receivables	920,276	314,645	38,901	1,273,822
Less: deferred revenue	<u>551,465</u>	<u>276,043</u>	<u>-</u>	<u>827,508</u>
Net Total Receivables	\$ <u><u>368,811</u></u>	\$ <u><u>38,602</u></u>	\$ <u><u>38,901</u></u>	\$ <u><u>446,314</u></u>

**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2023**

**4. Capital Assets**

A summary of changes in General Fixed Assets for the year ended June 30, 2023, are as follows:

	Balance July 1, 2022	Additions	Transfers	Retirements	Balance June 30, 2023
Land	\$ 643,588	\$ -	\$ -	\$ -	\$ 643,588
Construction in process	23,047	-	-	-	23,047
Construction in process	-	-	-	-	-
Construction in process	<u>666,635</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>666,635</u>
Total Assets Not Being Depreciated	<u>666,635</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>666,635</u>
Capital Assets Being Depreciated					
Building & Improvements	\$ 55,611,106	\$ 60,794	\$ -	\$ -	\$ 55,671,900
Furniture	177,413	-	-	-	177,413
Machinery & Equipment	6,420,861	1,359,468	-	100,301	7,680,030
Vehicles	<u>2,212,777</u>	<u>72,305</u>	<u>-</u>	<u>15,422</u>	<u>2,269,660</u>
Total Capital Assets being depreciated	<u>64,422,157</u>	<u>1,492,567</u>	<u>-</u>	<u>115,723</u>	<u>65,799,003</u>
Less:					
Accumulated Depreciation	<u>23,750,896</u>	<u>2,540,030</u>	<u>-</u>	<u>115,723</u>	<u>26,175,205</u>
Total Capital Assets being Depreciated - Net	<u>40,671,261</u>	<u>(1,047,463)</u>	<u>-</u>	<u>-</u>	<u>39,623,799</u>
Total Capital Assets Net	\$ <u><u>41,337,896</u></u>	\$ <u><u>(1,047,463)</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>40,290,433</u></u>

**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2023**

**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 non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**6. Employee Retirement System**

Description of Plan

The District participates in the state-administered Oklahoma Teachers' Retirement System, which is a cost sharing, multiple-employer defined benefit public employee retirement system (PERS), which is administered by the Board of Trustees of the Oklahoma Teachers' Retirement System (the "System"). The System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Title 70 Section 17 of the Oklahoma Statutes establishes benefit provisions and may be amended only through legislative action.

The Oklahoma Teachers' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Oklahoma Teachers' Retirement System, P.O. Box 53624, Oklahoma District, OK 73152 or by calling 405-521- 2387.

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 disclosure measure of the present value of pension benefits. This pension valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of employee services performed to date and is adjusted for the effect of projected salary increases. There are no actuarial valuations performed on individual school districts. The System has an under-funded pension benefit obligation as determined as part of the latest actuarial valuation.

Funding Policy

The District, the State of Oklahoma, and the participating employees make contributions. The contribution rates for the District and its employees are established by and may be amended by Oklahoma Statutes. The rates are not actuarially determined. The rates are applied to the employee's earnings plus employer-paid fringe benefits. The required contribution for the participating members is 7.0% of compensation. Additionally, OTRS receives "federal matching contributions" for positions whose funding comes from federal sources or certain grants. The District and State are required to contribute 14.0% of applicable compensation. Contributions received by the System from the State of Oklahoma are from 3.54% of its revenues from sales tax use taxes, corporate income taxes and individual income taxes. The District contributed 9.5% and the State of Oklahoma plus the federal contribution contributed the remaining 4.5% during this year. The District is allowed by the Oklahoma Teachers' Retirement System to make the required contributions on behalf of the 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 2023, 2022, and 2021 were \$1,414,547, \$1,358,324, and \$1,342,915, respectively. The Center's total payroll for fiscal year 2022-2023 amounted to \$8,677,273.

**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2023**

**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 2022-2023, the State of Oklahoma's contribution was \$50,184. The Center recognized revenue and expenditures of this amount in the 2022-2023 financial statements.

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

At June 30, 2023, the center reported a liability of \$12,455,790 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. 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, 2023. Based upon this information, the center's proportion was .15172634% percent.

For the year ended June 30, 2023, the Center recognized pension expense of \$775,628. At June 30, 2023, 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	\$ 399,026	\$ 155,809
Changes of assumptions	840,413	-
Net difference between projected and actual earnings on pension plan investments	1,185,794	-
Differences in center's proportionate share of contributions and changes in proportion	126,128	685,662
System contributions during measurement date	-	49,195
Center contributions subsequent to the measurement date	840,822	-
Total	\$ 3,392,183	\$ 890,666

**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2023**

**Employee Retirement System (continued)**

Deferred pension outflows totaling \$840,822 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, 2023. The deferred outflows totaling \$1,185,794 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 \$399,026 and deferred inflows totaling \$155,809 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 5.23 years at June 30, 2023, 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,

2024	\$	595,815
2025		423,324
2026		(252,017)
2027		925,577
2028		<u>(32,004)</u>
	\$	<u>1,660,695</u>

**Actuarial Assumptions** – The total pension liability as of June 30, 2023, was determined based on an actuarial valuation prepared as of June 30, 2022 using the following actuarial assumptions:

- Actuarial Cost method-Entry Age Normal
- Inflation – 2.25 percent
- Future Ad Hoc Cost-of-Living Increases-None
- 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
- 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.
- Mortality rates for Active Members-PUB-2010 Teachers Activity Mortality Table. Generation Mortality improvements in accordance with the Ultimate MP scales are projected from the Year 2010.

MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2023

**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, 2023, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
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	 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 pension liability as of June 30, 2022. 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>\$ 17,537,826</u>	<u>\$ 12,455,790</u>	<u>\$ 8,277,759</u>

MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2023

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

Plan Description – The Center 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 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.

OPEB Liabilities (Assets), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – At June 30, 2023, the Center reported an asset of \$71,499 for its proportionate share of the new OPEB asset. The net OPEB asset was measured as of June 30, 2022, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of June 30, 2022. 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, 2023. Based upon this information, the Center's proportion was 0.163457% percent.

For the year ended June 30, 2023, the Center recognized OPEB expense of \$9,429. At June 30, 2023, the Center reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 23,801
Net difference between projected and actual earnings on OPEB plan investments	29,895	-
Changes of assumption	21,561	-
Changes in proportion	152	588
Contributions during measurement date	9,571	5,718
Center contributions subsequent to the measurement date	9,429	-
Total	\$ 70,608	\$ 30,108

MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2023

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

The \$9,429 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, 2023. 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:		
2024	\$	3,867
2025		3,143
2026		(4,805)
2027		28,151
2028		501
Thereafter		215
Total	\$	<u>31,071</u>

**Actuarial Assumptions** – The total OPEB liability (asset) as of June 30, 2023, was determined based on an actuarial valuation prepared as of June 30, 2022, using the following actuarial assumptions:

- Actuarial Cost method - Entry Age Normal
- Inflation – 2.25%
- Future AD HOC Cost of Living Increases- None
- Salary Increases-Composed of 2.25% 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 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	<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).

MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2023

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

**Discount Rate** – A single discount rate of 7.00% was used to measure the total OPRB liability (asset) as of June 30, 2023. 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 percentage of projected member payroll based on the past five years of actual contributions.

**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)	\$ 2,979	\$ (71,499)	\$ (134,565)

**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).

**8. General Long-Term Debt**

The Center's long-term debt consisted of two capital leases.

The following is a summary of the long-term debt transactions for the year ended June 30, 2023:

	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023
Lease Purchase Financing	\$ 13,182,247	\$ _____	\$ 1,789,123	\$ 11,393,124
Total	\$ 13,182,247	\$ _____	1,789,123	
Less: Amounts Due Within One Year				\$ 1,531,742
Total Long-Term Debt				\$ 9,861,382

**MERIDIAN TECHNOLOGY CENTER NO. 16**  
**PAYNE COUNTY, OKLAHOMA**  
**NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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

**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, 2023 are recorded as restricted cash in the governmental and government wide financial statements.

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

Year ending June 30,	Principal	Interest	Total
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	1,333,402	180,038	1,513,440
2028-2030	3,963,055	277,177	4,240,232
Totals	\$ 9,082,452	\$ 1,241,540	\$ 10,293,992

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.

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
2024	\$ 319,170	\$ 39,557	\$ 358,727
2025	324,077	34,163	358,240
2026	329,067	28,686	357,753
2027	334,141	23,125	357,267
2028-2030	1,034,216	35,143	1,069,359
Totals	\$ 2,340,672	\$ 160,676	\$ 2,501,348

**MERIDIAN TECHNOLOGY CENTER NO. 16**  
**PAYNE COUNTY, OKLAHOMA**  
**NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**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, 2023.

**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 is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; or acts of God. The Center purchases commercial insurance to cover these risks. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

The Center participates in the Oklahoma Public Schools Unemployment Compensation Account under the sponsorship of the Oklahoma State School Boards Association and the cooperative council for Oklahoma School Administration. The account was established to let schools self-insure unemployment benefits for school employees. The funds are held in the name of each center as reserves to pay unemployment claims. Each center is individually liable for that portion of the benefits paid from the fund attributable to wages paid by the center in the same manner as if no group account had been established. The reserve funds may be withdrawn from the account upon request of the center. At June 30, 2023, the Meridian Technology Center had reserves on deposit with the Oklahoma Public Schools Unemployment Compensation Accounting.. This amount has been shown as prepaid insurance on the financial statements.

**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 2023. 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.

**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, 2022, through July 1, 2023.

Position	Bond Amount
Treasurer	\$ 100,000
Deputy Treasurer	100,000
Encumbrance and Minutes Clerk	100,000
Bursar	100,000
Evening Registrar	100,000
Financial Aid Officer	100,000
Payroll Clerk	100,000
Admin Prof/Adult Training & Development (2)	100,000
Part Time Evening Admin Prof	100,000
Administrative Professional	100,000
Accounts Payable Clerk	100,000

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

**MERIDIAN TECHNOLOGY CENTER NO. 16  
PAYNE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2023**

**15. 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 reduce 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, 2023, abated property taxes were \$662,831 from homestead exemption and \$712,187.13 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, 2023**

Activities	Beginning Balance 7-01-22	Revenue	Expenditures	Ending Balance 6-30-23
<b><i>Tuition:</i></b>				
Business Development	\$ -	\$ -	\$ -	\$ -
Business Management	-	10	-	10
Computer Training Services	1,026	348	1,374	-
Cosmetology	-	500	500	-
Daytime Instruction	23,460	18,852	38,934	3,378
Film Special Projects	-	83	83	-
Health Informatics	-	656	656	-
Management Services	2,373	5,001	1,834	5,540
Practical Nursing	1,964	6,827	8,791	-
Radiologic Technology	-	9,125	9,125	-
Safety Training	14,259	(2,817)	1,900	9,542
Short Term Courses	-	12,163	11,645	518
Short Term Medical	4,202	1,375	1,914	3,663
Technical Services	-	4,592	770	3,822
<b><i>Livework:</i></b>				
Automotive Technology Livework	-	-	-	-
Carpentry Live Work	-	-	-	-
Collision Repair Technology Livework	-	-	-	-
Computer Aided Drafig Livework	-	-	-	-
Cosmetology Livework	-	20	20	-
Culinary Arts/Terrace	434	1,158	-	1,592
Precision Metal Fabrication Livework	-	-	-	-
Welding Technology Livework	-	-	-	-
<b><i>Resale:</i></b>				
Resale - Business Development	-	-	-	-
Resale - Computer Training Services	-	-	-	-
Resale - Cosmetology	-	935	935	-
Resale - Daytime Programs	-	6,666	6,666	-
Resale - Management Services	-	-	-	-
Resale - Practical Nursing	-	133	133	-
Resale - Radiologic Technology	-	100	100	-
Resale - Safety	-	-	-	-
Resale - Short Term Courses	-	2,668	2,668	-
Resale - Short Term Medical	-	328	328	-
Resale - Technical Services	-	-	-	-
Skywalk	-	-	-	-
Vending Machines	-	-	-	-

(Continued)

**MERIDIAN TECHNOLOGY CENTER NO. 16**  
**ACTIVITY FUND**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

<b><i>Youth Organizations:</i></b>				
BPA	1,089	562	562	1,089
FCCLA	1,036	252	3	1,285
HOSA	2,568	550	550	2,568
Skills USA	4,926	2,758	2,232	5,452
<b><i>Miscellaneous:</i></b>				
Auction Proceeds	-	-	-	-
CBD Clearing Account	7,500	2,926	1,215	9,211
CBD Tenant Reimbursable Costs	-	-	-	-
Clearing Account	-	28,680	28,680	-
Employee Fundraising	-	3,121	3,121	-
Facilities Usage	350	1,275	-	1,625
Miscellaneous	287	(287)	-	-
Vending Machines	-	-	-	-
Federal Fund Grants	-	529	529	-
<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	<u>\$ 66,979</u>	<u>\$ 108,989</u>	<u>\$ 125,268</u>	<u>\$ 50,700</u>

**MERIDIAN TECHNOLOGY CENTER NO. 16  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

	Pell Grant Fund
Revenues	
Federal sources	
Pell Grants	\$ 334,845
Pell Administration Fee	455
FY22 Pell Received	34,606
Redeposited	<u>2,032</u>
Total revenues	\$ <u>371,938</u>
Expenditures	
Student Financial Assistance	
Tuition and Fees	\$ 163,781
Payments to Students	202,259
Payments to Institution	-
Administrative Expense to General Fund	455
Return to Title IV-Covid 19	-
Return to Title IV	<u>5,443</u>
Total expenditures	\$ <u>371,938</u>
Excess of revenues over expenditures	\$ <u>-</u>
Fund balances, beginning of year	\$ <u>-</u>
Fund balances, end of year	\$ <u><u>-</u></u>

**REQUIRED SUPPLEMENTAL INFORMATION**

**MERIDIAN TECHNOLOGY CENTER NO. 16**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL - (BUDGETARY BASIS)**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Fund balances, beginning of year	\$ 5,690,839	\$ 5,690,839	\$ 5,690,839
Revenues collected:			
Local sources	\$ 10,814,285	\$ 10,834,285	\$ 12,620,853
Intermediate sources	-	-	-
State sources	3,434,383	3,466,603	3,455,128
Federal sources	<u>354,872</u>	<u>354,872</u>	<u>344,935</u>
Total revenues collected	\$ <u>14,603,540</u>	\$ <u>14,655,760</u>	\$ <u>16,420,916</u>
Expenditures paid:			
Instruction	\$ 8,010,994	\$ 8,063,214	\$ 6,969,892
Support services	11,288,135	11,288,135	9,074,610
Non-instructional services	699,700	699,700	531,138
Capital outlay	150,000	150,000	120,396
Other outlays	50	50	-
Other uses	121,500	121,500	66,484
Repayments	<u>24,000</u>	<u>24,000</u>	<u>14,250</u>
Total expenditures paid	\$ <u>20,294,379</u>	\$ <u>20,346,599</u>	\$ <u>16,776,770</u>
Excess of revenues collected over (under) expenses paid before adjustments to prior year encumbrances	\$ <u>-</u>	\$ <u>-</u>	\$ <u>5,334,985</u>
Adjustments to prior year encumbrances	\$ <u>-</u>	\$ <u>-</u>	<u>423,608</u>
Other financing sources (uses):			
Operating transfers in/out	\$ -	\$ -	\$ -
Bank charges	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Cash fund balance end of year - budgetary basis	\$ <u>-</u>	\$ <u>-</u>	\$ <u>5,758,593</u>
Reconciliation of Budgetary Basis fund balance and GAAP fund balance:			
Fund balance, June 30, 2023 - Budgetary Basis			\$ 5,758,593
Accounts receivable not recognized as revenue			368,811
Accounts payable and wages payable not recognized in budgetary basis			(191,051)
Compensated absences not recognized in budgetary basis			(121,622)
Prepaid insurance			12,717
Reserves not recognized as expenses in GAAP basis			<u>726,170</u>
Cash fund balance end of year - GAAP basis			\$ <u>6,553,618</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, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Fund balances, beginning of year	\$ 6,356,958	\$ 6,356,958	\$ 6,356,958
Revenues collected:			
Local sources	\$ 4,714,865	\$ 4,714,865	\$ 5,212,065
Intermediate sources	-	-	-
State sources	-	-	990
Federal sources	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues collected	\$ <u>4,714,865</u>	\$ <u>4,714,865</u>	\$ <u>5,213,055</u>
Expenditures paid:			
Instruction	\$ 4,858,800	\$ 4,858,800	\$ 884,996
Support services	2,617,523	2,617,523	1,025,132
Non-instructional services	500	500	-
Capital outlay	3,595,000	3,595,000	3,164,020
Repayments	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures paid	\$ <u>11,071,823</u>	\$ <u>11,071,823</u>	\$ <u>5,074,148</u>
Excess of revenues collected over (under)			
expenses paid before adjustments to prior			
year encumbrances	\$ <u>-</u>	\$ <u>-</u>	\$ <u>6,495,865</u>
Adjustments to prior year encumbrances	\$ <u>-</u>	\$ <u>-</u>	\$ <u>232,322</u>
Other financing sources (uses):			
Bank charges	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(537)</u>
Total other financing sources (uses)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(537)</u>
Cash fund balance end of year - budgetary basis	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>6,727,650</u></u>
Reconciliation of Budgetary Basis fund balance and GAAP fund balance:			
Fund balance, June 30, 2023- Budgetary Basis			\$ 6,727,650
Accounts receivable not recognized as revenue			38,602
Accounts payable not recognized in budgetary basis			(123,820)
Reserves not recognized as expenses in GAAP basis			<u>1,519,398</u>
Cash fund balance end of year - GAAP basis			\$ <u><u>8,161,830</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, 2023

	2015	2016	2017	2018	2019	2020	2021	2022	2023
School's Proportion of the net pension liability	0.16435229%	0.16461497%	0.16619385%	0.16948960%	0.16274259%	0.16062754%	0.16080388%	0.16346432%	0.15172634%
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	\$ 12,455,790
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	\$ 8,677,273
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%	144%
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%	70.05%

\*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, 2023

	2015	2016	2017	2018	2019	2020	2021	2022	2023
	\$ 644,899	\$ 686,435	\$ 687,617	\$ 687,617	\$ 756,913	\$ 702,967	\$ 802,930	\$ 801,421	\$ 850,252
Contractually required contribution									
Contributions in relation to the contractually required contribution	644,899	686,435	687,617	687,617	756,913	702,967	802,930	801,421	850,252
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	\$ 8,677,273
Contributions as a percentage of covered-employee payroll	9.5%	9.5%	9.5%	9.5%	9.6%	8.8%	9.4%	9.7%	9.8%

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

MERIDIAN TECHNOLOGY CENTER NO. 16  
 PAYNE COUNTY, OKLAHOMA  
 SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)  
 SUPPLEMENTAL HEALTH INSURANCE PROGRAMS  
 LAST TEN FISCAL YEARS\*  
 FOR THE YEAR END JUNE 30, 2023

	2018	2019	2020	2021	2022	2023
District's portion of the net OPEB liability (asset)	0.16948964%	0.16274259%	0.16062754%	0.16080070%	0.16345700%	0.16345700%
District's proportionate share of the net OPEB liability (asset)	\$ (75,582)	\$ (105,173)	\$ (99,320)	\$ (15,930)	\$ (208,196)	\$ (71,499)
District's covered payroll	\$ 7,218,008	\$ 7,876,516	\$ 7,988,490	\$ 8,554,581	\$ 8,287,363	\$ 8,677,273
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%	0.82%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	110.40%	115.40%	115.07%	115.07%	129.91%	110.31%

\*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, 2023**

	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution	\$ 10,896	\$ 10,964	\$ 10,440	\$ 4,615	\$ 2,272	\$ 9,964	\$ 9,429
Contributions in relation to the contractually required contribution	10,896	10,964	10,440	4,615	2,272	9,964	9,429
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 7,238,076	\$ 7,218,088	\$ 7,876,516	\$ 7,988,490	\$ 8,554,581	\$ 8,287,363	\$ 8,677,273
Contributions as a percentage of covered payroll	0.15%	0.15%	0.13%	0.06%	0.03%	0.12%	0.11%

**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, 2023**

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Grantor's Number	Balance at July 1, 2022	Revenue	Expenditures	Balance at June 30, 2023
<u>U.S. Department of Education</u>						
<b>Direct Programs:</b>						
PELL	84.063	P063P23659	\$ -	\$ 350,515	\$ 350,515	\$ -
PELL Adm	84.063	P063Q213659	-	668	668	-
<b>Direct Programs Sub-Total</b>			<u>\$ -</u>	<u>\$ 351,183</u>	<u>\$ 351,183</u>	<u>\$ -</u>
<b>Passed-Through State Department of Career and Technology Education:</b>						
Carl Perkins Secondary Consortium/Coop	84.048	N/A	(15,885)	177,787	170,423	(8,521)
Carl Perkins TCTW	84.048	N/A	-	18,966	18,966	-
Adult Education	84.002	N/A	(39,860)	147,515	144,071	(36,416)
<b>Passed Through State Department of Career and Technology Education Sub-Total</b>			<u>\$ (55,745)</u>	<u>\$ 344,268</u>	<u>\$ 333,460</u>	<u>\$ (44,937)</u>
<b>TOTAL FEDERAL ASSISTANCE</b>			<u>\$ (55,745)</u>	<u>\$ 695,451</u>	<u>\$ 684,643</u>	<u>\$ (44,937)</u>

\* Major program  
See accompanying notes to Schedule of Federal Awards Expended

**MERIDIAN TECHNOLOGY CENTER NO. 16**  
**PAYNE COUNTY, OKLAHOMA**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**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, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements/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***

# Patten & Odom, CPAs, PLLC

2101 N. Willow Ave.  
Broken Arrow, OK 74012  
Phone Number 918.250.8838  
FAX Number 918.250.9853

---

## 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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the 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, 2023, and the related notes to the financial statements, which collectively comprise the Center's financial statements, and have issued our report thereon dated February 27, 2024.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we 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 our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

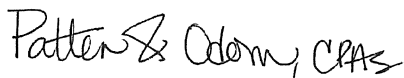
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

### Compliance and Other Matters

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

### Purpose of this Report

This report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



Patten & Odom, CPAs, PLLC

Broken Arrow, OK

February 27, 2024

**MERIDIAN TECHNOLOGY CENTER NO. 16  
SUMMARY OF PRIOR AUDIT FINDINGS  
JULY 1, 2022 TO JUNE 30, 2023**

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, 2022 TO JUNE 30, 2023**

Based on our tests of accounting records and related procedures, we 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 2021-2022 audit report which required correction.

We would like to express our 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, 2022 TO JUNE 30, 2023

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 2022-2023.

\_\_\_\_\_  
Patten & Odom, CPAs, PLLC  
AUDITING FIRM

BY \_\_\_\_\_

*Kerry John Patten*  
\_\_\_\_\_  
AUTHORIZED AGENT

Subscribed and sworn to before me on this

27<sup>th</sup> day of February, 2024

*Alicia Haught*  
\_\_\_\_\_  
NOTARY PUBLIC

My commission expires on:

26<sup>th</sup> day of September, 2027

