



Financial Statements and  
Report Required by Uniform Guidance (Reissued)  
June 30, 2023

# Moore Norman Technology Center School District No. 17

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## Independent Auditor's Report

To the Board of Education  
Moore Norman Technology Center School District No. 17  
Norman, Oklahoma

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Moore Norman Technology Center School District No. 17 statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Moore Norman Technology Center School District No. 17, 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.

#### Basis for Opinions

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

#### Restatement and Reissuance

As discussed in Note 13, subsequent to the issuance of the District's 2023 financial statements and our report thereon dated March 25, 2024, we became aware that those financial statements contained errors in amounts reported for governmental activities and the general fund. In our original report we expressed unmodified opinions on the governmental activities, each major fund and the aggregate remaining fund information, and our opinions on the revised statements, as expressed herein, remains unmodified.

## **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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's 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 the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

#### **Required Supplementary Information**

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

## Supplementary Information

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

Subsequent to the issuance of the District's 2023 financial statements and our report thereon dated March 25, 2024, we became aware that the schedule of expenditures of federal awards was missing a program for the year ended June 30, 2023. In our original report we expressed an opinion that the schedule of expenditures of federal awards was fairly stated in all material respects in relation to the financial statements as a whole, and our opinion on the revised statements, as expressed herein, remains unmodified.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2024 and reissued March 21, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Oklahoma City, Oklahoma

March 25, 2024, except for Notes 4 and 13 and our in-relation to opinion on our report on the schedule of expenditures of federal awards, for which the date is March 21, 2025

Our discussion and analysis of the Moore Norman Technology Center, School District No. 17's (the District), performance provides an overview of the School District's financial activities for the year ended June 30, 2023. Please read it in conjunction with the District's financial statements, which immediately follows this section.

## **USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the School District as a whole and present a longer-term view of the School District's finances. Fund financial statements report the School District's operations in more detail than the government-wide statements by providing information about the School District's most significant funds. For governmental activities, the fund statements tell how these services were financed in the short term as well as what remains for future spending.

## **FINANCIAL HIGHLIGHTS**

The District's financial status improved from the last year. Total net position increased 15.21 percent.

- Overall revenues were \$63.2 million and overall expenses were \$46.6 million.
- The District decreased its outstanding long-term debt in bonds by \$7.9 million.
- The District's share of the cost sharing retirement plan net pension obligation increased long-term debt \$13.0 million.

## **Reporting the School District as a Whole**

### **The Statement of Net Position and the Statement of Activities**

One of the most important questions asked about the School District's finances is, "Is the School District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the School District as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the School District's net position and changes in them. You can think of the School District's net position – the difference between assets and liabilities – as one way to measure the School District's financial health, or financial position. Over time, increases or decreases in the School District's net position are an indicator of whether its financial health is improving or deteriorating.

In the Statement of Net Position and the Statement of Activities, we report the following:

Governmental activities – The School District's basic services are reported here, including the educational activities for daytime high school and adults, short term training for adults, services and training for business and industry, and general administration. Also, the School District charges a fee to customers to help defray expenses involved in providing the services, and Bookstore activities.

## Reporting the School District's Most Significant Funds

### Fund Financial Statements

Some funds are required to be established by State law and by bond covenants. All of the School District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

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

### THE SCHOOL DISTRICT AS A WHOLE

	Government Activities	
	(As Restated)	
	2023	2022
Assets		
Current and other assets	\$ 70,752,501	\$ 69,961,273
Capital assets	121,840,313	113,083,982
Net OPEB Asset	157,464	465,374
Total Assets	<u>192,750,278</u>	<u>183,510,629</u>
Deferred outflows of resources	<u>9,403,710</u>	<u>6,177,492</u>
Liabilities		
Long-term liabilities	64,182,778	39,089,904
Current and other liabilities	11,521,397	9,191,903
Total Liabilities	<u>75,704,175</u>	<u>68,391,315</u>
Deferred inflows of resources	<u>950,418</u>	<u>11,518,514</u>
Net position		
Net investment in capital assets	81,871,937	85,708,817
Restricted	28,791,279	26,132,742
Unrestricted	14,836,179	(2,908,885)
Total Net Position	<u>\$ 125,499,395</u>	<u>\$ 108,932,674</u>



Net Position. The District's combined net position was more on June 30, 2023, than they were the year before – increasing by 15.2% from \$108.9 million to \$125.5 million. Most of this change is due to the increase in operating grants. The increase in capital assets is primarily due to on-going construction projects.

For the years ended June 30, 2023 and 2022, net position changed as follows:

	(As Restated ) 2023	2022	Percent Change
Revenues			
Program revenues			
Charges for services and sales	\$ 2,137,804	\$ 1,648,934	
Operating grants and contributions	2,677,046	3,114,175	
General revenue			
Property taxes	46,361,772	44,476,004	
Federal and State Grants	4,260,638	3,760,714	
Investment Earnings (Loss)	2,041,539	(4,197)	
Other	5,712,162	356,113	
Total revenues	<u>63,190,961</u>	<u>53,351,743</u>	<u>18.44%</u>
Program expenses			
Instruction	14,282,738	9,925,678	
Support Services	24,423,362	22,389,256	
Non-Instruction	1,750,594	2,638,190	
Student Financial Aid	579,495	1,331,444	
Debt service	1,096,632	934,718	
Depreciation (unallocated)	4,491,419	4,290,481	
Total expenses	<u>46,624,240</u>	<u>41,509,767</u>	<u>12.32%</u>
Increase in net position	16,566,721	11,841,976	<u>39.90%</u>
Net position, beginning of year	<u>108,932,674</u>	<u>97,090,700</u>	
Net position, end of year	<u>\$ 125,499,395</u>	<u>\$ 108,932,674</u>	<u>15.21%</u>

#### Changes in Net Position.

The District's total revenues increased 18.4 percent to \$63.2 million. Employee retention credit receipts of \$5.5 million accounts for the majority of the increase. Property taxes accounted for 73 percent of the District's collections. Another 3 percent came from tuition and fees.

Total revenues surpassed expenses, increasing net position \$16.6 million over the past year.

The District's total expenditures increased by 12.3 percent to \$46.6 million. The District's expenses are primarily related to education, training and support of students and business clients (80%).

## Governmental Activities

To aid in the understanding of the Statement of Activities some additional explanation is provided. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the School District's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants. Some of the individual line item revenues reported for each function are:

### District Sources of Revenue:

Ad Valorem property tax	Taxes for current year and prior years, revenue in lieu of taxes.
Interest	Interest earning of investments and taxes.
Tuition and Fees	Tuition and fees for Full-time adult classes, Short-term adult classes, Safety Training, Industry Specific, Assessment, Quality Management, and Health Certification.
Miscellaneous	Rental of school facilities and property, sale of surplus equipment, bookstore revenue, reimbursement for insurance loss recoveries, damages to school property, rebates, and fiscal agent expenses. In FY2023, the District also received Employee Retention Credit funding.
State Revenue	Formula operation, Existing Industry Initiative, training for industry programs, Safety Training, Welfare to Work, and Professional Development.
Federal Revenue - Grants	TANF Grant and Carl Perkins Grants CARES Act Aid and Stimulus funds Student Financial Aid and PELL Grants.

## THE SCHOOL DISTRICT'S FUNDS

The following schedule presents a summary of general, special revenue (building and bond fund), other governmental fund (activity fund and sinking fund), and expenditures for the fiscal year ended June 30, 2023 and 2022.

	2023 (As Restated)		2022	
	Amount	Percent of Total	Amount	Percent of Total
Property Taxes	\$ 45,363,940	75.06%	\$ 45,037,253	84.98%
Investment Return	1,875,625	3.10%	(4,198)	-0.01%
Tuition and Fees	1,554,680	2.57%	1,155,158	2.18%
State Revenue	2,630,196	4.35%	2,791,799	5.27%
Federal Revenue	2,311,901	3.83%	2,857,771	5.39%
Other	6,701,141	11.09%	1,162,218	2.19%
Total Revenues	<u>\$ 60,437,483</u>	<u>100.00%</u>	<u>\$ 53,000,001</u>	<u>100.00%</u>

Economic growth within the School District and increase in property valuation led to increases in property taxes revenue.

### Expenditures

Instruction	Expenditures for direct classroom activities.
Support Services	Expenditures for administrative, technical and logistical support to facilitate and enhance education.
Non-Instructional Services	Activities concerned with providing non-instructional services to students, staff, or community.
Facilities	Activities involved with the acquisition of land buildings; remodeling buildings; the construction of buildings and additions to buildings; initial installation or extension of service systems and other built-in equipment; improvements to sites; and equipment. These expenditures are included below in capital outlay and debt service.

	2023		2022	
	Total Cost of Services	Percent of Total	Total Cost of Services	Percent of Total
Instruction	\$ 14,899,168	23.92%	\$ 11,858,184	24.17%
Support Services	23,795,399	38.20%	23,327,621	47.55%
Non Instruction	858,860	1.38%	778,894	1.59%
Capital Outlay and Debt Service	22,154,464	35.57%	11,696,344	23.84%
Student Financial Aid	583,342	0.94%	1,340,488	2.73%
Other Outlays	-	0.00%	59,973	0.12%
Total governmental activities	<u>\$ 62,291,233</u>	<u>100.01%</u>	<u>\$ 49,061,504</u>	<u>100.00%</u>

The decreases in expenditures are due to a decrease in capital outlay and debt services related to the \$60 million bond issue and related projects.

### GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the General Fund budget had to be revised due to increase in local revenue sources. State revenue decreased due to declining collections. The District was able to have a \$24.8 million fund balance at the end of the fiscal year.

## CAPITAL ASSETS

At the end of June 30, 2023, the School District had \$166.1 million invested in capital assets (see table below). This represents a net increase of \$13.2 million or 8.6 percent, over the previous fiscal year.

	2023	2022	2021	2020
Land	\$ 13,614,246	\$ 13,614,246	\$ 13,614,246	\$ 2,052,163
Construction in progress	14,938,516	3,117,427	28,456,495	18,881,242
Buildings and Improvements	124,787,749	124,755,146	96,037,828	95,863,976
Furniture and Equipment	10,589,788	9,506,612	8,942,095	8,287,881
Vehicles	2,187,521	1,876,641	1,734,128	1,852,605
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total capital assets	<u>\$ 166,117,820</u>	<u>\$ 152,870,072</u>	<u>\$ 148,784,792</u>	<u>\$126,937,867</u>

See Note 10 for additional information on capital assets.

## LONG-TERM LIABILITIES

### General Obligation Bonds

On June 1, 2016, Moore Norman Technology Center issued \$60,000,000 in general obligation bonds. The bonds have enabled the Center to meet the needs of students and business & industry partners through the expansion and modernization of various programs and classrooms, the addition of safe rooms and vital security features, and the creation of a student services center.

The bonds are payable over 10 years with amount levied for payment through the debt service fund (sinking fund). Total amount outstanding as of June 30, 2023, was \$20 million, including debt premium. See Note 3 for additional information on long-term liabilities.

### Financed Lease Purchases

On November 1, 2021, the District entered into a ground lease and sublease agreement with the Cleveland County Public Facilities Authority. The Authority issued \$13.255 million in revenue bonds to finance improvements to Aerospace/Wellness Center/IT Services Expansion and public safety law enforcement driver training course and an outdoor firing range. The sublease is payable over 14 years. The total amount outstanding as of June 30, 2023, was \$12.2 million.

On May 1, 2022, the District entered into a ground lease and sublease agreement with the Cleveland County Public Facilities Authority. The Authority issued \$5.935 million in revenue bonds to finance acquisition, construction, improvement, equipping and furnishing the construction of a new indoor gun range. The sublease is payable over 9 years. The total amount outstanding as of June 30, 2023, was \$5.5 million.

The Authority will sublease the land and completed improvements to the District in exchange for finance payments. Once the bonds are paid, the sublease agreement and the ground lease agreement will expire along with any Authority ownership interest therein, and the Improvements will belong to the District. See Note 4 for additional information on long-term liabilities.

### **Net Pension Liability**

The District's share of the Teachers' Retirement System of Oklahoma (TRS) net pension liability as of June 30, 2023 was \$31,846,001. This was an increase of \$13.0 million from the prior year (2022). See Note 5 for additional information on the net pension liability.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

State revenues for formula operations increased by 23% (\$544,000) from FY23 to FY24, but a large portion of this increase was passed through to employees in the form of mandated salary increases. Ad valorem tax levies for FY23 and FY24 increased by 7.7% and 8.8% respectively. The forecasted ad valorem levy increase for FY25 is a more conservative 4.5%, which would generate \$1.3 million of new revenue for the General Fund and \$650,000 for the Building Fund. Earnings on investments have increased significantly with higher interest rates since FY22, with the forecasted FY24 revenue of \$2.25 million. The FY25 forecast for interest earnings is a more conservative \$2 million, building in forecasted rate reductions. Given these and other factors, the revenue forecast for the District is positive for FY25.

The FY24 expenditure budget increased approximately \$1.8 million (5.8%) for the General Fund, due to state-mandated salary increases, new programs, and a higher than normal inflationary period. The forecast for the FY25 expenditure budget is projected at an increase of \$2 million (6%), again attributed to program growth and inflation.

Smaller growth is expected in Cleveland County this year. The unemployment rate continues to be lower than the national average and employers are still investing in their workforce in the areas of professional and skills development. At the national level, the economy continues to show signs of increasing stability, along improved interest rates over the last year, a more favorable impact on investment earnings for the District is expected.

The District will move forward with cautious optimism in Fiscal Year 2025. Capital improvements will continue to provide facility capacity for increases to long-term programs.

### **CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Superintendent's Office at Moore Norman Technology Center, PO Box 4701, Norman, OK 73070.

# Moore Norman Technology Center

## Statement of Net Position (Restated)

June 30, 2023

	Governmental Activities
<b>Assets</b>	
Cash and cash equivalents	\$ 10,121,609
Investments	49,758,984
Property taxes receivable, net	9,391,232
Receivables from other governments	881,267
Other receivables	599,409
Land and construction in progress	28,552,762
Capital assets being depreciated, net of accumulated depreciation	93,287,551
Net OPEB asset	157,464
<b>Total Assets</b>	<b>192,750,278</b>
<b>Deferred Outflows</b>	
Deferred outflows - pension and OPEB plans	9,403,710
<b>Liabilities</b>	
Accounts payable	1,953,204
Other payables	133,179
Salaries and wages payable	947,104
Long-term obligations	
Due within one year	8,487,910
Due beyond one year	64,182,778
<b>Total Liabilities</b>	<b>75,704,175</b>
<b>Deferred Inflows of Resources</b>	
Deferred inflows - pension and OPEB plans	950,418
<b>Net Position</b>	
Net investment in capital assets	81,871,937
Restricted for:	
Buildings	25,083,989
Debt service	3,270,558
OPEB	219,976
School organizations	216,756
Unrestricted	14,836,179
<b>Total Net Position</b>	<b>\$ 125,499,395</b>

**Moore Norman Technology Center**  
Statement of Activities (Restated)  
For the Year Ended June 30, 2023

Functions/programs	Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Charges for Services	Operating Grants and Contributions	
Governmental activities:			
Instruction	\$ 14,282,738	\$ 914,469	\$ (11,463,047)
Support services	24,423,362	275,918	(23,956,139)
Non-instruction services	1,750,594	940,189	(769,128)
Student financial aid	579,495	546,470	(33,025)
Interest on long-term debt	1,096,632	-	(1,096,632)
Depreciation - unallocated	4,491,419	-	(4,491,419)
Total governmental activities	<u>\$ 46,624,240</u>	<u>\$ 2,677,046</u>	<u>(41,809,390)</u>
General revenues:			
Taxes			
Property taxes, levied for general purposes			26,753,729
Property taxes, levied for building purposes			13,394,223
Property taxes, levied for debt service purposes			6,213,820
State aid - formula grants			4,039,392
Federal aid - formula grants			221,246
Other revenue			5,712,162
Earnings on investments			2,041,539
Total general revenues			<u>58,376,111</u>
Change in net position			16,566,721
Net position, beginning of year			<u>108,932,674</u>
Net position, end of year			<u>\$ 125,499,395</u>

See Notes to Financial Statements

**Moore Norman Technology Center**  
**Balance Sheet – Governmental Funds (Restated)**  
**June 30, 2023**

	General Fund	Building Fund	2021 CCEFA Bond Fund	Debt Service Fund	Other Governmental Funds	Governmental Totals
<b>Assets</b>						
Cash	\$ 884,856	\$ 346,961	\$ 3,193,978	\$ 31,599	\$ 5,664,293	\$ 10,121,687
Pooled cash and investments	13,415,412	5,753,168	-	330,100	175,131	19,673,811
Investments	11,232,723	16,722,195	-	1,974,317	155,938	30,085,173
Property taxes receivable, net	5,651,777	2,804,913	-	934,542	-	9,391,232
Receivables from other governments	881,267	-	-	-	-	881,267
Due from other funds	3,123	-	-	-	-	3,123
Other receivables, net	599,459	-	-	-	-	599,459
<b>Total assets</b>	<b>\$ 32,668,617</b>	<b>\$ 25,627,237</b>	<b>\$ 3,193,978</b>	<b>\$ 3,270,558</b>	<b>\$ 5,995,362</b>	<b>\$ 70,755,752</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>26,812,646</b>	<b>22,936,824</b>	<b>3,193,978</b>	<b>2,392,038</b>	<b>5,995,362</b>	<b>61,330,848</b>
<b>Liabilities</b>						
Accounts payable and accrued liabilities	348,694	510,199	768,473	-	325,838	1,953,204
Salaries and wages payable	914,055	33,049	-	-	-	947,104
Compensated absences	48,100	-	-	-	-	48,100
<b>Total liabilities</b>	<b>1,310,849</b>	<b>543,248</b>	<b>768,473</b>	<b>-</b>	<b>325,838</b>	<b>2,948,408</b>
<b>Deferred inflows of resources</b>						
Unavailable revenue - property taxes	5,425,933	2,690,413	-	878,520	-	8,994,866
Unavailable revenue - other	430,038	-	-	-	-	430,038
<b>Total deferred inflows of resources</b>	<b>5,855,971</b>	<b>2,690,413</b>	<b>-</b>	<b>878,520</b>	<b>-</b>	<b>9,424,904</b>
<b>Fund Balances</b>						
Restricted	-	19,051,568	2,196,011	2,175,548	-	23,423,127
Committed	12,788,635	-	-	-	216,756	13,005,391
Assigned	-	3,342,008	229,494	216,490	5,452,768	9,240,760
Unassigned	12,713,161	-	-	-	-	12,713,161
<b>Fund balances, end of year</b>	<b>25,501,796</b>	<b>22,393,576</b>	<b>2,425,505</b>	<b>2,392,038</b>	<b>5,669,524</b>	<b>58,382,439</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 32,668,617</b>	<b>\$ 25,627,237</b>	<b>\$ 3,193,978</b>	<b>\$ 3,270,558</b>	<b>\$ 5,995,362</b>	<b>\$ 70,755,752</b>
<b>Amounts Reported for Governmental Activities in the Statement of Net Position Are Different Because:</b>						
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 \$166,117,820 and the accumulated depreciation is \$44,277,507.						121,840,313
Property taxes receivable and other receivables will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.						9,424,904
Net pension obligation is not due and payable in the current period and, therefore, is not reported in the funds.						(31,846,001)
Net OPEB asset is not due and receivable in the current period and, therefore, is not reported in the funds.						157,464
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and therefore, are not reported in the funds.						8,453,292
Long-term liabilities, including capital leases, 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:						
Financed Lease Purchase (including premium)					\$ 19,938,862	
General Obligation Bonds					20,029,514	
Accrued Interest					136,429	
Compensated absences - Long-term					808,211	(40,913,016)
<b>Total Net Position - Governmental Activities</b>						<b>\$ 125,499,395</b>



**Moore Norman Technology Center**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds (Restated)**  
**For the Year Ended June 30, 2023**

	General Fund	Building Fund	2021 CCEFA Bond Fund	Debt Service Fund	Other Governmental Funds	Governmental Totals
<b>Revenues</b>						
Property taxes	\$ 26,503,458	\$ 13,287,531	\$ -	\$ 5,572,951	\$ -	\$ 45,363,940
Investment earnings (loss)	1,218,554	217,555	229,493	5,207	204,816	1,875,625
Tuition and fees	1,554,680	-	-	-	-	1,554,680
State revenue	2,630,196	-	-	-	-	2,630,196
Federal revenue	2,311,901	-	-	-	-	2,311,901
Employment Retention Credit	5,509,397	-	-	-	-	5,509,397
Other	874,104	197,381	-	7,854	112,405	1,191,744
<b>Total revenues</b>	<b>40,602,290</b>	<b>13,702,467</b>	<b>229,493</b>	<b>5,586,012</b>	<b>317,221</b>	<b>60,437,483</b>
<b>Expenditures</b>						
<b>Current</b>						
Instruction	13,358,382	977,978	249,104	-	313,704	14,899,168
Support services	16,866,913	6,701,035	18,434	-	209,017	23,795,399
Non-instruction services	824,161	-	-	-	34,699	858,860
Financial aid and other uses	579,495	-	-	-	3,847	583,342
Capital outlay	-	355,628	11,417,216	-	1,871,882	13,644,726
Other outlays	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Interest	-	-	517,400	537,338	-	1,054,738
Principal	-	-	780,000	6,675,000	-	7,455,000
<b>Total expenditures</b>	<b>31,628,951</b>	<b>8,034,641</b>	<b>12,982,154</b>	<b>7,212,338</b>	<b>2,433,149</b>	<b>62,291,233</b>
<b>Other Financing Sources (Uses)</b>						
Operating transfers In	-	-	1,314,335	-	737,676	2,052,011
Operating transfers Out	-	(2,052,011)	-	-	-	(2,052,011)
Proceeds of bonds	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(2,052,011)</b>	<b>1,314,335</b>	<b>-</b>	<b>737,676</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>8,973,339</b>	<b>3,615,815</b>	<b>(11,438,326)</b>	<b>(1,626,326)</b>	<b>(1,378,252)</b>	<b>(1,853,750)</b>
<b>Beginning fund balance</b>	<b>16,528,457</b>	<b>18,777,761</b>	<b>13,863,831</b>	<b>4,018,364</b>	<b>7,047,776</b>	<b>60,236,189</b>
<b>Ending fund balance</b>	<b>\$ 25,501,796</b>	<b>\$ 22,393,576</b>	<b>\$ 2,425,505</b>	<b>\$ 2,392,038</b>	<b>\$ 5,669,524</b>	<b>\$ 58,382,439</b>

See Notes to Financial Statements



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

The Moore Norman Technology Center School District No. 17 (the District) is a corporate body for public purposes created under Title 70 of the Oklahoma Statutes and accordingly is a separate entity for operating and financial reporting purposes. The District is part of the public school system of Oklahoma under the general direction and control of the State Board of Education and is financially dependent on the State of Oklahoma for support. The general operating authority for the public school system is the Oklahoma School Code contained in Title 70 of the Oklahoma Statutes.

The District's financial statements are prepared in accordance with generally accepted accounting principles promulgated by The Governmental Accounting Standards Board (GASB).

**The Reporting Entity** - The District is a corporate body for public purposes created under Title 70 of the Oklahoma Statutes and accordingly is a separate entity for operating and financial reporting purposes. The governing body of the District is the Board of Education composed of elected members. The appointed superintendent is the executive officer of the District. There are no component units included within the reporting entity.

**Basic Financial Statements – Government-Wide Statements** - The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. Governmental Activities include programs primarily supported by taxes, State aid, grants and other intergovernmental revenue. The District does not have any activities classified as business-type activities.

In the government-wide Statement of Net Position, the District's governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets, deferred outflows of resources and receivables as well as long-term debt and obligations and deferred inflows of resources. The District's net position are reported in three parts – net investment in capital assets; restricted net position and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's programs and functions. The functions are also supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Direct expenses are those that are clearly identifiable with a specific function. Program revenues must be directly associated with the function. Charges for services include charges and fees to students, or customers who purchase, use or directly benefit from the goods, services, or privileges provided by a given function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs are normally covered by general revenue (property taxes, State and Federal aid, other taxes etc.).

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities. Separate financial statements are provided for governmental funds. Major individual governmental funds are reported in separate columns in the fund financial statements.

**Basic Financial Statements – Fund Financial Statements** - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. The fund financial statements provide reports on the financial condition and results of operations of governmental fund category.

The District reports the following major governmental funds:

General Fund is the primary operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Building Fund is a special revenue fund used to account for monies derived from the building fund levy and rental of facilities to be used for erecting, remodeling, repairing or maintaining school buildings, paying energy and utility costs; paying fire and casualty insurance premiums for school facilities, security systems and personnel.

2021 CCEFA Bond Fund is used to account for proceeds from long-term financing and revenues and expenditures related 2021 sublease agreement with Cleveland County Educational Facilities Authority.

Debt Service Fund (or the Sinking Fund) is used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt.

Additionally, the District reports the following funds:

Activity Fund – The District accounts for resources collected from student or extracurricular activities including admission fees, concession income, fund raising and dues. The Board of Education exercises control over all of these funds.

Bond Fund is used to account for proceeds from long-term financing and revenues and expenditures related to voter authorized construction and other capital asset acquisitions.

2022 CCEFA Bond Fund is used to account for proceeds from long-term financing and revenues and expenditures related 2022 sublease agreement with Cleveland County Educational Facilities Authority.

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

**Accrual:** The government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred. Property taxes are recognized as revenue in the year in 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.

**Modified Accrual:** The funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e. both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

**Capital Assets** - Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

School Buildings	50 years
Site improvements	20 years
Business machines and computers	5-10 years
Vehicles	8 years
Other Equipment	10-15 years

**Compensated Absences** - Twelve-month employees earn sick leave starting the first day of employment, accrued monthly as defined for each individual. Administration receives all sick leave up front each fiscal year in the amount of 12 days. All 10- month employees receive sick leave up front each fiscal year in the amount of 10 days.

Administration and 12-month employees receive annual leave accrued as defined for each individual each fiscal year. 10-month employees are not eligible for annual leave. Only annual leave is payable to the employee at termination.

**Budgets and Budgetary Accounting** - The District is required by state law to prepare an annual budget. The District by resolution of the Board of Education has adopted the School District Budget Act. This Act requires that within the thirty-day period preceding the beginning of each fiscal year, a budget shall be approved by the governing body. The original budget is to be amended after the June financial activity has been recorded, the annual Foundation and Salary Incentive Aid allocation has been released, and the property tax valuations have been certified for all affected counties within the district.

A budget is legally adopted by the Board of Education for the General Fund and Building Fund that includes revenue and expenditures.

**Cash** - The District considers all cash on hand, demand deposits, money market checking and certificates of deposit, held at an individual bank which are subject to early withdrawal penalties no matter what the maturity period, to be cash. All short-term cash surpluses are maintained in a cash pool, excluding the Activity Fund, and investments are pooled into one common pooled account in order to maximize investment opportunities. Each fund whose monies are deposited in the pooled cash account or investment account has an equity therein. Interest earned on the investment of these monies is deposited to the general fund. An individual fund's pooled cash and investments are available upon demand. State statutes require collateral for deposits in excess of insured amounts. The collateral's market value must exceed the insured deposit.

**Investments** - The District's investment policies are governed by state statute. Permissible investments include:

1. Direct obligations of the United States Government and Agencies;
2. Obligations to the payment of which the full faith and credit of the State of Oklahoma is pledged;
3. Certificates of deposit of savings and loan associations and bank and trust companies secured by acceptable collateral;
4. Savings accounts or savings certificates of savings and loan associations that are fully insured;
5. County, municipal and school district direct debt obligations;
6. Money market mutual funds regulated by the Securities and Exchange Commission;
7. Warrants, bonds or judgments of the school district;
8. Qualified pooled investment programs.

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

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

Property taxes receivable by the District include uncollected taxes assessed as of October 1, 2021, and earlier. Delinquent property tax receivable is recognized as revenue in the government-wide financial statements. Only the portion of the property taxes receivable that meets the revenue recognition criteria is reported as revenue in the fund financial statements.

Property tax receivables are net of an allowance for uncollectible taxes of \$88,600 in the general fund, \$49,280 in the building fund and \$21,600 in the sinking fund. The allowance represents the estimated amount that is deemed uncollectible based on past collection history.

**State Revenues** - Revenues from state sources for current operations are primarily governed by the joint resolution of the Oklahoma House of Representatives and Senate. The Oklahoma Department of Career and Technical Education administers the allocation of state aid funds to school districts based on information accumulated from the districts. Approximately 5% of the District's revenue comes from state sources.

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

The District receives revenue from the state to administer certain categorical educational programs. Oklahoma Department of Career and Technical Education rules require that revenue earmarked for these programs be expended only for the programs 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 Oklahoma Department of Career and Technical Education requires that categorical educational program revenues be accounted for in the general fund.

**Interfund Transfers** - During the course of normal operations, the District has transactions between funds including expenditures and transfers of resources to provide interest income transfers, services, purchase assets and service debt. Transactions that are normal and recurring between funds are recorded as transfers.

**Use of Estimates** - The preparation of financial statements in conformity with the basis of accounting referred to above 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.

**Deferred Outflows of Resources** - The District reports decreases in net position that related to future periods as deferred outflows of resources on the statement of net position. A deferred outflow is reported for (1) contributions made to Teachers' Retirement System of Oklahoma (TRS the Plan) for defined benefit pension and OPEB plans between the measurement date of the net pension and OPEB liabilities (asset) (June 30, 2021) and the end of the current fiscal year (June 30, 2023). (2) A loss from changes in assumptions used by the actuary is amortized to pension expense over the average expected remaining service life of the Plan (3) A loss from difference between expected and actual experience that the pension and OPEB plan actuary uses to develop expectations such as future salary increases and inflation (4) the actual pension or OPEB plan investment earnings less than the expected amounts included in determining pension expense. The first three deferred outflows are amortized to pension expense over the average expected remaining service life of the Plan. The fourth deferred outflow of resources is amortized to pension expense over a total of 5 years, including the current year.

**Deferred Inflows of Resources** - The District's statements of net position and its governmental fund balance sheet report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position that applies to a future period.



Deferred inflows of resources are reported in the statement of net position for (1) A gain from difference between expected and actual experience that the pension and OPEB plan actuary uses to develop expectations such as future salary increases and inflation (2) A gain from changes in assumptions used by the actuary is amortized to pension expense over the average expected remaining service life of the Plan (3) the actual pension or OPEB plan investment earnings greater than the expected amounts included in determining pension expense. The first 2 deferred inflows of resources are amortized to pension expense over the average expected remaining service life of the Plan. The third deferred inflow is amortized to pension expense over a total of 5 years, including the current year.

In its governmental funds, the only deferred inflow of resources is for revenues not considered available. The District will not recognize the related revenues until available (collected no later than 60 days after the end of the District's fiscal year) under the modified accrual basis of accounting that qualifies to be reported in this category. Accordingly, deferred property taxes and grant revenue are reported in the governmental funds balance sheet.

**Pensions** – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Teachers' Retirement System of Oklahoma (TRS) and additions to/deductions from TRS's fiduciary net position have been determined on the same basis as they are reported to TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Other Postemployment Benefits (OPEB)** – For purposes of measuring the net OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense (benefit), information about the fiduciary net position of the Teachers' Retirement System of Oklahoma (TRS) and additions to/deductions from TRS's fiduciary net position have been determined on the same basis as they are reported to TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Net Position and Fund Balance** - District-Wide Financial Statements – When the District incurs an expense for which it may use either restricted or unrestricted net position, it uses restricted net position first unless unrestricted net position will have to be returned because they were not used. Net position on the Statement of Net Position include the following:

Net Investment in Capital Assets– The component of net position that consists of the historical cost of capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unspent proceeds, that is directly attributable to the acquisition, construction or improvement of these capital assets.

Restricted for Buildings – The component of net position that reports the excess of property taxes and other revenue collected in excess of expenses for operation of the District's buildings.

Restricted for Debt Service – The component of net position that reports assets restricted for debt service.



Restricted for School Organizations – The component of net position that report the assets restricted for use by student organizations and extracurricular activities.

Restricted for OPEB – The component of net position that report the assets restricted for use for the other postemployment benefit (OPEB) asset, including related deferred inflows and outflows.

Unrestricted – The difference between assets and liabilities that is not reported as restricted for any particular purpose.

**Governmental Fund Financial Statements** - The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District does not have any funds classified as nonspendable as of June 30, 2023.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified fund revenue from levy as being restricted because the use is restricted by State Statute for capital expenditures.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District has classified school program activities as being committed because their use is imposed by the Board of Education regarding use of the funds.

Assigned: This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to the superintendent through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The District has assigned interest earnings to the funds where earned for the purposes defined by the fund.

Unassigned: This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The District would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

**On-behalf Payments** – The State of Oklahoma makes direct payments to Teachers' Retirement System of Oklahoma (TRS) on behalf of participating schools. The pro rata portion of the payment attributable to the District is recognized in these financial statements as an addition to state revenues and recording the related expense.

**Change in Accounting Policy** – As of July 1, 2022, the District adopted GASB Statement No. 96, *Subscription Based Information Technology Arrangements*. The objective of the Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for subscription based technology agreements by governments. The impact to the District had no significant effect on the financial statements.

## **Note 2 - Cash and Investments**

**Deposits** - At June 30, 2023, the bank balance of deposits and cash pools was \$23,926,446. This represents the actual bank balance, not general ledger balance, of all checking accounts, inclusive of related sweep accounts and money market accounts. Such accounts are either insured by the FDIC or are invested in obligations of the U.S. Government, its agencies and instrumentalities.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require collateral for all deposits in excess of federally insured amounts. The District policy for custodial credit risk requires compliance with the provisions of state law. At June 30, 2023, the District was not exposed to custodial credit risk.

**Investments** - The District participates in an external investment pool, Oklahoma Public School Liquid Asset Pool (OLAP). The plan is sponsored by the Oklahoma State School Boards Association, Cooperative Council of Oklahoma School Administration, Organization of Rural Oklahoma Schools and the Oklahoma Association of School Business Officials. OLAP is governed through an interlocal cooperative agreement and the investment advisors and other professionals are competitively selected. OLAP's portfolio consists of cash and short-term investments valued at amortized cost which approximates fair value.

OLAP invests in obligations of the U.S. Government, its agencies and instrumentalities and repurchase agreements, provided that the underlying collateral consists of obligations of the U.S. Government, its agencies and instrumentalities and the OLAP custodian takes delivery of the collateral. To receive a copy of the Oklahoma Public School Liquid Asset Pool annual audit report, call toll free 1-866-472-6527 or visit [www.OLAPonline.org](http://www.OLAPonline.org). The District's other investments consist of money market mutual fund investments held in sweep account.

**Investment valuation** – All securities, with the exceptions of non-negotiable certificates of deposit and Certificate of Deposit Registry (CDARS) which are valued at amortized cost, are stated at fair value. Investments are measured at fair value on a recurring basis. *Recurring* fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period.

Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investment fair value measurements are as follows at June 30, 2023:

	Total Fair Value	Fair Value Measurements		
		Level 1	Level 2	Level 3
U.S. Treasuries and agencies	\$ 21,937,283	\$ 21,937,283	\$ -	\$ -
Negotiable certificates of deposit	5,651,890	-	5,651,890	-
External Investment Pool	19,673,811	-	19,673,811	-
	<u>\$ 47,262,984</u>	<u>\$ 21,937,283</u>	<u>\$ 5,651,890</u>	<u>\$ -</u>

**Credit Risk – Investments** – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligation. Investments held by the District in investment pools (sweep accounts and external investment pools) are considered unclassified as to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form. The \$22,567,361 value of the external investment pool held securities whose Standard & Poor's credit ratings were 29.0 percent A+, 8.8 percent AA+, 1.2 percent AAAm, and 61.0 percent NR. Securities with an NR rating are bank deposit accounts. U.S. Government securities or obligations explicitly or guaranteed by the U.S. government of 10.2 percent are not considered to have credit risk exposure. Negotiable certificates of deposit are all insured by FDIC.

The District does not have a formal policy limiting its exposure arising from concentrations of investments.

**Investment Interest Rate Risk** - Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses from increasing interest rates.

At year ended June 30, 2023, the District had the following investment maturities:

	Total Fair Value	Investment Maturities in Years		
		< 1	1 - 5	6 - 10
U.S. Treasuries and agencies	\$ 21,937,283	\$ 19,662,183	\$ 2,275,100	\$ -
Negotiable certificates of deposit	5,651,890	3,934,421	1,717,469	-
	<u>\$ 27,589,173</u>	<u>\$ 23,596,604</u>	<u>\$ 3,992,569</u>	<u>\$ -</u>
 <u>Amortized Cost</u>				
External Investment Pool (OLAP)	\$ 19,673,811			
Non-Negotiable certificate of deposit.	<u>2,496,000</u>			
Total Investments	<u>\$ 49,758,984</u>			

The funds held in the external investment pool have a weighted average maturity of 27 days. The non-negotiable certificates of deposit are considered deposits so are not subject to investment interest rate risk.

**Concentration of Credit Risk** - The District places no limit on the amount the District can invest in any one issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded.

### Note 3 - Long-Term Liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Compensated absences					
Annual leave	\$ 767,221	\$ 856,311	\$ 767,221	\$ 856,311	\$ 487,910
Direct Placement General Obligation Bonds	26,704,514	-	6,675,000	20,029,514	6,675,000
Financed Lease Purchases Cleveland County					
Educational Facilities Authority Cleveland County	12,935,000	-	780,000	12,155,000	810,000
Educational Facilities Authority 2022	5,935,000	-	480,000	5,455,000	515,000
Premium on Financed Lease Purchases	2,499,508	-	170,646	2,328,862	-
Total long-term liabilities	<u>\$ 48,841,243</u>	<u>\$ 856,311</u>	<u>\$ 8,872,867</u>	\$ 40,824,687	<u>\$ 8,487,910</u>
Net pension liability				31,846,001	
Total governmental activity long-term liabilities				<u>\$ 72,670,688</u>	

Payments on the leases are made through the general fund and building fund with property taxes. General obligation bonds will be made through the sinking fund with property taxes. Compensated absences, pension, and OPEB are generally liquidated by the general fund.

**General Obligation Bonds-** In June 1, 2016, the District issued \$60 million in general obligation bonds. The bonds mature serially over a 10-year period. The annual requirements to amortize the bond debt outstanding as of June 30, 2023, including interest payments are as follows:

Fiscal year Ended June 30,	Principal	Interest Amt	Total	Interest Rates
2024	6,675,000	403,838	7,078,838	2.00%
2025	6,675,000	270,338	6,945,338	0.00%
2026	6,675,000	267,000	6,942,000	4.00%
	<u>\$ 20,025,000</u>	<u>\$ 941,176</u>	<u>\$ 20,966,176</u>	
Bond premium	<u>4,514</u>			
	<u>\$ 20,029,514</u>			

# Moore Norman Technology Center

Notes to Financial Statements

June 30, 2023

The bond issue was approved by voters and issued by the District for various capital improvements. These bonds are required to be paid serially within 25 years from the date of issue. General obligation bond debt is limited by state law to 10% of assessed valuation of the District. Proceeds of the general obligation bonds are recorded in a bond fund and at least 85% of the proceeds are restricted to the use for which they were approved by voters in the bond election.

**Financed Lease Purchases** - On November 1, 2021, the District entered into a ground lease and sublease agreement with the Cleveland County Public Facilities Authority. The Authority issued \$13.255 million in revenue bonds to finance improvements to Aerospace/Wellness Center/IT Services Expansion and public safety law enforcement driver training course and an outdoor firing range. The sublease is payable over 14 years.

On May 1, 2022, the District entered into a ground lease and sublease agreement with the Cleveland County Public Facilities Authority. The Authority issued \$5.935 million in revenue bonds to finance acquisition, construction, improvement, equipping and furnishing the construction of a new indoor gun range. The sublease is payable over 9 years.

The Authority will sublease the land and completed improvements to the District in exchange for finance payments. Once the bonds are paid, the sublease agreement and the ground lease agreement will expire along with any Authority ownership interest therein, and the Improvements will belong to the District.

The annual requirements to amortize the financed lease purchases outstanding as of June 30, 2023, including interest payments are as follows:

Fiscal year Ended June 30	Principal Amount	Interest Amount	Total	Interest Rate
Cleveland County Educational Facilities Authority 2021				
2024	\$ 810,000	\$ 326,091	\$ 1,136,091	4.00%
2025	840,000	293,691	1,133,691	4.00%
2026	875,000	260,091	1,135,091	4.00%
2027	910,000	225,091	1,135,091	4.00%
2028	945,000	188,691	1,133,691	4.00%
to maturity	7,775,000	105,132	7,880,132	4.00%
	<u>\$ 12,155,000</u>	<u>\$ 1,398,787</u>	<u>\$ 13,553,787</u>	
Cleveland County Educational Facilities Authority 2022				
2024	\$ 515,000	\$ 205,827	\$ 729,971	4.00%
2025	535,000	185,227	753,650	4.00%
2026	555,000	163,827	753,050	4.00%
2027	580,000	141,627	751,650	4.00%
2028	600,000	118,427	754,450	4.00%
to maturity	2,670,000	203,711	3,756,250	4.00%
	<u>\$ 5,455,000</u>	<u>\$ 1,018,646</u>	<u>\$ 7,499,021</u>	
Total financed lease purchases	<u>\$ 17,610,000</u>	<u>\$ 2,417,433</u>	<u>\$ 21,052,808</u>	

The District's interest expense for 2023 was \$1,304,708.

**Note 4 - Fund Balances- Governmental Funds (As Restated)**

As of June 30, 2023, fund balances, other than unassigned are composed of the following:

	General Fund	Building Fund	2021 CCEFA Bond Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Fund balances:						
Restricted for:						
Buildings	\$ -	\$ 19,051,568	\$ 2,196,011	\$ -	\$ -	\$ 21,247,579
Debt service	-	-	-	2,175,548	-	2,175,548
Total restricted	-	19,051,568	2,196,011	2,175,548	-	23,423,127
Committed to:						
Student activities	-	-	-	-	216,756	216,756
Future cash flows	12,788,635	-	-	-	-	12,788,635
Total committed	12,788,635	-	-	-	216,756	13,005,391
Assigned to:						
Buildings	-	3,342,008	-	-	-	3,342,008
Capital projects	-	-	229,494	-	5,443,569	5,673,063
Student activities	-	-	-	-	9,199	9,199
Debt service	-	-	-	216,490	-	216,490
Total committed	-	3,342,008	229,494	216,490	5,452,768	9,240,760
Unassigned	12,713,161	-	-	-	-	12,713,161
Total fund balances	<u>\$ 25,501,796</u>	<u>\$ 22,393,576</u>	<u>\$ 2,425,505</u>	<u>\$ 2,392,038</u>	<u>\$ 5,669,524</u>	<u>\$ 58,382,439</u>

The District would typically use restricted fund balances first, followed by committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

**Note 5 - Employee Retirement System****Teachers' Retirement Plan of Oklahoma**

**Plan Description** - The Oklahoma Teachers' Retirement Plan is a cost-sharing multiple-employer defined benefit pension plan administered by Teachers' Retirement System of Oklahoma (TRS) (the System). The System provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The ability to establish and amend benefit provisions is the responsibility of the state legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the employees of the District. The System issues a publicly available financial report that can be obtained at <http://www.ok.gov/trs/>.

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

**Contributions** – In accordance with Oklahoma Statutes, System members are required to contribute 7.00% of applicable compensation. For the year ended June 30, 2023, qualifying employee contributions were reduced by a retirement credit of \$81,430 provided by Enrolled House Bill 1873 and paid by the State of Oklahoma as on-behalf payments. For the year ended June 30, 2023, the District had a statutory contribution rate of 9.5% plus 7.7% as a match for salaries funded by federal programs. The contribution requirements of System members and the District are established and may be amended by the state legislature. For the year ended June 30, 2023, the District's contributions to the System for were \$1,985,471.

The State of Oklahoma, a non-employer contributing entity, provides funds through 5% of the State's sales, use, corporate and individual income taxes collected. The System receives 1% of the cigarette taxes collected by the State and 5% of net lottery proceeds collected by the State. The District's estimated share of these contributions based on their covered payroll for the measurement period was \$1,211,122.

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

At June 30, 2023, the District reported a liability of \$31,846,001 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 that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of the contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2022, the District's proportion was 0.3840%, which was an increase of 0.0018% from its proportion measured as of June 30, 2021.



For the year ended June 30, 2023, the District recognized pension expense of \$(959,072). At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,010,103	\$ 394,418
Changes of assumptions	2,127,440	-
Net difference between project and actual earnings on pension plan investments	3,001,742	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,147,955	487,512
District contributions subsequent to the measurement date	1,985,471	-
	<u>\$ 9,272,711</u>	<u>\$ 881,930</u>

The \$1,985,471 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year ended June 30,</u>	
2024	\$ 1,929,723
2025	1,360,333
2026	(255,153)
2027	3,155,678
2028	214,729
Thereafter	-
	<u>\$ 6,405,310</u>

**Actuarial assumptions** – The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial Cost Method - Entry Age Normal;
- Asset Valuation Method – 5-Year Smoothed Market;
- Inflation - 2.25%;
- Future Ad Hoc Cost-of-living Increases – None;
- Salary Increases - Inflation rate of 2.25% plus productivity increase rate of 0.75% plus step-rate/promotional adjustments 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 for retired member – 2020 GRS Southwest Region Teacher Mortality Table for males and females. Generational mortality improvement rates from the MP-2014 through MP-2019 tables projected from the year 2020;
- Mortality Rates for active members – Pub-2010 Teachers Active Employee Mortality table. Generational mortality improvements in accordance with the ultimate mortality improvement rates from the MP-2014 through MP-2019 tables projected from the year 2010.

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

The target asset allocation and best estimates of arithmetic expected real rates of return for each major asset class as of June 30, 2021 (measurement date), are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term expected Real Rate of Return</u>
Domestic equity	38.30%	4.90%
International equity	16.70%	5.50%
Fixed income	22.00%	1.30%
Real estate**	10.00%	3.50%
Alternative assets	13.00%	6.10%
	<u>100%</u>	

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

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

**Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate** –

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

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District's proportionate share of net pension liability	\$ 44,395,620	\$ 31,846,001	\$ 20,954,492

**Pension plan fiduciary net position** – Detailed information about the pension plan's fiduciary net position is available in the separately issued TRS financial report that can be obtained at <http://www.ok.gov/trs/>.

**Note 6 - Defined Contribution Plan**

The District has established the Moore Norman Technology Center 403(B) Plan. The plan is intended to be a governmental plan as defined in Internal Revenue Code Section 403(B). Under the plan, the participants may defer up to 100% of their salary, subject to IRS limits. The District matches the participant's contribution up to \$135 per month, or a total of \$1,620 per year. The participants are fully vested in both their voluntary contributions and the employer contribution. Participants may direct the investment of their individual account balances. For the year ended June 30, 2023, the District's contribution to the plan was \$379,092.

**Note 7 - Other Post-Employment Benefits (OPEB)**

In addition to the retirement plan described in Note 5, the District participates in the state-administered Supplemental Health Insurance Program (OPEB Plan) within Teachers' Retirement System of Oklahoma (the OPEB System), which is a cost-sharing multiple-employer defined benefit OPEB plan administered by the Teacher Retirement System (TRS).

**Plan Description** – The OPEB System provides pays a monthly health insurance premium supplement for each retired member who is enrolled in the health insurance plan provided by the State and Education Employees Group Health and Dental Insurance plan or in an insurance program provided by a participating education employer who provides health insurance coverage to former employees, provided the retired member had at least ten (10) years of Oklahoma service prior to retirement.

**Benefits Provided** –All retirees are eligible except for special retirees (as defined) and spouses and beneficiaries as long as they have at least 10 years of service. Retirees who elect such coverage receive the smaller of (i) a Medicare supplement benefit, if eligible, or (ii) an amount between \$100 and \$105 per month, depending on service and final average compensation. Payments made on the retirees' behalf to the Employees Group Insurance Division of the Office of Management and Enterprise Services, if the member continues health coverage under that Plan, or (ii) to the member's former employer, if the member retains health coverage under a plan maintained by the former employer.

**Contributions** – Employer and employee contributions are made based upon the TRS Plan provisions contained in State Statute Title 70, as amended. However, the statutes do not specify or identify any particular contribution source to pay the health insurance subsidy. The cost of the subsidy averages 0.15% of normal cost, as determined by an actuarial valuation.

OPEB (Assets) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB

At June 30, 2023, the District reported an asset of \$(157,464) for its proportionate share of the net 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 that date. The District's proportion of the net OPEB asset was based on a projection of the District's long-term share of the contributions to the OPEB plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2022 the District's proportion was 0.3653%, no change from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized OPEB expense (credit) of (\$74,734). At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 53,200
Changes of assumptions	48,194	-
Net difference between project and actual earnings on pension plan investments	66,822	
Changes in proportion and differences between District contributions and appropriate share of contributions.	13,537	15,288
District contributions subsequent to the measurement date	2,446	-
	<u>\$ 130,999</u>	<u>\$ 68,488</u>
Total deferred amounts related to pension		

\$2,446 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as an increase of the net OPEB asset in the fiscal year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

<u>Year ended June 30,</u>	
2024	\$ 4,965
2025	3,347
2026	(13,466)
2027	60,239
2028	(4,460)
Thereafter	9,440
	<u>\$ 60,065</u>

See Note 5. Employee pension plans for Actuarial assumptions, measurement, discount rate, long-term expected rate of return and target asset allocation.

An assumption change was made to the OPEB Plan during the current valuation lowering the rate of participation in the supplemental insurance benefit from 100% to 50%, based on historical data. The benefits are only available to those retirees that participate and have at least 10 years of service credit at retirement.

Sensitivity of the District's proportionate share of the net OPEB asset to changes in the discount rate – The following presents the District's proportionate share of the net OPEB asset calculated using the discount rate of 7.0%, as well as what the District's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	<u>1% Decrease (6.0%)</u>	<u>Current Discount Rate (7.0%)</u>	<u>1% Increase (8.0%)</u>
District's proportionate share of the net OPEB asset	<u>\$ 6,659</u>	<u>\$ (157,464)</u>	<u>\$ (300,788)</u>

Due to the structure of the OPEB plan, healthcare cost trend rate sensitivity analysis is not meaningful.

OPEB plan fiduciary net position – Detailed information about the OPEB plan's fiduciary net position is available in the separately issued TRS financial report that can be obtained at <http://www.ok.gov/trs/>.

## **Note 8 - Contingencies and Commitments**

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

The District is defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, the District believes the resolution of these matters will not have a material adverse effect on the financial condition of the District. Should a judgment be awarded against the District, it would be levied through the District's sinking fund over a three-year period pursuant to state law.

## Note 9 - Risk Management

The District is exposed to various risks of loss related to torts; theft or, damage to and destruction of assets; errors and omissions and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

## Note 10 - Capital Assets

Capital asset activity for the year ended June 30, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Governmental activities					
Capital assets, not being depreciated					
Land	\$ 13,614,246	\$ -	\$ -	\$ -	\$ 13,614,246
Construction in progress	3,117,427	11,853,692	32,603	-	14,938,516
Total capital assets, not being depreciated	16,731,673	11,853,692	32,603	-	28,552,762
Capital assets, being depreciated					
Building and improvements	124,755,146	32,603	-	-	124,787,749
Equipment and fixtures	9,506,612	1,056,341	-	26,835	10,589,788
Vehicles	1,876,641	310,880	-	-	2,187,521
Total capital assets, being depreciated	136,138,399	1,399,824	-	26,835	137,565,058
Less accumulated depreciation					
Building and improvements	32,218,325	3,101,889	-	-	35,320,214
Equipment and fixtures	6,212,690	1,168,053	-	-	7,380,743
Vehicles	1,355,073	221,477	-	-	1,576,550
Total accumulated depreciation	39,786,088	4,491,419	-	-	44,277,507
Governmental activities capital assets, net	\$ 113,083,984	\$ 8,762,097	\$ 32,603	\$ 26,835	\$ 121,840,313

Depreciation expense was not allocated to the various functions because the District believes all functions are supported equally.

**Note 11 - Tax Abatement**

Oklahoma Statutes Title 31 offers a homestead exemption of up to 1 acre property in an urban area or 160 acres in a rural area. In addition, households with gross income under \$20,000 are entitled to an additional \$1,000 exemption. Honorably discharged veterans who are 100 percent disabled and surviving spouse of veteran killed while on active duty are fully exempted. These homestead exemptions reduce the ad valorem taxes remitted to the District.

For the year ended June 30, 2023, abated property taxes were approximately \$1,835,000.

**Note 12 - Schedule of Transfers**

The transfers for the year ended June 30, 2023 are as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Nature of Transfer</u>
Building Fund	2021 CCEFA Bond Fund	\$ 1,314,335	Intrafund Transfer
Building Fund	2022 CCEFA Bond Fund	<u>737,676</u>	Intrafund Transfer
	Total Transfers between Funds	<u>\$ 2,052,011</u>	

Transfers are used for (1) reimbursement of funds collected by one fund that are accounted for in another fund and (2) return of funds in excess of budgetary requirements.

**Note 13 - Reissuance**

Certain amounts in the original report dated March 25, 2024 were identified as incorrect due to incorrect federal revenues and receivables. Such amounts have restated in order to correct these financial statements. These include:

- Page 12, Statement of Net Position – receivables from other governments was adjusted from \$110,227 to \$881,267 and net position – unrestricted was adjusted from \$14,020,484 to \$14,836,179.
- Page 13, Statement of Activities – non-instruction services operating grants increased from \$124,494 to \$940,189.
- Page 14, Balance Sheet – Governmental Funds – receivables from other governments was adjusted from \$110,227 to \$881,267; deferred inflows of resource – unavailable revenue – other was adjusted from \$404,205 to \$430,038; and fund balance - unassigned was adjusted from \$11,967,954 to \$12,713,161.
- Page 14, Reconciliation to the Statement of Net Position – property tax receivables and other receivables will be collected after year-end was adjusted from \$9,399,071 to \$9,424,904.
- Page 15, Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds – federal revenue was adjusted from \$1,566,694 to \$2,311,901
- Page 16, Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds- Total change in fund balances – governmental funds changed from (\$2,598,957) to (\$1,853,750) and some revenues not collected for several months changed from \$973,429 to \$1,043,917.





Required Supplementary Information  
June 30, 2023

# Moore Norman Technology Center School District No. 17

**Moore Norman Technology Center**  
**Budgetary Comparison Schedule – General Fund (Unaudited)**  
**For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts GAAP Basis	Variance with Final Budget Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
	\$	\$	\$	\$	\$
Budgetary fund balance, July 1	10,827,873	16,346,735	16,528,457	4,039,695	1,184,126
Resources (inflows)					
Property taxes	25,145,511	26,339,855	26,503,458	1,194,344	163,603
Investment return	110,000	1,071,000	1,218,554	961,000	147,554
Tuition and fees	950,000	1,297,818	1,554,680	347,818	256,862
State revenue	2,514,930	2,611,872	2,630,196	96,942	18,324
Federal revenue	1,878,200	8,037,676	2,311,901	6,159,476	(5,725,775)
Other	373,410	736,110	6,383,501	362,700	5,647,391
Total resources	30,972,051	40,094,331	40,602,290	9,122,280	507,959
Amounts available for appropriation	41,799,924	56,441,066	57,130,747	14,641,142	689,681
Charges to appropriations (outflows)					
Instruction	11,706,310	15,504,373	13,358,382	3,798,063	(2,145,991)
Support services	17,379,614	26,020,250	16,866,913	8,640,636	(9,153,337)
Non-instruction services	1,282,386	1,396,136	824,161	113,750	(571,975)
Capital outlay	635,000	4,789	579,495	-	574,706
Other outlays	1,069,011	932,246	-	(136,765)	(932,246)
Total charges to appropriations	32,072,321	43,857,794	31,628,951	11,785,473	(12,228,843)
Budgetary fund balance, June 30	9,727,603	12,583,272	25,501,796	2,855,669	12,918,524

**Moore Norman Technology Center**  
 Budgetary Comparison Schedule – Building Fund (Unaudited)  
 For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget	
	Original	Final		Positive (Negative)	
				Original to Final	Final to Actual
Budgetary fund balance, July 1	\$ 14,617,620	\$ 18,350,231	\$ 18,777,761	\$ 3,732,611	\$ 427,530
Resources (inflows)					
Property taxes	12,588,825	13,219,438	13,287,531	630,613	68,093
Investment earnings (loss)	-	-	217,555	-	217,555
Other	-	177,000	197,381	177,000	20,381
Total resources	12,588,825	13,396,438	13,702,467	807,613	306,029
Amount Available for appropriation	27,429,721	31,746,669	32,480,228	4,316,948	733,559
Charges to appropriations (outflows)					
Instruction	452,460	2,462,349	977,978	2,009,889	1,484,371
Support services	6,924,641	7,551,010	6,701,035	626,369	849,975
Non-instruction services	2,550,000	2,800,000	-	250,000	2,800,000
Capital outlay/debt service	2,885,000	9,103,156	2,407,639	6,218,156	6,695,517
Total charges to appropriations	12,812,101	21,916,515	10,086,652	9,104,414	11,829,863
Budgetary fund balance, June 30	\$ 14,617,620	\$ 9,830,154	\$ 22,393,576	\$ (4,787,466)	\$ 12,563,422

Moore Norman Technology Center  
Schedule of the District's Proportionate Share of the Net Pension Liability (Unaudited)  
June 30, 2023

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
District's portion of the net pension liability (asset)	0.38408322%	0.36536938%	0.36685009%	0.37212358%	0.38762269%
District's proportionate share of the net pension liability (asset)	44,395,620	31,846,001	34,816,012	24,628,276	16,198,741
District's covered payroll	16,747,279	17,624,221	18,552,632	18,577,516	18,393,947
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	265.09%	180.69%	187.66%	132.57%	88.07%
Plan fiduciary net position as a percentage of the total pension liability	70.05%	80.80%	63.47%	71.54%	72.71%
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	
District's portion of the net pension liability (asset)	0.38663948%	0.37677034%	0.38432389%	0.37348988%	
District's proportionate share of the net pension liability (asset)	25,600,623	31,570,121	22,727,331	20,093,257	
District's covered payroll	16,932,158	16,758,674	16,849,389	15,718,200	
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	151.20%	188.38%	134.89%	127.83%	
Plan fiduciary net position as a percentage of the total pension liability	69.32%	62.24%	70.31%	72.43%	

**Notes:**

In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding fiscal year.

Information to present a 10-year schedule is not currently available.

**Moore Norman Technology Center**  
**Schedule of District's Pension Contributions (Unaudited)**  
**June 30, 2023**

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	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Contractually required contribution	\$ 1,936,488	\$ 1,674,301	\$ 1,762,500	\$ 1,764,864	\$ 1,747,425
Contributions in relation to the contractually required contribution	1,936,488	1,674,301	1,762,500	1,764,864	1,747,425
Contribution deficiency (excess)			-	-	-
District's covered payroll	20,384,084	17,624,221	18,552,632	18,577,516	18,393,947
Contribution as a percentage of covered payroll	9.50%	9.50%	9.50%	9.50%	9.50%
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required contribution	\$ 1,608,555	\$ 1,592,074	\$ 1,600,692	\$ 1,493,229	\$ 1,472,681
Contributions in relation to the contractually required contribution	1,608,555	1,592,074	1,600,692	1,493,229	1,472,681
Contribution deficiency (excess)	-	--	-	-	-
District's covered payroll	16,932,158	16,758,674	16,849,389	15,718,200	15,501,905
Contribution as a percentage of covered payroll	9.50%	9.50%	9.50%	9.50%	9.50%

**Note:**

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

Moore Norman Technology Center  
Schedule of the District's Proportionate Share of the Net OPEB Asset (Unaudited)  
June 30, 2023

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	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
District's portion of the net OPEB liability (asset)	0.36536938%	0.36536938%	0.36685009%	0.37212358%	0.38762269%
District's proportionate share of the net OPEB liability (asset)	(157,464)	(300,788)	(36,343)	(238,404)	(250,503)
District's covered payroll	17,624,221	18,552,632	18,552,632	18,621,053	18,393,947
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-0.89%	-1.62%	-0.20%	-1.28%	-1.36%
Plan fiduciary net position as a percentage of the total OPEB asset	110.31%	129.91%	115.07%	115.07%	115.41%

**Note:**

In accordance with GASB Statement No. 75, the amounts presented for each fiscal year were determined as of June 30 of the preceding fiscal year.

Information to present a 10-year schedule is not currently available.

Moore Norman Technology Center  
Schedule of District's OPEB Contributions (Unaudited)  
June 30, 2023

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	2023	2022	2021	2020	2019
Contractual required contribution	\$ -	\$ 2,804	\$ 2,335	\$ 3,266	\$ 11,576
Contribution in relation to the contractually required	--	2,804	2,335	3,266	11,576
Contribution deficiency (excess)	-	-	-	-	-
District's covered payroll	17,624,221	18,552,632	18,552,632	18,621,053	18,393,947
Contribution as a percentage of covered	0.00%	0.02%	0.01%	0.02%	0.06%

**Note:**

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

Information to present a 10-year schedule is not currently available.

**Note 1 - Budgeting and Budgetary Control**

The District is required by state law to prepare an annual budget. The District by resolution of the Board of Education has adopted the School District Budget Act. This Act requires that within the thirty-day period preceding the beginning of each fiscal year, a budget shall be approved by the governing body. The original budget is to be amended after the June financial activity has been recorded, the annual Foundation and Salary Incentive Aid allocation has been released, and the property tax valuations have been certified for all affected counties within the district.

A budget is legally adopted by the Board of Education for the General Fund and the Building Fund that includes revenue and expenditures.

**Note 2 - Changes of Assumptions**

The assumption change in fiscal year 2015 is attributable to the new assumptions adopted by the TRS board in May 2015.

The assumption change in fiscal year 2016 is attributable to the new economic assumptions adopted by the TRS board in September 2016.

The assumption change in fiscal year 2017 is attributable to the change in assumed election rate for the assumed election rate for the Supplemental Medical Insurance benefit adopted by the TRS board in August 2017.

The assumption change in fiscal year 2020 is attributable to the new assumptions adopted by the Board in July 2020.





Other Information

June 30, 2023

# Moore Norman Technology Center School District No. 17

**Moore Norman Technology Center**  
**Schedule of Expenditures of Federal Awards (Restated)**  
**For the Year Ended June 30, 2023**

Federal Grantor/Pass-Through Grantor/Program Title	Federal Financial Assistance Listing	Pass-through Grantor's Project Number	Deferred Revenue (Accounts Receivable) 6/30/2022	Federal Grant Receipts	Total Grant Expenditures	Matching Expenditures	Federal Grant Expenditures	Adjustments	Deferred Revenue (Accounts Receivable) 6/30/2023
<b>U.S. Department of Education</b>									
Direct Programs									
COVID-19 Education Stabilization Fund (ESF)									
Higher Education Emergency Relief Fund (HEERF)									
COVID-19 - Institutional Funds	84.425F	n/a	\$ (276,675)	\$ 236,837	\$ 6,018	\$ (1,200)	\$ 4,818	\$ 44,656	\$ -
Total ESF - HEERF			<u>(276,675)</u>	<u>236,837</u>	<u>6,018</u>	<u>(1,200)</u>	<u>4,818</u>	<u>44,656</u>	<u>-</u>
Direct Programs-Student Financial Aid									
Federal Pell Grant Program	84.063	474	(11,611)	529,742	526,827	-	526,827	2,951	(5,745)
Federal Supplemental Educational Opportunity Grant	84.007	477	-	22,594	30,750	(8,156)	22,594	-	-
Total Student Financial Aid Cluster			<u>(11,611)</u>	<u>552,336</u>	<u>557,577</u>	<u>(8,156)</u>	<u>549,421</u>	<u>2,951</u>	<u>(5,745)</u>
Carl Perkins Vocational Education Act									
Passed through Oklahoma Department of Career Technology Education									
Carl Perkins Secondary	84.048	421	(401)	257,100	256,699	-	256,699	-	-
Carl Perkins Supplemental	84.048	424	(34,600)	184,439	149,839	-	149,839	-	-
Carl Perkins total				<u>441,539</u>	<u>406,538</u>	<u>-</u>	<u>406,538</u>	<u>-</u>	<u>-</u>
Tech Centers That Work	84.243	429	(5,797)	5,797	-	-	-	-	-
Total Pass Through Programs			<u>(5,797)</u>	<u>447,336</u>	<u>406,538</u>	<u>-</u>	<u>406,538</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Education			<u>(294,083)</u>	<u>1,236,509</u>	<u>970,133</u>	<u>(9,356)</u>	<u>960,777</u>	<u>47,607</u>	<u>(5,745)</u>
<b>U.S. Department of Treasury</b>									
Passed through Cleveland County, Oklahoma									
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	414	\$ -	\$ -	\$ 779,290	\$ -	\$ 779,290	\$ -	(779,290)
Passed through Healthcare Workforce Training Commission									
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	414	-	-	36,406	-	36,406	-	(36,406)
Total COVID-19 - Coronavirus State and Local Fiscal Recovery Funds			<u>-</u>	<u>-</u>	<u>815,696</u>	<u>-</u>	<u>815,696</u>	<u>-</u>	<u>(815,696)</u>
Total U.S. Department of Treasury			<u>-</u>	<u>-</u>	<u>815,696</u>	<u>-</u>	<u>815,696</u>	<u>-</u>	<u>(815,696)</u>
<b>U.S. Department of Health and Human Services</b>									
Passed through Oklahoma Department of Human Services and Oklahoma Department of Career Technology Education									
TANF/HIRE Cluster	93.558	452	(56,307)	249,246	425,266	(172,500)	252,766	-	(59,827)
Total U.S. Department of Health and Human Services			<u>(56,307)</u>	<u>249,246</u>	<u>425,266</u>	<u>(172,500)</u>	<u>252,766</u>	<u>-</u>	<u>(59,827)</u>
Total Federal Financial Assistance			<u>\$ (350,390)</u>	<u>\$ 1,485,755</u>	<u>\$ 2,211,095</u>	<u>\$ (181,856)</u>	<u>\$ 2,029,239</u>	<u>\$ 47,607</u>	<u>\$ (881,268)</u>

See notes to Schedule of Expenditures of Federal Awards (Restated)

**Note 1 - Basis of Presentation**

The accompanying restated schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Moore Norman Technology Center, District No. 17 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 for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Moore Norman Technology Center, District No. 17, it is not intended to and does not present the financial position or changes in net position or fund balance of Moore Norman Technology Center, District No. 17.

**Note 2 - Restatement of Schedule of Expenditures of Federal Awards**

The schedule has been restated to include expenditures of \$815,969 for the Coronavirus State and Local Fiscal Recovery Funds, FAL #21.027. These expenditures were omitted from the previously issued schedule in error.

**Note 3 - Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on using the cash 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. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

**Note 4 - Indirect Cost Rate**

Moore Norman Technology Center, District No. 17 has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 5 - Subrecipients**

Moore Norman Technology Center, District No. 17 did not have any awards that have been passed through to subrecipients.



**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* (Reissued)**

To the Board of Education  
Moore Norman Technology Center School District No. 17  
Norman, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Moore Norman Technology Center School District No. 17 (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 25, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a material weakness.

## **Report on Compliance and Other Matters**

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

## **Other Matter – Reissuance of Report**

This report on internal control over financial reporting and the report on compliance and other matters replaces our previously issued reports dated March 25, 2024. The schedule of expenditures of federal awards has been restated to add an omitted program for the year ended June 30, 2023, which has resulted in the addition of a material weakness in internal control over financial reporting. Our report on internal control over financial reporting and our report on compliance and other matters have been reissued to revise finding 2023-001.

## **The District's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **Purpose of this Report**

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



Oklahoma City, Oklahoma

March 25, 2024, except on finding 2023-001 which is as of March 21, 2025



## **Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance (Reissued)**

To the Board of Education  
Moore Norman Technology Center School District No. 17  
Norman, Oklahoma

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

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

We have audited Moore Norman Technology Center School District 17's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on Moore Norman Technology Center School District No. 17's major federal programs for the year ended June 30, 2023. Moore Norman Technology Center School District No. 17's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Moore Norman Technology Center District No. 17 (the District) complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

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

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

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

### ***Other Matter – Reissuance of Reports***

The report on compliance for each major federal program and the report on internal control over compliance replace our previously issued reports dated March 25, 2024. As discussed in note 2 to the schedule of expenditures of federal awards, expenditures for the Coronavirus State and Local Fiscal Recovery Funds program (FAL #21.027) were omitted from the schedule of expenditures of federal awards for the year ended June 30, 2023. Our report on compliance for each major federal program, our report on internal control over compliance, and the accompanying schedule of findings and questioned costs have been reissued to include the Coronavirus State and Local Fiscal Recovery Funds program as a major federal program and revise finding 2023-001, and we have revised the summary of auditor's results.

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

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

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

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

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

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

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

### **Report on Internal Control over Compliance**

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

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

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

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



Oklahoma City, Oklahoma

March 25, 2024, except as to our opinion on Coronavirus State and Local Fiscal Recovery Funds (FAL 21.027), and revisions to the summary of auditor's results which are as of March 21, 2025



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**Section I – Summary of Auditor’s Results**

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**FINANCIAL STATEMENTS**

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted?	No

**FEDERAL AWARDS**

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516 (a):	No

**Identification of major programs:**

<u>Name of Federal Program</u>	<u>Federal Financial Assistance Listing</u>
Student Financial Aid Cluster	84.063, 84.007
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

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**Section II – Financial Statement Findings**

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**2023-001                      Adjustments in Financial Reporting, Including a Reissuance  
Material Weakness in Internal Controls over Financial Reporting**

**Criteria:** Controls over complete year-end financial reporting process should be in place to ensure proper reporting in accordance with Generally Accepted Accounting Principles (GAAP).

**Condition:** Certain adjustments were required to properly adjust receivables and grant revenues. Further, additional adjustments were required to be made to the schedule of federal expenditures of awards (SEFA). Further, subsequent to the preparation of the SEFA and the issuance of the audit on March 25, 2024, it was discovered that the funds received from Cleveland County, Oklahoma and the Healthcare Workforce Training Commission provided to the District was federal sources rather than state sources. This resulted in a material misstatement of a program on the schedule.

Such items should be presented in order to be in accordance with Generally Accepted Accounting Principles (GAAP).

**Cause:** The District has a process at year-end to record adjustments for financial statement presentation, but the process was not effective in identifying all the necessary adjustments in accordance with GAAP.

**Context:** The District's financial statements were prepared by a consulting firm with much assistance from District management, but these adjustments were necessary to properly state the financial statements.

**Effect:** The District is at risk for material misstatements. Adjustments were necessary to correctly present the financial statements and the schedule of expenditures of federal awards.

**Recommendation:** We recommend a control process be put in place to properly and timely reconcile relevant financial data to the general ledger in order to be presented in accordance with GAAP and Uniform Guidance. Additionally, we recommend that the District implement procedures to confirm sourcing of funds passed through other sources to identify misclassified funding.

**View of Responsible**

**Officials:** The Moore Norman Technology Center management team agrees with this finding.

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**Section III – Federal Award Findings and Questioned Costs**

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None.

Moore Norman Technology Center  
Schedule of Accountant's Professional Liability Insurance Affidavit  
June 30, 2023

STATE OF OKLAHOMA )  
 ) ss  
County of Oklahoma )

The undersigned auditing firm of lawful age, being first duly sworn on oath, says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with Moore Norman Technology Center School District No. 17 for the audit year 2022 - 2023.

EIDE BAILLY, LLP

BY *Vanessa M. Dutton*

Subscribed and sworn to before me on this 21 day of March, 2025.

*[Signature]*  
Notary Public

My commission expires 01/10/2028

