

REPORT OF AUDIT

NORTHWEST TECHNOLOGY CENTER #10

WOODS COUNTY - OKLAHOMA

JULY 1, 2022 TO JUNE 30, 2023

NORTHWEST TECHNOLOGY CENTER #V-10

Table of Contents

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-3
REQUIRED SUPPLEMENTARY INFORMATION Management's Discussion and Analysis (Unaudited)	4-9
BASIC FINANCIAL STATEMENTS	
<i>Government-wide Financial Statements</i>	
Statement of Net Position	10
Statement of Activities	11
<i>Fund Financial Statements – Governmental Funds</i>	
Balance Sheet – Governmental Funds	12
Statement of Revenues, Expenditures and Changes in Fund Balances-Governmental Funds	13
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances to Statement of Activities	14
Notes to Financial Statements	15-31
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule – General Fund (Unaudited)	32
Budgetary Comparison Schedule – Building Fund (Unaudited)	33
Schedule of District's Proportionate Share of Net Pension Liability Teachers' Retirement Plan	34
Schedule of District Contributions – Teachers' Retirement Plan	35
Schedule of District's Proportionate Share of Net OPEB Asset	36
Schedule of District Contributions – OPEB Plan	37
Notes to Required Supplementary Information	38
OTHER SUPPLEMENTARY INFORMATION	
Schedule of Expenditures of Federal Awards	39
Notes to Schedule of Expenditures of Federal Awards	40
Schedule of Financial Assistance	41
REPORTS REQUIRED BY GOVERNMENTAL AUDITING STANDARDS	
Report on Compliance and on Internal Control Over Financial Reporting Based On an Audit of Financial statements Performed in Accordance with <i>Government Auditing Standards</i>	42-43
Schedule of Findings	44
Summary of Prior Year Findings	45

NORTHWEST TECHNOLOGY CENTER #V-10

Table of Contents

OTHER INFORMATION

Combining Statement of Changes in Assets and Liabilities – Regulatory Basis – Fiduciary Fund - Alva Campus	46
Combining Statement of Assets, Liabilities and Fund Equity–Regulatory Basis – Fiduciary Fund - Alva Campus	47
Combining Statement of Changes in Assets and Liabilities – Regulatory Basis – Fiduciary Fund - Fairview Campus	48
Combining Statement of Assets, Liabilities and Fund Equity–Regulatory Basis – Fiduciary Fund – Fairview Campus	49
Schedule of Accountants’ Professional Liability Insurance Affidavit	50

S & B CPA's & Associates, PLLC
302 North Independence, Suite 103
Enid, Oklahoma 73701
580-265-8651

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education
Northwest Technology Center #V-10
Woods County, Oklahoma

Report on Financial Statements

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Northwest Technology Center #V-10, Woods County, Oklahoma, 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 as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Northwest Technology Center #V-10, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report
Northwest Technology Center #V-10
Page 2

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

Northwest Technology Center #V-10

Page 3

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of expenditures of federal awards as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued my report dated March 4, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

S&B CPA & Associates, PLLC

S&B CPA & Associates, PLLC

March 4, 2024

NORTHWEST TECHNOLOGY CENTER #V-10
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023

Our discussion and analysis of the Northwest Technology Center, School District #V-10's, 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.

Northwest Technology Center (the District)

The District is a part of the public *CareerTech* system of Oklahoma, under the direction and control of the Oklahoma State Board of Career and Technology Education. The District has two campuses – Alva and Fairview. The District serves eight public school districts, including Aline-Cleo, Alva, Canton, Cherokee (joined FY 2012), Fairview, Freedom Ringwood and Waynoka. The District encompasses all of Woods County plus parts of Alfalfa, Blaine, Dewey, Harper, Major and Woodward counties.

The District has three basic areas or types of instruction:

Full-Time Programs – The District offers 16 full-time programs. These programs are designed to lead to industry certifications, licenses, employment, and/or continuing education.

Adult and Career Development – These classes are designed around specific curriculum and are designed to provide an introduction to or enhance knowledge of specific topics.

Business and Industry Services – This division strives to meet the training and development needs of business and industry including their safety training needs.

FINANCIAL HIGHLIGHTS

The District's financial status improved from the last year. Total net position increased 20 percent. This increase is primarily due to increase in revenue and decrease in expenses.

- Overall revenues were \$10.5 million and overall expenses were \$8.6 million
- The District's share of the cost sharing retirement plan net pension obligation increased long-term liabilities \$1.8 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 for 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

NORTHWEST TECHNOLOGY CENTER #V-10
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023

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

	<u>2022</u>	<u>2023</u>
Current and Other Assets	\$ 12,366,736	\$ 13,901,157
Capital Assets	<u>9,485,492</u>	<u>9,133,158</u>
Total Assets	<u>\$ 21,852,228</u>	<u>\$ 23,034,315</u>
Deferred Outflows of Resources	<u>1,518,214</u>	<u>1,717,553</u>
Long-term Liabilities	\$ 379,361	\$ 459,088
Other Liabilities	389,711	31,216
Net Pension Liability	<u>3,995,500</u>	<u>5,826,383</u>
Total Liabilities	<u>\$ 4,764,572</u>	<u>\$ 6,316,687</u>
Deferred Inflows of Resources	<u>2,641,517</u>	<u>674,001</u>
Net Position		
Invested in capital assets, net of debt	\$ 9,485,492	\$ 9,133,158
Restricted	3,586,236	4,748,891
Unrestricted	<u>2,892,625</u>	<u>3,879,131</u>
Total Net Position	<u>\$ 15,964,353</u>	<u>\$ 17,761,180</u>

Net Position. The District's combined net assets, were more on June 30, 2023, than the year before – increasing by 11.5% from \$16 million to \$18 million. Most of this increase is mainly due to the increase in current and other assets.

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

	<u>2022</u>	<u>2023</u>	<u>Percent</u>
Beginning net position	\$ 14,210,137	15,964,352	<u>Change</u>
Revenues			
Program revenues			
Charges for services	270,301	322,640	
Operating Grants /contributions	696,755	790,643	
General revenues			
Property taxes	6,212,867	6,749,858	
Federal and State grants	2,504,616	2,476,586	
(Loss) Gain from disposals	(1,884)	(1,327)	
Investment earnings	75,542	195,318	
Other Revenue	<u>22,531</u>	<u>9,649</u>	
Total revenues	<u>\$ 9,780,728</u>	<u>\$ 10,543,367</u>	<u>7.80%</u>
Expenses			
Program expenses			
Instruction	\$ 3,526,124	\$ 3,802,478	
Support services	2,544,456	4,284,128	
Non-instruction	52,911	30,744	
Interest on long-term debt	879	-	
Depreciation-unallocated	<u>1,902,143</u>	<u>629,189</u>	
Total expenses	<u>\$ 8,026,513</u>	<u>\$ 8,746,539</u>	<u>8.97%</u>
Increase (Decrease) in net position	<u>1,754,215</u>	<u>1,796,828</u>	<u>2.43%</u>
Ending net position	<u>\$ 15,964,352</u>	<u>\$ 17,761,180</u>	<u>11.26%</u>

NORTHWEST TECHNOLOGY CENTER #V-10
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023

Changes in Net Position. The District's total revenues increased 8 percent. Property taxes accounted for 64 percent of the District's collections. Another 3 percent came from tuition and fees.

Total revenues surpassed expenses, increasing net position \$2 million over the past year.

The District's total expenditures increased by 9 percent to \$8.8 million. The District's expenses are primarily related to education, training and support of students and business clients.

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 and Health Certification
Local Sources	Local grants, district contracts, rental of school facilities and property, sale of surplus equipment, bookstore revenue, reimbursement for insurance loss recoveries, damages to school property, and rebates,.
State Revenue	Formula operation, Existing Industry Initiative, training for industry programs, Safety Training, Welfare to Work, and Firefighter Training.
Federal Revenue - Grants	TANF Grant and Carl Perkins Grants
Federal Revenue	- PELL Grants

THE SCHOOL DISTRICT'S FUNDS

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

NORTHWEST TECHNOLOGY CENTER #V-10
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023

Revenues:	2022		2023	
	<u>Amount</u>	<u>of Total</u>	<u>Amount</u>	<u>Percent</u>
Property Taxes	\$ 5,675,379	63.43%	\$ 6,093,791	63.33%
Interest	75,542	0.84%	195,318	2.03%
Tuition and Fees	247,021	2.76%	285,892	2.97%
State Revenue	2,013,083	22.50%	1,878,737	19.52%
Federal Sources	574,961	6.43%	719,585	7.48%
Miscellaneous	<u>360,927</u>	4.03%	<u>449,496</u>	4.67%
Total Revenues	<u>\$ 8,946,913</u>	<u>100%</u>	<u>\$ 9,622,819</u>	<u>100%</u>

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.

	2022	Percent	2023	Percent
Expenditures:	<u>Amount</u>	<u>of Total</u>	<u>Amount</u>	<u>of Total</u>
Instruction	3,418,467	39.41% ▽	3,619,950	43.90%
Support Services	3,967,567	45.73% ▽	4,166,734	50.53%
Non-Instructional Services	37,124	0.43% ▽	38,317	0.46%
Capital Outlay and Debt Service	1,067,332	12.30% ▽	258,634	3.14%
Other Outlays	<u>184,668</u>	<u>2.13%</u> ▽	<u>161,717</u>	<u>1.96%</u>
Total Expenditures	<u>\$ 8,675,158</u>	<u>100.00%</u>	<u>\$ 8,245,352</u>	<u>100.00%</u>

GENERAL FUND BUDGETARY HIGHLIGHTS

The District was able to have a \$5.7 million general fund budgetary balance at the end of the fiscal year. No amendments were filed to the budget for the year.

NORTHWEST TECHNOLOGY CENTER #V-10
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023

CAPITAL ASSETS

At the end of June 30, 2023, the School District had \$17.6 million invested in capital assets (see table below). This represents a net increase of \$275,000 or 2 percent, over the previous fiscal year.

	2023	2022
Land	\$ 183,860	\$ 183,860
Construction in Progress	-	88,272
Buildings and Improvements	13,771,688	13,771,688
Equipment & Autos	<u>3,643,331</u>	<u>3,280,592</u>
TOTALS	<u>\$ 17,598,879</u>	<u>\$ 17,324,412</u>

See Note 7 for additional information on capital assets.

LONG-TERM LIABILITIES

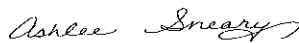
Net Pension Liability

The District's share of the Teachers' Retirement System's net pension liability as of June 30, 2023 was \$5,826,383. This was an decrease of \$3 million from the prior year (2022). See Note 4 for additional information on the net pension liability.

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 Northwest Technology Center's financial position to show accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Superintendent's Office at Northwest Technology Center, 1801 Eleventh Street, Alva, OK 73717.


Daren Slater, Superintendent



Ashlee Sneary, Director of Finance

NORTHWEST TECHNOLOGY CENTER #V-10
STATEMENT OF NET POSITION
JUNE 30, 2023

	<u>Governmental Activities</u>
ASSETS	
Cash and cash investments	\$ 9,466,522
Property taxes receivable (net)	3,962,215
Due from other governments	381,968
Other receivables	66,411
Nondepreciated capital assets	183,860
Depreciated capital assets, net of depreciation	8,949,298
Net OPEB Asset	<u>24,041</u>
 Total assets	 <u>23,034,315</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	<u>1,717,553</u>
 LIABILITIES	
Accounts payable and other current liabilities	12,546
Long-term obligations	
Due within one year	18,671
Due beyond one year	<u>6,285,470</u>
 Total liabilities	 <u>6,316,687</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	<u>674,001</u>
 NET POSITION	
Net Investment in capital assets	9,133,158
Restricted for:	
Buildings	4,665,438
School organizations	24,557
OPEB	58,896
Unrestricted	<u>3,879,131</u>
 Total Net Position	 <u><u>\$ 17,761,180</u></u>

**NORTHWEST TECHNOLOGY CENTER #V-10
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

	Program Revenues		Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net position
	Expenses				Total Governmental Activities
Functions/programs					
Governmental activities:					
Instruction	\$ 3,802,478	\$ 285,892	\$ 705,446	\$ (2,811,140)	
Support services	4,284,128	-	-	(4,284,128)	
Non-instruction services	30,744	36,748	85,197	91,201	
Depreciation - unallocated	629,189	-	-	(629,189)	
Total school district	\$ 8,746,539	\$ 322,640	\$ 790,643	\$ (7,633,256)	
General revenues:					
Taxes					5,197,363
Property taxes, levied for general purposes					1,552,495
Property taxes, levied for building purposes					1,745
Other taxes					2,204,925
State aid - formula grants					271,661
Federal aid - formula grants					(1,327)
Gain (loss) from asset disposal					7,904
Other revenue					195,318
Interest income					-
Total general revenues					9,430,084
Change in Net position					1,796,828
Net position, beginning of year					15,964,352
Net position, end of year					\$ 17,761,180

NORTHWEST TECHNOLOGY CENTER #V-10
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Building Fund	Other Governmental Fund Activity Fund	Totals Governmental Funds
ASSETS				
Cash	\$ 545,017	\$ 335,948	\$ 24,557	\$ 905,522
Investments	5,173,000	3,388,000	-	8,561,000
Property taxes receivable, net	3,042,607	919,608	-	3,962,215
Other receivables	44,582	-	-	44,582
Due from other governments	381,915	21,882	-	403,797
Total assets	<u>\$ 9,187,121</u>	<u>\$ 4,665,438</u>	<u>\$ 24,557</u>	<u>\$ 13,877,116</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable and accrued liabilities	\$ 12,546	-	-	12,546
Total liabilities	<u>12,546</u>	<u>-</u>	<u>-</u>	<u>12,546</u>
Deferred inflows of resources:				
Deferred property taxes	3,021,591	913,280	-	3,934,871
Total deferred inflows of resources	<u>3,021,591</u>	<u>913,280</u>	<u>-</u>	<u>3,934,871</u>
Fund balances				
Restricted	-	3,268,677	-	3,268,677
Committed	-	-	22,980	22,980
Assigned	5,718,017	483,481	1,577	6,203,075
Unassigned	434,967	-	-	434,967
Fund balances, end of year	<u>6,152,984</u>	<u>3,752,158</u>	<u>24,557</u>	<u>9,929,699</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,187,121</u>	<u>\$ 4,665,438</u>	<u>\$ 24,557</u>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$17,598,878 and the accumulated depreciation is \$8,465,720	9,133,158
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	3,934,873
Net OPEB asset is not a financial resource so is not reported in the funds	24,041
Net pension obligation is not due and payable in the current period and, therefore is not reported in the funds	(5,826,383)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore, are not reported in the funds. This includes deferred outflows of \$1,717,553 and deferred inflows of \$674,001	1,043,552
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:	
Compensated absences	(477,760) <u>(477,760)</u>
Total net assets - governmental activities	<u>\$ 17,761,180</u>

NORTHWEST TECHNOLOGY CENTER #V-10
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	General Fund	Building Fund	Other Governmental Fund Activity Fund	Totals Governmental Funds
Revenues				
Property taxes	\$ 4,686,865	\$ 1,406,925	\$ -	\$ 6,093,790
Interest	112,199	83,119	-	195,318
Tuition and fees	285,892	-	-	285,892
State revenue	1,877,072	1,664	-	1,878,736
Federal revenue	719,576	8	-	719,584
Other	122,179	-	327,316	449,495
Total revenues	<u>7,803,783</u>	<u>1,491,716</u>	<u>327,316</u>	<u>9,622,815</u>
Expenditures				
Current				
Instruction	3,303,598	-	316,352	3,619,950
Support services	3,912,488	254,246	-	4,166,734
Non-instruction services	38,317	-	-	38,317
Capital outlay	10,355	248,279	-	258,634
Other outlays	161,717	-	-	161,717
Total expenditures	<u>7,426,475</u>	<u>502,525</u>	<u>316,352</u>	<u>8,245,352</u>
Net Change in Fund Balance	377,308	989,191	10,964	1,377,463
Beginning fund balance	<u>5,775,676</u>	<u>2,762,967</u>	<u>13,593</u>	<u>8,552,236</u>
Ending fund balance	<u>\$ 6,152,984</u>	<u>\$ 3,752,158</u>	<u>\$ 24,557</u>	<u>\$ 9,929,699</u>

**NORTHWEST TECHNOLOGY CENTER #V-10
 RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL
 FUNDS TO STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2023**

The change in nets assets reported in the statement of activities is different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures.

However, for governmental activities those costs are shown in the statement allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which depreciation exceed capital outlays during the period.

Capital Outlays	\$ 278,182
Depreciation Expense	<u>(629,189)</u>
	(351,007)

(1,327)

Because the cost of capital assets acquired are reported in governmental funds as expenditures in the year of purchase, the proceeds from their

Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds and are, instead counted as deferred revenues. They are however, recorded as revenues in the statement of activities.

656,067

Because some receipts of grant revenue will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds and are, instead counted as deferred revenues. They are however, recorded as revenues in the statement of activities.

(71,794)

In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amounts actually paid). This year, sick leave earned exceeded amounts used.

(79,726)

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

(62,784)

Support for pension contributions from nonemployer contributing entities not in a special funding situation does not provide current financial resources so are not recorded in governmental funds but are recorded as revenue in the statement of activities

329,936

\$ 1,796,828

Change in net position of governmental activities

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Northwest Technology Center #V-10 (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.

The School Education Foundation is not included in the reporting entity. The District does not appoint any of the board members or exercise any over sight authority over the Foundation.

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 and receivables as well as long-term debt and obligations. 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.

NOTES TO FINANCIAL STATEMENTS

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 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.

Additionally, the District reports the following fund:

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.

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

NOTES TO FINANCIAL STATEMENTS

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 \$2,500 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	25-40 years
Site improvements	7- 40 years
Business machines and computers	7-40 years
Vehicles	7 years

Compensated Absences

The District's policies allow for payment for unpaid sick leave upon retirement (based on the OTRS rules for retirement and 10 years of services in the district) up to 60 days. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends.

Budgets and Budgetary Accounting

The District is required by state law to prepare an annual budget. No later than October 1st each board of education shall prepare a financial statement and estimate of needs to be filed with the applicable county clerk and the State Department of Education. Once the county excise board has approved the estimate of needs, the board shall adopt a final budget within 45 days or the second regularly scheduled board meeting. No later than 15 days prior to adoption of a final budget, the board must conduct a public hearing for the purposes of taking public comments. The final budget may be revised upon approval of the board of education in open meeting.

Under current Oklahoma Statutes a formal budget is required for general, building, sinking, child nutrition and coop funds, as applicable to the district. Budgets are presented include the originally approved budgeted appropriations for expenditures and final budgeted appropriations as adjusted for supplemental appropriations and approved transfers between budget categories. Budgets generally assume the expenditure of all available resources. Therefore, when the legal budget is prepared, it is assumed these funds will not have a carryover balance to subsequent year.

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

NOTES TO FINANCIAL STATEMENTS

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting -- under which purchase orders and other commitments of resources are recorded as expenditures of the applicable fund -- is utilized in all governmental funds of the District.

The unencumbered balance of current fiscal year appropriations and the unexpended reserve appropriations of the previous fiscal year are lapsed and become a part of the beginning fund balance for the succeeding fiscal year.

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. 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 for a period of three years or more as of the date such taxes first become due, the property is offered for sale for the amount of taxes due.

NOTES TO FINANCIAL STATEMENTS

Property taxes receivable by the District include uncollected taxes assessed as of October 1, 2022 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 \$239,700 in the general fund and \$63,430 in the building fund. The allowance represents the estimated amount that is deemed uncollectible based on past collection history.

Deferred Outflows of Resources

The District reports decreases in net assets 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 Oklahoma Teacher Retirement System (TRS the Plan) between the measurement date of the net pension liabilities (June 30, 2022) 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) the actual pension plan investment earnings less than the expected amounts included in determining pension expense. This deferred inflow of resources is amortized to pension expense over a total of 5 years, including the current year (4) A loss in changes in the District's proportionate share is amortized to pension expense over the average expected remaining service life of the Plan.

No deferred outflows of resources affect the governmental funds financial statements in 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 assets that applies to a future period.

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

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 revenues are reported in the governmental funds balance sheet.

NOTES TO FINANCIAL STATEMENTS

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oklahoma Teacher Retirement System (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, information about the fiduciary net position of the District's OPEB plan) and additions to/deductions from the OPEB plans fiduciary net position have been determined on the same basis as they have been reported by the OPEB plan. 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.

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.

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.

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.

NOTES TO FINANCIAL STATEMENTS

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 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 reports 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 Building 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

NOTES TO FINANCIAL STATEMENTS

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 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.

Subsequent Events

Management has evaluated subsequent events through the date of this report, which is the date the financial statements were available to be issued.

NOTE 2 - CASH AND INVESTMENTS

Deposits

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's investments consist of certificates of deposit which are considered deposits for purpose of deposit and investment risk.

NOTE 3 - LONG-TERM LIABILITIES

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

NOTES TO FINANCIAL STATEMENTS

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Compensated absences	\$ 398,032	\$ 79,726	\$ -	\$ 477,758	\$ 18,671
Net pension liability	\$ 398,032	\$ 79,726	\$ -	\$ 477,758	\$ 18,671
Total governmental activity long-term liabilities				5,826,383	
				\$ 6,304,141	

Compensated absences are generally liquidated by the general fund.

NOTE 4 - 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 the Oklahoma Teachers' Retirement System (the System). The System provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. 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 27,971 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 contributions to the System for were \$369,870.

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

NOTES TO FINANCIAL STATEMENTS

estimated share of these contributions based on their covered payroll for the measurement period was \$329,933.

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 \$5,826,383 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 .07011682%, which was an decrease of its proportion measured as of June 30, 2021.

For the year ended June 30 2023, the District recognized pension expense (credit) of \$65,557. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 184,401	\$ 72,003
Changes of assumptions	388,378	-
Net difference between projected and actual earnings on pension plan investments	547,987	-
Changes in proportion and differences between District contributions and proportionate share of contributions	192,063	587,842
District contributions subsequent to the measurement date	369,870	-
	<u>\$ 1,682,699</u>	<u>\$ 659,845</u>

\$369,870 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:

Year Ended	
2024	\$ 270,366
2025	183,380
2026	(55,049)
2027	452,316
2028	(19,149)
Thereafter	(17,880)
	<u>\$ 813,984</u>

NOTES TO FINANCIAL STATEMENTS

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

Inflation – 2.25%

Future Ad Hoc Cost-of living increases - None

Salary Increases – Composed of 2.25 %wage inflation, plus 0.75% productivity increase rate, plus step-rate promotional increases for members with less than 25 years of service.

Investment Rate of Return – 7.00%

Retirement Age – Experience-based table of rates based on age, service, and gender. Adopted by the TRS Board in July, 2020, in conjunction with five year experience study for the period ending June 30, 2019.

Mortality Rates after Retirement – Males: 2020 GRS Southwest Region Teacher Mortality Table. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020. Females: 2020 GRS Southwest Region Teacher Mortality Table. Generational mortality improvements in accordance with the Ultimate MP scales are 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 expecting inflation.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Fixed Income	22.00%	0.40%
Domestic Equity	43.50%	4.30%
International Equity	19.00%	5.20%
Real Estate	9.00%	4.30%
Alternative Investments	6.50%	6.50%
	<u>100.00%</u>	

Discount rate – A single discount rate of 7.00% was used to measure the total pension liability as of June 30, 2023. 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

NOTES TO FINANCIAL STATEMENTS

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 the net pension liability	\$ 9,017,256	\$ 5,826,383	\$ 4,256,096

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 5 Other Post-Employment Benefits (OPEB)

In addition to the retirement plan described in Note 4, 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 0.07% 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 (\$24,041) 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

NOTES TO FINANCIAL STATEMENTS

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 0.07684683%, no change from proportion measured as of June 30, 2021

For the year ended June 30 2023, the District recognized OPEB expense (credit) of (\$2,733) At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ -	\$ 11,189
Changes of assumptions	10,137	-
Net difference between projected and actual earnings on pension plan investments	14,055	-
Changes in proportion and differences between District contributions and proportionate share of contributions	5,628	2,967
District contributions subsequent to the measurement date	5,035	-
	<u>\$ 34,855</u>	<u>\$ 14,156</u>

\$5,035 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 measurement 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:

Year Ended	
2024	\$ 3,037
2025	1,815
2026	(2,209)
2027	13,154
2028	181
Thereafter	(314)
	<u>\$ 15,664</u>

See Note 4. 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

NOTES TO FINANCIAL STATEMENTS

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 the net pension liability	\$ 1,422	\$ (24,041)	\$ (64,223)

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 6 – 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 exposed to various risks of loss related to torts; theft of, 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.

The School also participates in a risk pool for general liability, errors and omissions, commercial crime, and fleet and workers' compensation coverage in which there is a transfer or pooling risks amount the participants of that pool. In accordance with professional standards, the District reports the required contribution to the pool, net of refunds, as insurance expense. The risk pools are the Oklahoma School Insurance Group (OSIG) and the Oklahoma School Assurance group (OSAG). OSIG and OSAG are responsible for providing loss control services and certain fiscal activities, including obtaining contract arrangements for the underwriting, excess insurance agreements, claims processing, and legal defense for any and all claims submitted to them during the plan year. As a member of OSIG and OSAG, the District is required to pay fees set by OSIG and OSAG according to an established payment schedule. A portion of the fees paid by the District goes into a loss fund for the District. The fee for the loss fund is calculated by projecting losses based on the District's losses for the last five years. OSIG and OSAG provides coverage in excess of the Loss Fund so the District's liability for claim loss is limited to the balance of the loss fund. If the District does not use their loss fund in three years, it is returned to them with no interest.

NOTE 7 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the District carries commercial insurance.

NOTES TO FINANCIAL STATEMENTS

There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

Surety Bonds

The Woods County Treasurer is designated as the Official School District Treasurer and Depository and no additional surety bond is required other than the statutory provisions of that elected office.

The District maintains a Public Official Position Schedule Bond with the Western Surety Company in the amount of \$100,000.00 per position. The bond number is 15342027, dated July 1, 2022 to July 1, 2023.

Coverage is for the following positions:

Superintendent
Business Manager

The District maintains an Employee Dishonesty Bond with Oklahoma Schools Insurance Group, in the amount of \$10,000.00 per occurrence. The policy number is OSIG-2014, dated July 1, 2022 to July 1, 2023 Coverage includes the following positions:

Activity Fund Custodian - Alva
Activity Fund Custodian - Fairview
Financial Aid Director
Encumbrance & Minute Clerk

NOTE 8 - CAPITAL ASSETS

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

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 183,860	\$ -	\$ -	\$ 183,860
Construction in progress	88,272	-	88,272	-
Total capital assets not being depreciated	272,132	-	88,272	183,860
Capital assets being depreciated:				
Buildings and improvements	13,771,688	-	-	13,771,688
Equipment & Autos	3,280,592	366,454	3,715	3,643,331
Total capital assets being depreciated	17,052,280	366,454	3,715	17,415,019
Less accumulated depreciation for:				
Buildings and improvements	5,647,477	358,624	-	6,006,101
Equipment & Autos	2,191,443	270,565	2,388	2,459,620
Total accumulated depreciation	7,838,920	629,189	2,388	8,465,721
Total capital assets being depreciated, net	9,213,360	(262,735)	1,327	8,949,298
Governmental activity capital assets, net	\$ 9,485,492	\$ (262,735)	\$ 89,599	\$ 9,133,158

NOTES TO FINANCIAL STATEMENTS

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

Note 9 Tax Abatement

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

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

For the year ended June 30, 2023, abated property taxes were approximately \$96,800.

NOTE 10 – Fund Balances – Governmental Funds

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

	General	Building	Other Governmental Fund Activity Fund
Restricted			
Building	\$ -	\$ 3,268,677	\$ -
Committed			
Student Activities	-	-	22,980
Assigned			
Building		483,481	-
Next year's budget	5,694,334	-	-
Outstanding encumbrances	23,683	-	-
Student Activities	-	-	1,577
Unassigned	434,967	-	-
	<u>\$ 6,152,984</u>	<u>\$ 3,752,158</u>	<u>\$ 24,557</u>

NOTE 11 – New GASB Standards

The District implemented the following GASB Statements:

- GASBS Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The provisions of this statement are effective reporting periods beginning after June 15, 2022.
- GASBS Statement No. 96, *Subscription-Based Information Technology Arrangements*, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. The provisions of this statement are effective reporting periods beginning after June 15, 2022

The following pronouncements will be effective in the future: Management has evaluated these statements as having an impact on the District or potential impact in the future.

NOTES TO FINANCIAL STATEMENTS

- GASBS Statement No. 99, *Omnibus 2022*, enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements. Provisions related to certain transactions are effective when issued. Requirements for leases, PPPs and SBITAs are effective for fiscal years beginning after June 15, 2022. Requirements related to financial guarantees and the classification of derivative instruments are effective beginning June 15, 2023.
- GASBS Statement No. 100, *Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62, defines accounting changes and corrections of errors. The statement prescribes accounting and financial reporting for each type of accounting change and error corrections. The provisions of this statement are effective reporting periods beginning after June 15, 2023.
- GASBS Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. The provisions of this statement are effective reporting periods beginning after December 15, 2023.
- GASBS Statement No. 102, *Certain Risk Disclosures*, objective is to provide users of government financial statements essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The provisions of this statement are effective reporting periods beginning after June 15, 2024.

NORTHWEST TECHNOLOGY CENTER #V-10
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (UNAUDITED)
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive(Negative)	
	Original	Final		Original to Final	Final to Actual
Budgetary fund balance, July 1	5,538,875	5,538,875	5,538,875	-	\$ -
Resources (inflows)					
Local sources	5,053,476	5,053,476	5,260,083	-	206,607
State sources	1,840,336	1,840,336	1,849,771	-	9,435
Federal Sources	709,162	709,162	339,148	-	(370,014)
Other	-	-	37,668	-	37,668
Total resources	7,602,974	7,602,974	7,486,670	-	(116,304)
Amounts available for appropriation	13,141,849	13,141,849	13,025,545	-	(116,304)
Charges to appropriations (outflows)					
Instruction	4,222,614	4,222,614	3,241,625	-	980,989
Support services	8,462,486	8,462,486	3,881,678	-	4,580,808
Non-instruction services	118,637	118,637	38,292	-	80,345
Capital outlay	36,500	36,500	10,355	-	26,145
Other outlays	301,612	301,612	159,261	-	142,351
Total charges to appropriations	13,141,849	13,141,849	7,331,211	-	5,810,638
Budgetary fund balance, June 30	\$ -	\$ -	\$ 5,694,334	\$ -	\$ 5,694,334
Accounts receivable not recognized as revenue for budgetary basis			3,469,105		
Accounts Payable not recognized as expenditures for budgetary basis			(12,544)		
Revenue Deferred for GAAP Basis			(3,021,593)		
Encumbrances not recognized as expenditures for GAAP basis			23,682		
Fund Balance, End of year GAAP Basis			\$ 6,152,984		

NORTHWEST TECHNOLOGY CENTER #V-10
BUDGETARY COMPARISON SCHEDULE - BUILDING FUND (UNAUDITED)
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive(Negative)	
	Original	Final		Original to Final	Final to Actual
Budgetary fund balance, July 1	\$ 2,451,892	\$ 2,451,892	\$ 2,451,892	-	\$ -
Resources (inflows)					
Local sources	1,435,459	1,435,459	1,496,783	-	61,324
State sources	-	-	1,965	-	1,965
Federal sources	-	-	8	-	8
Other	-	-	27,546	-	27,546
Total resources	1,435,459	1,435,459	1,526,302	-	90,843
Amounts available for appropriation	3,887,351	3,887,351	3,978,194	-	90,843
Charges to appropriations (outflows)					
Instruction	-	-	-	-	-
Support services	404,216	404,216	254,246	-	149,970
Non-instruction services	-	-	-	-	-
Capital outlay	2,238,389	2,238,389	-	-	2,238,389
Other Outlays	1,244,746	1,244,746	-	-	1,244,746
Total charges to appropriations	3,887,351	3,887,351	254,246	-	3,633,105
Budgetary fund balance, June 30	\$ -	\$ -	\$ 3,723,948	\$ -	\$ 3,723,948
Accounts receivable not recognized as revenue for budgetary basis			941,492	-	-
Accounts Payable not recognized as expenditures for budgetary basis			-	-	-
Encumbrances not recognized as expenditures for GAAP basis			(913,280)	-	-
Deferred Revenue for GAAP basis			3,752,160	-	-
Fund Balance, End of year GAAP Basis					

**NORTHWEST TECHNOLOGY CENTER #V-10
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
 NET PENSION LIABILITY (UNAUDITED)
 TEACHERS' RETIREMENT PLAN
 YEAR ENDED JUNE 30, 2023**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Measurement Year									
District's portion of the net pension liability (asset)	0.07801168%	0.07684688%	0.077339580%	0.077536160%	0.083061690%	0.084504130%	0.08015835%	0.08244891%	0.08355313%
District's proportionate share of the net pension liability (asset)	5,826,383	3,995,500	7,004,178	5,131,343	5,020,342	5,595,286	6,716,382	5,059,400	4,495,047
District's covered employee payroll	3,893,368	3,706,842	3,753,589	3,849,179	3,776,684	3,586,379	3,421,263	3,455,926	3,328,200
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	149.65%	107.79%	186.60%	133.31%	132.93%	156.01%	196.32%	146.40%	155.06%
Plan fiduciary net position as a percentage of the total pension liability	70.05%	80.80%	63.47%	71.54%	72.71%	69.92%	62.24%	70.31%	72.43%

Information to present a 10 year schedule is not currently available

**NORTHWEST TECHNOLOGY CENTER #V-10
 SCHEDULE OF DISTRICT'S CONTRIBUTION(UNAUDITED)
 TEACHERS' RETIREMENT PLAN
 YEAR ENDED JUNE 30, 2023**

Measurement Year	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 369,870	\$ 352,150	\$ 356,591	\$ 365,672	\$ 358,785	\$ 340,706	\$ 325,020	\$ 328,313	\$ 316,179	\$ 266,326
Contributions in relation to the contractually required contribution	369,870	352,150	356,591	365,672	358,785	340,706	325,020	328,313	316,179	266,326
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered payroll	3,893,368	3,706,842	3,753,589	3,849,179	3,776,684	3,586,379	3,421,263	3,455,926	3,328,200	2,803,432
Contributions as a percentage of Covered employee Payroll	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%

**NORTHWEST TECHNOLOGY CENTER #V-10
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
 NET OPEB ASSET (UNAUDITED)
 YEAR ENDED JUNE 30, 2023**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Measurement Year						
District's portion of the net OPEB liability (asset)	0.07684688%	0.07684688%	0.07733958%	0.07753616%	0.08306169%	0.08450413%
District's proportionate share of the net OPEB liability (asset)	(24,041)	(92,863)	(2,645)	(42,920)	(53,516)	(37,684)
District's covered employee payroll	3,893,368	3,706,842	3,829,263	3,753,589	3,776,684	3,421,263
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered employee payroll	0.62%	2.51%	0.07%	1.14%	1.42%	1.10%
Plan fiduciary net position as a percentage of the total OPEB asset	110.31%	129.91%	102.30%	115.07%	115.41%	110.40%

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

**NORTHWEST TECHNOLOGY CENTER #V-10
 SCHEDULE OF DISTRICT'S CONTRIBUTION (UNAUDITED)
 OPEB PLAN
 YEAR ENDED JUNE 30, 2023**

Measurement Year	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 5,035	\$ 4,678	\$ 708	\$ 681	\$ 2,419	\$ 5,504
Contributions in relation to the contractually required contribution	5,035	4,678	708	681	2,419	5,504
Contribution deficiency (excess)	-	-	-	-	-	-
District's covered payroll	3,893,368	3,706,842	3,753,589	3,849,179	3,776,684	3,586,379
Contributions as a percentage of Covered employee Payroll	0.13%	0.13%	0.02%	0.02%	0.06%	0.15%

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

NORTHWEST TECHNOLOGY CENTER #V-10
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2023

Note 1: Budgeting and Budgetary Control

The District is required by state law to prepare an annual budget. No later than October 1, each board of education shall prepare a financial statement and estimate of needs to be filed with the applicable county clerk and the State Department of Education. Once the county excise board has approved the estimate of needs, the board shall adopt a final budget within 45 days or the second regularly scheduled board meeting. No later than 15 days prior to adoption of a final budget, the board must conduct a public hearing for the purposes of taking public comments. The final budget may be revised upon approval of the board of education in open meeting.

Under current Oklahoma Statutes a formal budget is required for general, building, sinking, child nutrition and coop funds, as applicable to the district. Budgets are presented include the originally approved budgeted appropriations for expenditures and final budgeted appropriations as adjusted for supplemental appropriations and approved transfers between budget categories. Budgets generally assume the expenditure of all available resources. Therefore, when the legal budget is prepared, it is assumed these funds will not have a carryover balance to subsequent year.

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

Note 2: Changes of Assumptions

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

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

The assumption changes 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.

NORTHWEST TECHNOLOGY CENTER #V-10
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Project Number	Program or Award Amount	Deferred Revenue (Accounts Receivable) 6/30/22	Federal Grant Receipts	Total Grant Expenditures	Federal Grant Expenditures	Deferred Revenue (Accounts Receivable) 6/30/23
U.S. Department of Veterans Administration	64.111	468	\$ 64	\$ -	\$ 64	\$ 64	\$ 64	\$ -
Direct Program								
VA Reporting Fee								
U.S. Department of Education								
Direct Programs-								
CARES - HEERF II - Student Financial Aid	84.425E	417	117,658	\$ -	\$ 28,301	\$ 28,301	\$ 28,301	\$ -
CARES - HEERF II - Institutional Funds	84.425F	417		-	6,566	6,566	6,566	-
Total Student Financial Aid & Institutional Stimulus Funds					34,867	34,867	34,867	-
Student Financial Aid	84.063	474	\$ 121,909	\$ (5,712)	\$ 119,744	\$ 121,909	\$ 121,909	\$ (7,877)
Federal Pell Grant Program	84.063	n/a	115	-	115	115	115	-
Pell Admin Fee				(5,712)	119,839	122,024	122,024	(7,877)
Total Student Financial Aid Cluster								
Carl Perkins Vocational Education Act								
Passed through Oklahoma Department of Career Technology Education	84.048	423	67,202	(22,326)	66,077	66,429	66,429	(22,678)
Carl Perkins Secondary				(22,326)	66,077	66,429	66,429	(22,678)
Total Pass Through Programs				(28,038)	220,803	223,320	223,320	(30,555)
Total U.S. Department of Education								
U.S. Department of Health and Human Services								
Oklahoma Department of Career Technology Education	93.558	452	156,000	(43,756)	118,255	149,628	149,628	(75,129)
TANF				(43,756)	118,255	149,628	149,628	(75,129)
Total U.S. Department of Health and Human Services								
U.S. Department of Treasury								
Oklahoma Department of Career Technology Education	21.027	414	326,093	-	-	274,743	274,743	(274,743)
Coronavirus State and Local Fiscal Recovery Funds				-	-	274,743	274,743	(274,743)
Total U.S. Department of Health and Human Services								
Other Federal Assistance								
Payment in Lieu of Taxes on Federal Land	15.617	774	32	-	35	-	35	-
Total Expenditures of Federal Awards			\$ 671,351	\$ (71,794)	\$ 539,157	\$ 647,755	\$ 647,755	\$ (380,427)

NORTHWEST TECHNOLOGY CENTER #V-10
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2023

Note A: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Northwest Technology Center, District No. 10 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 220, 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 Northwest Technology Center, District No. 10 it is not intended to and does not present financial position, changes in financial position or cash flows.

Note B: 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. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, where certain types of expenditures are not allowable or are limited as to reimbursement.

Note C: Indirect Cost Rate

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

Note D: Subrecipients

Northwest Technology Center, District No. 10 did not have any awards that have been passed through to sub recipients.

**Northwest Technology Center #V-10
Woods County - Oklahoma
Student Financial Assistance Expenditures
'7/1/22 to 6/30/23**

<u>Pell Grant Programs</u>	Details	Totals
Beginning Accrues Balance Receivable		(\$5,712.00)
<u>Allocation Received</u>		
Student Grant (23)	114,032.00	
Student Grant (22)	5,712.00	
Administrative Allocation	<u>115.00</u>	
Total		119,859.00
<u>Expenditures</u>		
Student Grants	114,032.00	
Student Grants Pending	7,877.00	
Administrative Cost Allowance	<u>115.00</u>	
Total		122,024.00
Ending Accrued Balance Receivable		<u><u>(\$7,877.00)</u></u>

S & B CPA's & Associates, PLLC
302 North Independence, Suite 103
Enid, Oklahoma 73701
580-265-8651

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

Honorable Board of Education
Northwest Technology Center #V-10
Woods County, Oklahoma

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Northwest Technology Center #V-10, Woods County, Oklahoma, as listed in the Table of Contents, 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 4, 2024.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

S&B CPA & Associates, PLLC

S&B CPA & Associates, PLLC
March 4, 2024

NORTHWEST TECHNOLOGY CENTER #V-10
WOODS COUNTY - OKLAHOMA
JULY 1, 2021 TO JUNE 30, 2022

SCHEDULE OF FINDINGS
JUNE 30, 2023

None Reported

NORTHWEST TECHNOLOGY CENTER #V-10
WOODS COUNTY - OKLAHOMA
JULY 1, 2022 TO JUNE 30, 2023

DISPOSITION OF PRIOR YEAR FINDINGS
JUNE 30, 2023

No reportable conditions were noted during the 2022-23 fiscal.

SCHEDULE D-1

NORTHWEST TECHNOLOGY CENTER #V-10
 WOODS COUNTY - OKLAHOMA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
 REGULATORY BASIS - FIDUCIARY FUND - ALVA CAMPUS
 07/01/22 TO 06/30/23

ACCOUNT	7/01/2022	REVENUES	ADJUSTMENTS	TRANSFERS	EXPENDITURES	6/30/2023
DAY TUITION & FEES	\$0.00	\$25,836.00	\$0.00	\$0.00	\$25,836.00	\$0.00
SHORT TERM TUITION	0.00	18,464.00			18,464.00	0.00
DAY TUITION (OD) PSEC INACTIVE	0.00	0.00			0.00	0.00
BIS/SAFETY TUITION/FEES/TEST	0.00	65,060.84			65,060.84	0.00
DAY TUITION (OD) SEC INACTIVE	0.00	0.00			0.00	0.00
DAY (OD) SECONDARY & POST SEC	0.00	0.00			2,775.00	0.00
OTHER TUITION & FEES	0.00	780.79			780.79	0.00
INTEREST	0.00	200.00			200.00	0.00
RENTAL OF SCHOOL FACILITIES	0.00	0.00			0.00	0.00
INCUBATOR CLIENT RENT	0.00	0.00			0.00	0.00
SALE OF SURPLUS PROPERTY	0.00	7,389.50			7,389.50	0.00
BOOKSTORE REVENUE	0.00	85.51			85.51	0.00
LIVEWORK	0.00	0.00			0.00	0.00
LOST OR DAMAGED TEXTBKS/MTLS	0.00	0.00			0.00	0.00
MISCELLANEOUS REIMBURSEMENTS	1,508.05	100.00			1,417.45	190.60
STUDENT FOOD PANTRY	3,723.85	970.00	40.00		294.96	4,438.89
VENDING	5,198.86	1,959.00			2,409.53	4,748.33
STUDENT ORGANIZATIONS	0.00	2,850.00			2,850.00	0.00
STUDENT AID	0.00	200.00			200.00	0.00
PETTY CASH	0.00	0.00			0.00	0.00
PARTNERS W/OTHER ORGANIZATION	0.00	0.00			0.00	0.00
TOTALS	\$10,430.76	\$126,670.64	\$40.00	\$0.00	\$127,763.58	\$9,377.82

NORTHWEST TECHNOLOGY CENTER #V-10
WOODS COUNTY - OKLAHOMA
COMBINING STATEMENT OF ASSETS, LIABILITIES AND
FUND EQUITY - REGULATORY BASIS - FIDUCIARY FUND - ALVA CAMPUS
07/01/22 TO 6/30/23

SCHEDULE D-2

DEPOSITORY	DETAIL	TOTALS
CASH	<u>25,098.29</u>	
TOTAL DEPOSITORY		<u>\$25,098.29</u>
FUND		
LEDGER BALANCE		\$9,377.82
ADD: 2022-23 OUTSTANDING		\$15,720.47
TOTAL FUND BALANCE		<u>\$25,098.29</u>

SCHEDULE D-1

NORTHWEST TECHNOLOGY CENTER #V-10
 WOODS COUNTY - OKLAHOMA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
 REGULATORY BASIS - FIDUCIARY FUND - FAIRVIEW CAMPUS
 07/01/22 TO 06/30/23

ACCOUNT	7/01/2022	REVENUES	ADJUSTMENTS	TRANSFERS	EXPENDITURES	6/30/2023
ADULT FT IN-DISTRICT/TUITION/FEES	\$0.00	\$25,139.00	\$0.00		\$25,111.00	\$0.00
ACD SHORT TERM TUITION/FEES/TEST	0.00	14,404.50	231.10		14,635.60	0.00
DAY TUITION (OD) (INACTIVE)	0.00	0.00			0.00	0.00
BIS/SAFETY TUITION/FEES/TEST	0.00	127,176.00	40.00		127,216.00	0.00
SECONDARY OD (INACTIVE)	0.00	0.00			0.00	0.00
FT (OD) SEC & ADULT TUITION/FEES	0.00	4,320.00			4,320.00	0.00
OTHER TUITION & FEES	0.00	0.00			0.00	0.00
INTEREST	0.00	216.75			186.46	30.29
RENTAL OF SCHOOL FACILITIES	0.00	400.00			400.00	0.00
INCUBATOR CLIENT RENT	0.00	0.00			0.00	0.00
SALE OF SURPLUS PROPERTY	0.00	0.00			0.00	0.00
BOOKSTORE REVENUE	0.00	25,340.00			25,340.00	0.00
LIVEWORK	0.00	2,794.93			2,794.93	0.00
LOST OR DAMAGED TEXTBKS/MTLS	0.00	0.00			0.00	0.00
MISCELLANEOUS REIMBURDEMENTS	0.00	1,170.00			1,170.00	0.00
VENDING	735.58	976.00			50.00	1,661.58
STUDENT ORGANIZATIONS	2,426.45	6,450.74		28.00	4,174.95	4,730.24
STUDENT AID	0.00	13,950.00			13,950.00	0.00
PETTY CASH	0.00	200.00			200.00	0.00
PARTNERS W/ ORGANIZATION	0.00	368.00			368.00	0.00
TOTALS	\$3,162.03	\$222,905.92	\$271.10	\$0.00	\$219,916.94	\$6,422.11

NORTHWEST TECHNOLOGY CENTER #V-10
WOODS COUNTY - OKLAHOMA
COMBINING STATEMENT OF ASSETS, LIABILITIES AND
FUND EQUITY - REGULATORY BASIS - FIDUCIARY FUND -
FAIRVIEW CAMPUS
07/01/22 TO 6/30/23

SCHEDULE D-2

DEPOSITORY	DETAIL	TOTALS
CASH	<u>15,266.31</u>	
TOTAL DEPOSITORY		<u><u>\$15,266.31</u></u>
FUND		
LEDGER BALANCE	\$6,391.82	
ADD: 2022-23 OUTSTANDING	\$8,837.21	
ADJ: JUNE 2023 INTEREST NOT POSTED	<u>\$37.28</u>	
TOTAL FUND BALANCE		<u><u>\$15,266.31</u></u>

