

**ANNUAL FINANCIAL REPORT**  
**RED RIVER TECHNOLOGY CENTER NO. 19**  
**STEPHENS COUNTY, OKLAHOMA**  
**JULY 1, 2022 TO JUNE 30, 2023**

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

**RED RIVER TECHNOLOGY CENTER NO. 19  
STEPHENS COUNTY, OKLAHOMA  
SCHOOL CENTER OFFICIALS  
JUNE 30, 2023**

Board of Education

President	Dee Williams
Vice-President	Sam Porter
Deputy Clerk	Ricky Sanders
Member	Lance Strickland
Member	Kristie Gaines

Superintendent of Schools

Dennis Loafman

Technology Center Treasurer

Jayna Johnson

**RED RIVER TECHNOLOGY CENTER NO. 19  
STEPHENS COUNTY, OKLAHOMA  
JUNE 30, 2023**

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**RED RIVER TECHNOLOGY CENTER NO. 19  
STEPHENS COUNTY, OKLAHOMA  
JUNE 30, 2023**

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## INDEPENDENT AUDITOR'S REPORT

The Board of Education  
Red River Technology Center No. 19  
Stephens County, Oklahoma

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Red River Technology Center No. 19, Stephens County, Oklahoma (the Center), as of and for the year ended June 30, 2023, which collectively comprise the Center's basic financial statements as listed in the table of contents.

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

#### *Bases for Opinions*

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

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

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

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

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

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

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

Exercise professional judgment and maintain professional skepticism throughout the audit.

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

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

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

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

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in the Center's total OPEB liability and related ratios, the schedule of the Center's proportionate share of the net pension liability—Oklahoma Teachers' Retirement System, the schedule of the Center's contributions to the Oklahoma Teachers' Retirement System, and the schedule of revenues, expenditures and changes in fund balance—budgetary and actual (budgetary basis)—budgeted governmental fund types—General Fund and Building Fund, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate, operational, economical, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

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

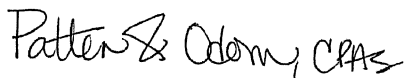
### **Other Information**

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2024, on our consideration of the Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.



Patten & Odom, CPAs, PLLC  
Broken Arrow, OK  
March 5, 2024

**MANAGEMENT DISCUSSION AND ANALYSIS**

**RED RIVER TECHNOLOGY CENTER SCHOOL DISTRICT NO. 19**  
**DUNCAN, OKLAHOMA**  
**Management's Discussion and Analysis**  
**June 30, 2023**

The Management Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

**Red River 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 is located in Duncan, Oklahoma serving one main campus. The District serves 13 public school districts, including Bray, Central, Comanche, Duncan, Empire, Grandview, Marlow, Ryan, Temple, Terral, Walters, Waurika, and Velma. The District encompasses parts of Stephens, Jefferson, Carter, Comanche, Cotton, Garvin, and Grady counties. The major instructional program areas are Science, Technology, Engineering & Mathematics, Construction, Drafting, Health, Information Technology, Service Industry, and Welding. The District has three basic areas or types of instruction:

*Full-Time Programs* – The District offers 14 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.

During fiscal year 2022-2023, the District served 518 students in full-time programs. There were 2353 people served through industry specific training, 615 adults in adult and career training classes and 119 adults in adult education and literacy classes.

**Financial Highlights**

The District experienced an increase of 3.8% in assessed valuation from fiscal year 2022 to 2023. The overall General Fund budget decreased 2.63%.

**Overview of the Financial Statements**

The financial statements consist of three parts – Management's Discussion and Analysis, the Basic Financial Statements, and Required Supplementary Information. The three parts together provide a comprehensive overview of the financial condition of Red River Technology Center. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives:

See disclaimer in Auditors' opinion

**RED RIVER TECHNOLOGY CENTER SCHOOL DISTRICT NO. 19**  
**DUNCAN, OKLAHOMA**  
**Management's Discussion and Analysis**  
**June 30, 2023**

***Government-wide Financial Statements***

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Positions includes all of the District's assets and liabilities, with the difference reported as net positions. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide statements report the District's net assets and how they have changed. Net assets, the difference between the assets and the liabilities, are one way to measure the District's financial health or position.

Over time, increases or decreases in the District's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.

To assess the overall health of the District, you need to consider additional non-financial factors such as changes in enrollment, changes in the property tax base, changes in funding by the federal and state governments, and the conditions of facilities.

***Fund Financial Statements***

The fund financial statements provide more detailed information about the District's *funds*, not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes. State law requires the use of certain funds.

The District has two kinds of funds:

*Government Funds* -- Most of the District's activities are included in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. The governmental fund statements provide a detailed short-term view of the District operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

*Fiduciary Funds* – The District is the trustee, or fiduciary, for the assets that belong to others. The District is responsible for ensuring that assets reported as these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operation. These funds cannot be used to finance Red River Technology Center's operations; however, they have been added to the Fund Financials in accordance with GASB 84.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data.

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**RED RIVER TECHNOLOGY CENTER SCHOOL DISTRICT NO. 19**  
**DUNCAN, OKLAHOMA**  
**Management's Discussion and Analysis**  
**June 30, 2023**

**Financial Analysis of Red River Technology Center as a Whole**

**Net Positions**

The District's total net positions were \$16,796,278 at June 30, 2023.

**NET Positions:**

Fiscal Year Ended	June 30, 2022	June 30, 2023
Assets:		
Cash and Investments	\$ 7,392,029	\$ 7,832,394
Other	14,826,854	14,313,871
Deferred Outflow	1,720,977	1,987,949
Total Assets	23,939,860	24,134,214
Total Liabilities	(5,071,121)	(7,026,524)
Deferred Inflow	(2,535,270)	(311,412)
<b>Total Net Position</b>	<b>\$ 16,333,469</b>	<b>\$ 16,796,278</b>

Most of the District's net assets are invested in capital assets (buildings, land, and equipment). The remaining net assets are unrestricted. These unrestricted funds are used to fund the cash flow needs during the first half of the fiscal year as well as to accumulate funds for future building and improvement projects.

**Changes in Net Positions**

The District's improved financial position is the product of several factors. The most important of these are continued growth in net assessed valuation.

**Changes in Net Positions**  
**Fiscal Year Ended June 30, 2023**

	FY22	FY23
Beginning Net Positions – as restated	\$ 16,509,378	16,333,469
Net Positions	16,333,469	16,796,278
Change in Net Positions	\$ (175,909)	\$ 462,809

**Government Activities**

This section will show a condensed financial comparison of revenues and expenses and provide explanations for significant differences.

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 Revenue, 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 (Expenses)/Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the 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:

See disclaimer in Auditors' opinion

**RED RIVER TECHNOLOGY CENTER SCHOOL DISTRICT NO. 19**  
**DUNCAN, OKLAHOMA**  
**Management's Discussion and Analysis**  
**June 30, 2023**

**Government Activities (continued)**

District Sources of Revenue:

Ad Valorem property tax:	Taxes for current year and prior years, revenue in lieu of taxes
Interest:	Interest earning on investments and taxes
Tuition:	Tuition for full-time adult classes, short-term adult classes, safety training, and industry specific training
Local Sources:	Rental of school facilities, sale of surplus equipment, bookstore and live work revenue, and rebates
State Revenue:	Formula operations, Bid Assistance Program, Existing Industry Initiative, Training for Industry Program, Safety Training, professional development
Federal Revenue:	Carl Perkins Grant, Student Financial Aid (PELL Grants), and Adult Education & Literacy (AEL)

**THE DISTRICT'S FUNDS**

The following schedule presents a summary of general, special revenue (building fund), revenues and expenditures for the fiscal year ended June 30, 2023, and the amount and percentage of increases and decreases in relation to the prior year.

Revenues	FY 22 Amount	Percent of Total	FY 23 Amount	Percent of Total
Ad Valorem Taxes & Other Taxes	\$ 6,040,137	61%	\$ 6,231,683	53%
Interest	\$ 12,753	1%	\$ 134,454	1%
Charges for services	\$ 563,061	5%	\$ 591,556	5%
State Funds	\$ 2,209,563	22%	\$ 2,212,030	19%
Miscellaneous	\$ 229,749	2%	\$ 1,995,301	18%
Operating Grants	\$ 891,485	9%	\$ 493,310	4%
<b>Total Revenue</b>	<b>\$ 9,946,748</b>	<b>100%</b>	<b>\$ 11,658,334</b>	<b>100%</b>

See disclaimer in Auditors' opinion



**RED RIVER TECHNOLOGY CENTER SCHOOL DISTRICT NO. 19**  
**DUNCAN, OKLAHOMA**  
**Management's Discussion and Analysis**  
**June 30, 2023**

The net cost of all governmental activities this year was \$11,697,480. The governmental activities of the District include instruction, support services, operation of non-instructional programs, site improvements, and other uses. Examples of the types of expenses that can be found in these categories include:

*Instruction* – expenditures for direct classroom activities.

*Support Services* – expenditures to provide administrative, technical, and logistical support to facilitate and enhance instruction.

*Noninstructional Services* – activities concerned with providing non-instructional services to students, staff, and community.

*Facilities Acquisition and Construction* – expenditures involved with the acquisition of land and buildings, remodeling building, the construction of buildings and additions to buildings, installation or extension of service systems and other built-in equipment, and improvement to sites.

<b>Expenditures</b>	<b>FY22 Amount</b>	<b>Percent of Total</b>	<b>FY23 Amount</b>	<b>Percent of Total</b>
Instruction	\$ 3,349,759	33%	\$ 3,248,740	29%
Support Services	\$ 4,545,420	44%	\$ 6,088,057	55%
Noninstructional Services	\$ 361,228	3%	\$ 484,380	4%
Capital Outlay	\$ 366,117	4%	\$ 145,229	1%
Other Outlay & Uses	\$ 385,640	4%	\$ 588,409	5%
Depreciation	\$ 1,210,951	12%	\$ 640,710	6%
<b>Total Expenditures</b>	<b>\$ 10,219,115</b>	<b>100%</b>	<b>\$ 11,195,525</b>	<b>100%</b>

**Capital Assets**

Red River Technology Center's investment in capital assets for its governmental activities as of June 30, 2023, amounts to \$13,781,752 (net of accumulated depreciation). This investment includes land, buildings, building improvements, equipment, and vehicles.

Capital Assets at Year End		
	FY22	FY23
Land	\$ 40,000	\$ 40,000
Construction in Progress	724,513	496,057
Buildings & Improvements	16,443,745	16,719,028
Equipment	2,630,292	2,762,838
Vehicles	893,069	903,069
Total	20,731,619	20,920,992
Accumulated Depreciation	6,851,821	7,139,240
Total - Net	\$ 13,879,798	\$ 13,781,752

See disclaimer in Auditors' opinion

**RED RIVER TECHNOLOGY CENTER SCHOOL DISTRICT NO. 19**  
**DUNCAN, OKLAHOMA**  
**Management's Discussion and Analysis**  
**June 30, 2023**

**Financial Analysis of Red River Technology Center's Fund**

At June 30, 2023, the District's governmental funds reported a combined fund balance of \$7,734,190. The primary source of revenue for the governmental funds is ad valorem property tax, which is not received evenly throughout the fiscal year. The majority of property tax revenues are received between January 1 and April 30 of each year. The governmental funds must carry forward a fund balance large enough to finance the first six months of the fiscal year.

**General Fund**

The General Fund year-end balance is \$4,754,717. These unrestricted funds are required to meet the labor intensive and operating expenses for the first six months of the fiscal year 2024.

**Building Fund**

The Building Fund year-end balance is \$2,947,551. The remaining unrestricted funds are targeted for remodeling of current facilities, site improvements, new construction projects, equipment for the programs and building furniture needs.

**Fiduciary Funds**

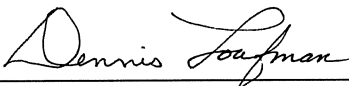
The Fiduciary Funds (Activity and Endowment/Scholarship Funds) reported total a fund balance of \$31,922.

**Capital Assets**

As of June 30, 2023, the District had \$13,781,752 in governmental funds invested in a broad range of capital assets, including land, buildings, furniture, and equipment.

**Contacting Red River Technology Center's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of Red River 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 Red River Technology Center, 3300 West Bois D'Arc, Duncan, Oklahoma, 73533.



Dennis Loafman, Superintendent



Brandi Williams, Business Manager

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**RED RIVER TECHNOLOGY CENTER NO. 19**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

		Governmental Activities
<b><u>ASSETS</u></b>		
Current Assets		
Cash and Investments	\$	7,832,394
Property tax receivable		427,698
Due from other governments		62,340
Misc		-
Prepaid expenses		6,486
Non-current Assets		
Net OPEB asset		35,595
Land		40,000
Construction in Process		496,057
Other capital assets, net of accumulated depreciation		13,245,695
Total Assets	\$	22,146,265
<b><u>DEFERRED OUTFLOW OF RESOURCES</u></b>		
Deferred outflows of resources related to pensions	\$	1,951,845
Deferred outflows of resources related to OPEB		36,104
Total Deferred Outflow of Resources	\$	1,987,949
<b><u>LIABILITIES</u></b>		
Current Liabilities		
Accounts payable	\$	439,891
Voluntary Incentive payable		41,015
Compensated absences		25,050
Total Current Liabilities	\$	505,956
Non-Current Liabilities		
Compensated absences	\$	32,774
Voluntary Incentive payable		22,275
Net pension liability		6,465,519
Total Non-Current Liabilities		6,520,568
Total Liabilities	\$	7,026,524
<b><u>DEFERRED INFLOW OF RESOURCES</u></b>		
Deferred inflow of resources related to pensions	\$	295,470
Deferred inflow of resources related to OPEB		15,942
Total Deferred Inflow of Resources	\$	311,412
<b><u>NET POSITION</u></b>		
Net Investment in capital assets	\$	13,781,752
Restricted for building		2,947,551
Restricted for net OPEB asset		35,595
Restricted for Student Organization		31,922
Unrestricted		(542)
Total Net Position	\$	16,796,278

The notes to the financial statements are an integral part of this statement.

RED RIVER TECHNOLOGY CENTER NO. 19  
STATEMENT OF ACTIVITIES  
FOR YEAR ENDING JUNE 30, 2023

Functions	Expenses	Charges for Services	Program Revenues Operating Grants & Contributions	Capital Grants & Contributions	Net (Expenses) Revenue and Changes in Net Assets
Governmental Activities					
Instruction	\$ (3,248,740)	\$ 375,184	\$ 493,310	-	(2,380,245)
Support services	(6,088,057)	126,130	-	-	(5,961,927)
Non-instruction	(484,380)	90,242	-	-	(394,138)
Capital outlay	(145,229)	-	-	-	(145,229)
Other outlays	(28,622)	-	-	-	(28,622)
Other uses	(559,787)	-	-	-	(559,787)
Repayments	-	-	-	-	-
Depreciation - unallocated	(640,710)	-	-	-	(640,710)
	<u>\$ (11,195,525)</u>	<u>\$ 591,556</u>	<u>\$ 493,310</u>	<u>\$ -</u>	<u>(10,110,659)</u>
Total governmental activities					
General revenues					
Taxes:					
Property taxes, levied for general purposes				\$	6,230,476
Other Taxes					1,207
State aid not restricted to specific purposes					2,212,030
Other general revenues					
Interest and investment earnings					134,454
Miscellaneous					1,995,301
Total General revenues and special items					<u>10,573,468</u>
Gain on asset disposal					-
Changes in net position					462,809
Net position beginning					<u>16,333,469</u>
Net position - ending					<u>\$ 16,796,278</u>

The notes to the financial statements are an integral part of this statement.

**FUND FINANCIAL STATEMENTS**

**RED RIVER TECHNOLOGY CENTER NO. 19  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	Governmental Fund Types			
	General Fund	Building Fund	Activity Fund	Total
<b>ASSETS</b>				
Cash & Investments	\$ 4,502,460	\$ 3,298,012	\$ 31,922	\$ 7,832,394
Property tax receivable	356,643	71,055	-	427,698
Due from other governments	62,340	-	-	62,340
Misc Receivables	-	-	-	-
Prepaid expenses	6,486	-	-	6,486
	<u>\$ 4,927,929</u>	<u>\$ 3,369,067</u>	<u>\$ 31,922</u>	<u>\$ 8,328,918</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 66,308	\$ 373,583	\$ -	\$ 439,891
Early retirement incentive-current	41,015	-	-	41,015
Compensated absences-current	25,050	-	-	25,050
Total liabilities	<u>\$ 132,373</u>	<u>\$ 373,583</u>	<u>\$ -</u>	<u>\$ 505,956</u>
Deferred inflow of resources:				
Deferred property taxes	\$ 40,839	\$ 47,933	\$ -	\$ 88,772
Total deferred inflow of resources	<u>\$ 40,839</u>	<u>\$ 47,933</u>	<u>\$ -</u>	<u>\$ 88,772</u>
Fund balances:				
Non-spendable Fund Balances:				
<i>Prepaid Items</i>	\$ 6,486	\$ -	\$ -	\$ 6,486
Restricted Fund Balances:				
<i>Restricted by Statute</i>	-	-	-	-
<i>Restricted for Student Organization</i>	-	-	31,922	31,922
Committed Fund Balances:				
<i>Contractual Obligations</i>	-	-	-	-
Assigned Fund Balances:				
<i>Encumbrances</i>	867,219	1,868,720	-	2,735,939
Unassigned	3,881,012	1,078,831	-	4,959,843
Total Fund Balances	<u>\$ 4,754,717</u>	<u>\$ 2,947,551</u>	<u>\$ 31,922</u>	<u>\$ 7,734,190</u>
Total liabilities and fund balances	<u>\$ 4,927,929</u>	<u>\$ 3,369,067</u>	<u>\$ 31,922</u>	
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds. The cost of the assets is \$20,920,992. and accumulated depreciation is \$7,139,240				13,781,752
Some compensated absences and early retirement incentive are not due and payable in the current period and therefore, are not reported as liabilities in the funds.				(55,049)
Property taxes receivable will be collected this year, but are not available soon enough to pay current period's expenditures, therefore they are deferred in the funds.				88,772
Net pension obligations are not due and payable in the current period and therefore, are not reported in the funds.				(6,465,519)
Net OPEB asset is not a financial resource, therefore not reported in funds				35,595
Deferred inflows and outflows of resources related to pensions & OPEB are applicable to future periods and therefore, are not reported in funds.				1,676,537
Net Position of Governmental Activities				<u>\$ 16,796,278</u>

The notes to the financial statements are an integral part of this statement.

**RED RIVER TECHNOLOGY CENTER NO. 19  
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 2023**

	Governmental Fund Types			Total
	General Fund	Building Fund	Activity Fund	
<b>Revenues</b>				
Local sources	\$ 6,808,742	\$ 2,255,055	\$ 266,159	\$ 9,329,956
Intermediate sources	-	-	-	-
State sources	2,258,321	2	-	2,258,323
Federal sources	448,546	-	-	448,546
<b>Total revenues</b>	<u>\$ 9,515,609</u>	<u>\$ 2,255,058</u>	<u>\$ 266,159</u>	<u>\$ 12,036,826</u>
<b>Expenditures</b>				
Instruction	\$ 3,954,056	\$ 9,000	\$ -	\$ 3,963,056
Support services	4,712,422	1,781,964	-	6,494,386
Non-instructional services	484,380	-	-	484,380
Capital outlay	109,569	57,680	-	167,249
Other outlay	28,622	-	-	28,622
Other uses	296,375	-	257,410	553,785
Repayments	-	-	-	-
Bank Fees	3,925	2,077	-	6,002
Clearing account	-	-	-	-
<b>Total expenditures</b>	<u>\$ 9,589,349</u>	<u>\$ 1,850,721</u>	<u>\$ 257,410</u>	<u>\$ 11,697,480</u>
Excess of revenues over (under) expenses before adjustments to prior year encumbrances	<u>\$ (73,740)</u>	<u>\$ 404,337</u>	<u>\$ 8,749</u>	<u>\$ 339,346</u>
Excess (deficiency) of revenue over expenditures and other financing sources (uses)	<u>\$ (73,740)</u>	<u>\$ 404,337</u>	<u>\$ 8,749</u>	<u>\$ 339,346</u>
Fund balances, beginning of year	<u>\$ 4,828,457</u>	<u>\$ 2,543,214</u>	<u>\$ 23,173</u>	<u>\$ 7,394,844</u>
Fund balances, end of year	<u>\$ 4,754,717</u>	<u>\$ 2,947,551</u>	<u>\$ 31,922</u>	<u>\$ 7,734,190</u>

The notes to the financial statements are an integral part of this statement.



**RED RIVER TECHNOLOGY CENTER NO. 19  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

Net change in fund balances-governmental funds \$ 339,346

Amounts reported for governmental activities in the Statement of Revenues, Expenditures, and Changes in Fund Balance and Statement of Activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, in the Statement of Activities those costs are allocated over their estimated useful lives as depreciation expense. In the current period these amounts are:

Capital outlay expenditures	\$ 222,090	
Retirements	-	
Depreciation expense	<u>(640,710)</u>	
Excess of capital outlay over (under) depreciation expense		(418,620)

Compensated absences and voluntary retirement incentive are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. 485,759

Because some revenues will not be collected for several months after the fiscal year end, they are not considered "available" and are deferred in the governmental funds. Deferred revenues increased by this amount this year. 378,451

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. (322,127)

Changes in net position of governmental activities \$ 462,809

The notes to the financial statement are an integral part of this statement.

**NOTES TO THE FINANCIAL STATEMENTS**

**RED RIVER TECHNOLOGY CENTER NO. 19  
STEPHENS COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**1. Summary of Significant Accounting Policies**

The financial statements of the Red River Technology Center No. 19 (the "Center") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units. The governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Center's accounting policies are described below.

**A. Reporting Entity**

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

The Center is a corporate body for public purposes created under Title 70 of the Oklahoma Statutes and, accordingly, is a separate entity for operating and financial reporting purposes. The Center is part of the public school system of Oklahoma under the general direction and control of the State Board of Education and is financially dependent on the State of Oklahoma for support. The general operating authority for the public school system is the Oklahoma School Code contained in Title 70, Oklahoma Statutes.

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

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

**B. Basis of Presentation**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Center. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) tuition or fees paid by students or citizens of the Center and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items, including state aid, that are not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds.

**Fund Financial Statements**

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

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

**RED RIVER TECHNOLOGY CENTER NO. 19  
STEPHENS COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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

**Fund Financial Statements**

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

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

Activity Fund –The Center’s Activity fund is used to account for monies collected that are held on behalf of others as their agent and do not involve the measurement of results of operations. The administration is responsible under the authority of the Board, for collecting, disbursing and accounting for these funds.

**Fiduciary Fund Types**

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Center. When these assets are held under the terms of a formula trust agreement, either a private purpose trust fund or a permanent fund is used.

The terms “permanent” and “private purpose” refer to whether or not the Center is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the Center holds on behalf of others as their agent and do not involve measurement of results of operations.

**Account Groups**

GASB Statement No. 34 eliminates the presentation of account groups but provides for these records to be maintained and incorporates the information into the governmental column in the government-wide statement of net position.

C. **Basis of Accounting**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

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

**RED RIVER TECHNOLOGY CENTER NO. 19  
STEPHENS COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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

D. Budgets and Budgetary Accounting

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

These budgets are prepared on a budgetary basis of accounting. Budgetary control is maintained by fund, function, and activity and budgeted expenditures may not exceed appropriations at the fund level. Amendments may be made to the budget without approval by the governing body at the function and activity levels. Fund level budgetary amendments require approval of the governing body.

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

E. Net Position

The government-wide financial statements utilize a net position presentation. Net assets are categories of investment in fixed assets (net of related debt), restricted net position and unrestricted net position.

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

Restricted Net Position - Restricted net position are liquid assets, which have a third party (statutory), limitation on their use.

Unrestricted Net Position – represents unrestricted liquid assets.

F. Assets, Liabilities and Cash Fund Balances

Cash and Cash Equivalents – The Center considers all cash on hand, demand deposits and highly liquid investments to be cash and cash equivalents. Investments consist of direct obligations of the United States Government and Agencies. All investments are recorded at a cost which approximates market value.

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

If the first payment is not made timely, the entire tax becomes due and payable on January 2. Second half taxes become delinquent on April 1 of the year following the year of assessment. If taxes are delinquent and unpaid for a period of three years or more the real estate may be sold for such taxes.

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

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

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

**RED RIVER TECHNOLOGY CENTER NO. 19  
STEPHENS COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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

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

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

Assets capitalized have an original cost of \$2,500 or more and over three years of useful life. Depreciation has been calculated on each class of depreciable property using a full year convention straight-line method. Estimated useful lives are as follows:

Buildings and structures	50 years
Improvements	50 years
Equipment	5-20 years
Vehicles	10 years

Compensated Absences – Full-time twelve-month employees of The Technology Center accrue vacation time at a rate of one day per month (except March and December). Vacation days are non-accumulative and must be used on or before December 31<sup>st</sup> following the year in which the vacation leave accrued. Days not taken before December 31<sup>st</sup> following the year of accrual will be forfeited.

Employees accumulate sick leave at a rate of one day per calendar month beginning the first day of employment. Unused sick leave can accumulate from year to year to a maximum of sixty days. Upon retirement or under certain conditions resulting in the elimination of positions due to the deletion of a center program, employees may be reimbursed for unused sick leave at the rate of \$15.00 per day for a maximum of seventy days.

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

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

G. Revenue, Expenses and Expenditures

Revenues are classified by source as follows:

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

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

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

The Center receives revenue from the state to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for these programs be expended only for the program for which the money is provided and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical programs. The State Department of Career & Technology Education requires that categorical educational program revenues be accounted for in the general fund.

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

**RED RIVER TECHNOLOGY CENTER NO. 19  
STEPHENS COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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

Expenditures are classified by function as follows:

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

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

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

Facilities Acquisition and Construction Services Expenditures – Consist of activities involved with the acquisition of land and buildings; remodeling buildings; the construction of buildings and additions to buildings; initial installation or extension of service systems and other built-in equipment; and improvement to sites.

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

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

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

Deferred outflows of resources: Deferred outflows are the consumption of net position by the center that are applicable to a future reporting period. At June 30, 2023, the center's deferred outflows of resources were comprised of deferred outflows related to pensions and deferred outflows related to OPEB.

Deferred inflows of resources: Deferred inflows are the acquisition of net position by the center that are applicable to a future reporting period. At June 30, 2023, the center deferred inflows of resources were comprised of deferred inflows related to pensions and deferred inflows related to OPEB.

**2. Use of Estimates**

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

**RED RIVER TECHNOLOGY CENTER NO. 19  
STEPHENS COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**3. Deposit Categories of Credit Risk**

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

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

**Custodial Credit Risk:**

**Deposits and Investments** - The Center's demand deposits are required by law to be collateralized by the amount that is not federally insured. The District has a written investment policy, which permits investments as authorized by State Statute.

Certificates of deposit are collateralized at least by the amount not federally insured. As of June 30, 2023, the District had no deposits exposed to custodial credit risk.



**RED RIVER TECHNOLOGY CENTER NO. 19  
STEPHENS COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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

Interest Rate Risk:

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

Credit Risk:

The Center has no formal written policy addressing credit risk.

**4. Receivables**

Receivables consist of all revenues earned at year end and not yet received. Ad valorem tax collectable, but not available are deferred in the fund financial statements in accordance with the modified accrual basis of accounting, but not deferred in the government-wide financial statements in accordance with the accrual basis of accounting. The technology center had the following receivables at June 30, 2023:

	General Fund	Building Fund	Total
Ad Valorem Tax	\$ 356,643	\$ 71,055	\$ 427,698
Due from Activity Fund	-	-	-
Misc Receivable	-	-	-
Due from Other Governments	62,240	-	62,240
Total – Accrual Basis	418,983	71,055	490,038
Less: Deferred Revenue	40,839	47,933	88,772
Total – Receivables - net	\$ 378,344	\$ 23,122	\$ 401,266

**RED RIVER TECHNOLOGY CENTER NO. 19  
STEPHENS COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**5. Capital Assets**

A summary of changes in general fixed assets for the year ended June 30, 2023, follows:

	Balance <u>July 1, 2022</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Retirements</u>	Balance <u>June 30, 2023</u>
Land	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000
Construction in Process	<u>724,513</u>	<u>-</u>	<u>(228,456)</u>	<u>-</u>	<u>496,057</u>
<b>Total Assets Not Being Depreciated</b>	<b>\$ <u>764,513</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>(228,456)</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>536,057</u></b>
<b>Capital Assets Being Depreciated</b>					
Building & Improvements	\$ 16,443,745	\$ 46,827	\$ 228,456	\$ -	\$ 16,719,028
Equipment	2,630,292	165,263	-	32,717	2,762,838
Vehicles	<u>893,069</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>903,069</u>
<b>Total Capital Assets Being Depreciated</b>	<b>\$ 19,967,106</b>	<b>\$ 222,090</b>	<b>\$ 228,456</b>	<b>\$ 32,717</b>	<b>\$ 20,384,935</b>
<b>Less:</b>					
Accumulated Depreciation	<u>\$ 6,498,530</u>	<u>\$ 673,427</u>	<u>\$ -</u>	<u>\$ 32,717</u>	<u>\$ 7,139,240</u>
<b>Total Capital Assets Being Depreciated - Net</b>	<b>\$ <u>13,468,576</u></b>	<b>\$ <u>(451,337)</u></b>	<b>\$ <u>228,456</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>13,245,695</u></b>
<b>Total Capital Assets Net</b>	<b>\$ <u><u>14,233,089</u></u></b>	<b>\$ <u><u>(451,337)</u></u></b>	<b>\$ <u><u>-</u></u></b>	<b>\$ <u><u>-</u></u></b>	<b>\$ <u><u>13,781,752</u></u></b>

**6. Interfund Transactions**

Interfund transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund, or expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the fund that is reimbursed. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**RED RIVER TECHNOLOGY CENTER NO. 19  
STEPHENS COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**7. Employee Retirement System**

Description of Plan

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

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

Basis of Accounting

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

Funding Policy

The District, the State of Oklahoma, and the participating employees make contributions. The contribution rates for the District and its employees are established by and may be amended by Oklahoma Statutes. The rates are not actuarially determined. The rates are applied to the employee's earnings plus employer-paid fringe benefits. The required contribution for the participating members is 7.0% of compensation. Additionally, OTRS receives "federal matching contributions" for positions whose funding comes from federal sources or certain grants. The District and State are required to contribute 14.0% of applicable compensation. Contributions received by the System from the State of Oklahoma are from 3.54% of its revenues from sales tax use taxes, corporate income taxes and individual income taxes. The District contributed 9.5% and the State of Oklahoma plus the federal contribution contributed the remaining 4.5% during this year. The District is allowed by the Oklahoma Teachers' Retirement System to make the required contributions on behalf of the participating members. The school is required to pay 16.5% for any compensated retired teachers already receiving retirement benefits.

Annual Pension Cost

The Center's total contributions for 2023, 2022, and 2021 were \$720,582, \$695,690, and \$662,835, respectively. The Center's total payroll for fiscal year 2022-2023 amounted to \$4,243,236.

GASB Statement 68 became effective for fiscal years beginning after June 15, 2014, and significantly changes pension accounting and financial reporting for governmental employers who participate in a pension plan, such as the System, and who prepare published financial statements on an accrual basis using Generally Accepted Accounting Principles. Since the District does not prepare and present their financial statements on an accrual basis, the net pension amount is not required to be presented on the audited financial statements.

**RED RIVER TECHNOLOGY CENTER NO. 19  
STEPHENS COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**Employee Retirement System (continued)**

On Behalf Contributions

The State of Oklahoma makes retirement contributions each year for teachers employed by Oklahoma School Districts. The contribution amounts are based on the teacher's years of service and amounts paid are prescribed by O.S. 70 Section 17-108.2 subsection A. During fiscal year 2022-2023, the State of Oklahoma's contribution was \$30,757. The Center recognized revenue and expenditures of this amount during the year.

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

At June 30, 2023, the Center reported a liability of \$6,465,519 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The center's proportion of the net pension liability was based on the Center's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2023. Based upon this information, the Center's proportion was .07875772% percent.

For the year ended June 30, 2023, the center recognized pension expense of \$426,792. At June 30, 2023, the Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 207,125	\$ 80,877
Changes of assumptions	436,240	-
Net difference between projected and actual earnings on pension plan investments	615,519	-
Differences in center's proportionate share of contributions and changes in proportion	266,169	190,514
System contributions during measurement date	-	24,079
Center contributions subsequent to the measurement date	426,972	-
<b>Total</b>	<b>\$ 1,951,845</b>	<b>\$ 295,470</b>

**RED RIVER TECHNOLOGY CENTER NO. 19  
STEPHENS COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**Employee Retirement System (continued)**

Deferred pension outflows totaling \$429,792 resulting from the Center’s contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. The deferred inflows totaling \$80,077 resulting from differences between expected and actual experience will be recognized in pension expense using the average expected remaining service life of the plan participants. The average expected remaining life of the plan participants is determined by taking the calculated total future service years of the plan participants divided by the number of people in the Plan including retirees. The total future service years of the plan participants are estimated at 5.23 years at June 30, 2023, and are determined using the mortality, termination, retirement and disability assumptions associated with the Plan.

Deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended,		
2024	\$	425,005
2025		313,328
2026		(41,032)
2027		538,650
2028		(6,368)
	\$	<u>1,229,583</u>

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

- Actuarial Cost method-Entry Age Normal
- Inflation – 2.25 percent
- Future Ad Hoc Cost-of-Living Increases-None
- Salary Increases-Composed of 2.25 percent wage inflation, plus .75 percent productivity increase rate, plus step-rate promotional increase for members with less than 25 years of service.
- Investment Rate of Return-7.00 percent
- Retirement Age-Experience-based table of rates based on age, service, and gender. Adopted by the Board in July 2020 in conjunction with the five-year experience study for the period ending June 30, 2019.
- Mortality rates after retirement-Males & Females: 2020 GRS Southwest Region Teacher Mortality table. Generational mortality improvements with the Ultimate MP scales are projected from the Year 2020.
- Mortality rates for Active Members-PUB-2010 Teachers Activity Mortality Table. Generation Mortality improvements in accordance with the Ultimate MP scales are projected from the Year 2010.

**RED RIVER TECHNOLOGY CENTER NO. 19  
STEPHENS COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**Employee Retirement System (continued)**

The target asset allocation and best estimates of arithmetic expected real rates of return for each major asset class as of June 30, 2023 are as follows:

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

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

Discount rate – A single discount rate of 7.00% was used to measure the total pension liability as of June 30, 2022. This single discount rate was based solely on the expected rate of return on pension plan investments of 7.00%. Based on the stated assumptions and the projection of cash flows, the pension plan’s fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine total pension liability.

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

The following presents the Center’s proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Center’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage point higher (8.00%) than the current rate:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Center’s proportionate share of the net pension liability	<u>\$ 9,103,490</u>	<u>\$ 6,465,519</u>	<u>\$ 4,296,798</u>

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

**8. Other Post-Employment Benefits (OPEB)**

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

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

**RED RIVER TECHNOLOGY CENTER NO. 19  
STEPHENS COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**OPEB (continued)**

Contributions – Employer and employee contributions are made based upon the TRS Plan provisions contained in Title 70, as amended. However, the statutes do not specify or identify any particular contribution source to pay the health insurance subsidy. Based on the contribution requirements of Title 70 employers and employees contribute a single amount based on a single contribution rate as described in Note 7; from this amount OTRS allocates a portion of the contributions to the supplemental health insurance program. The cost of the supplemental health insurance program averages 1.5% of normal cost, as determined by an actuarial valuation. Contributions allocated to the OPEB plan from the District were \$4,786.

OPEB Liabilities (Assets), 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 \$35,595 for its proportionate share of the new OPEB asset. The net OPEB asset was measured as of June 30, 2022, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of June 30, 2022. The District’s proportion of the net OPEB asset was based on the District’s contributions received by the OPEB plan relative to the total contributions received by the OPEB plan for all participating employers as of June 30, 2023. Based upon this information, the District’s proportion was 0.081375% percent.

For the year ended June 30, 2023, the District recognized OPEB expense of \$4,786. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 11,849
Changes in assumptions	10,734	-
Net difference between projected and actual earnings on OPEB plan investments	14,883	-
Changes in proportion	245	1,235
Contributions during measurement date	5,456	2,858
District contributions subsequent to the measurement date	4,786	-
<b>Total</b>	<b>\$ 36,104</b>	<b>\$ 15,942</b>

The \$4,786 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2024	\$ 2,176
2025	1,499
2026	(2,515)
2027	13,868
2028	234
Thereafter	112
<b>Total</b>	<b>\$ 15,376</b>

**RED RIVER TECHNOLOGY CENTER NO. 19  
STEPHENS COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**OPEB (continued)**

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate – The following presents the net OPEB liability (asset) of the employer calculated using the discount rate of (7.0%), as well as what the Plan’s net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.0%) and 1-percentage-point higher (8.0%) than the current rate:

	1% Decrease (6.0%)		Current Discount Rate (7.0%)		1% Increase (8.0%)
Employer’s Net OPEB Liability (asset) \$	1,483	\$	(35,595)	\$	(66,992)

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

**9. General Long-Term Debt**

State statutes prohibit the Center from becoming indebted in an amount exceeding the revenue to be received for any fiscal year without approval by the Center’s voters.

At June 30, 2022, the Center had not incurred any debt under these provisions.

**10. Lease Commitments**

The Center had no capital lease commitments at June 30, 2023.

**11. Litigation**

The Center is contingently liable for lawsuits and other claims in the ordinary course of its operations. The settlement of such contingencies under the budgetary process would require appropriation of revenues yet to be realized and would not materially affect the financial position of the Center at June 30, 2023.

**12. Contingent Liabilities**

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

**13. Risk Management**

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



**RED RIVER TECHNOLOGY CENTER NO. 19  
STEPHENS COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**Risk Management (continued)**

The School also participates in a risk pool for Workers' Compensation coverage in which there is transfer or pooling of risks among the participants of that pool. In accordance with GASB No. 10, the School reports the required contribution to the pool, net of refunds, as insurance expense. The risk pool is the Oklahoma School Assurance Group (OSAG), an organization formed for the purpose of providing workers' compensation coverage to participating schools in the State of Oklahoma in that capacity, OSAG is 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 OSAG, the Center is required to pay fees set by OSAG according to an established payment schedule. A portion of the fees paid by the Center goes into a loss fund for the Center. The fee for the loss fund is calculated by projecting losses based on the schools losses for the last five years. OSAG provides coverage in excess of the Loss Fund, so the Center's liability for claim loss is limited to the balance of the loss fund. If the Center does not use their loss fund in three years, it is returned to them with no interest.

The Center participates in the Oklahoma Public Schools Unemployment Compensation Account under the sponsorship of the Oklahoma State School Boards Association and the cooperative council for Oklahoma School Administration. The account was established to let school districts self-insure unemployment benefits for school employees. The funds are held in the name of each school district as reserves to pay unemployment claims. Each school district is individually liable for that portion of the benefits paid from the fund attributable to wages paid by the school district in the same manner as if no group account had been established. The reserve funds may be withdrawn from the account upon request of the school district. At June 30, 2023, the Red River Technology Center had reserves on deposit with the Oklahoma Public Schools Unemployment Compensation Accounting totaling \$6,486.23. This amount has been shown as a prepaid expense on the financial statements.

**14. Surety Bonds**

The treasurer is bonded by RLI Surety, bond number RSB8007187, for the penal sum of \$100,000 for the term of July 1, 2022, to June 30, 2023.

The encumbrance clerk/minutes clerk is bonded by RLI Surety, bond number RSB8007187, for the penal sum of \$100,000 for the term of July 1, 2022, to June 30, 2023.

The superintendent is bonded by RLI Surety, bond number RSB8007187, for the penal sum of \$100,000 for the term of July 1, 2022, to June 30, 2023.

The activity fund custodian is bonded by RLI Surety, bond number RSB8007187, for the penal sum of \$100,000 for the term of July 1, 2022, to June 30, 2023.

**15. Long-Term Liabilities**

The following is a summary of long-term liabilities of the Center for the year ended June 30, 2023.

	Balance July 1, 2022		Additions		Retirements		Balance June 30, 2023
Retirement Incentive	\$ 22,225	\$	104,355	\$	-	\$	63,290
Compensated Absences	\$ 696,217	\$	-	\$	638,393	\$	57,824
<b>Total</b>	<b>\$ 121,114</b>	<b>\$</b>	<b>104,355</b>	<b>\$</b>	<b>638,393</b>	<b>\$</b>	<b>121,114</b>
Less							
Amount Due in one Year							(66,065)
<b>Total Non-Current Liabilities</b>						<b>\$</b>	<b>55,049</b>

**RED RIVER TECHNOLOGY CENTER NO. 19  
STEPHENS COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**16. Tax Abatement**

The State of Oklahoma has authorized by Oklahoma Statute 62-850, the creation of tax increment financing (TIF) districts. These districts are intended to provide incentives and exemptions from taxation within certain areas to encourage investment, development, and economic growth. There are no TIF districts within the Center's boundaries.

Oklahoma Statute Title 31 offers a homestead exemption of up to 1 acre of property in an urban area or 160 acres in a rural area. These homestead exemptions reduce the ad valorem taxes remitted to the Center. The abated tax for Homestead exemption was approximately \$260,302,

**COMBINING FINANCIAL STATEMENTS**

**RED RIVER TECHNOLOGY CENTER NO. 19  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2023**

	Private - Purpose Trusts	Activity Fund	
	Endowment/ Scholarship Funds	Scholarships	Total
<u>ASSETS</u>			
Cash	\$ 66,253	\$ 50,944	\$ 117,197
Investments	-	-	-
Accounts receivable	-	-	-
<b>Total assets</b>	<b>\$ 66,253</b>	<b>\$ 50,944</b>	<b>\$ 117,197</b>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Due to student organizations	\$ -	\$ -	-
Due to other funds	-	-	-
<b>Total liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>
Fund balances:			
Unreserved/undesignated	\$ -	\$ -	-
Reserved for scholarships	66,253	50,944	117,197
<b>Total fund balances</b>	<b>\$ 66,253</b>	<b>\$ 50,944</b>	<b>\$ 117,197</b>
<b>Total liabilities and fund balances</b>	<b>\$ 66,253</b>	<b>\$ 50,944</b>	<b>\$ 117,197</b>

**RED RIVER TECHNOLOGY CENTER NO. 19  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR YEAR ENDED JUNE 30, 2023**

	<u>Private- Purpose Trust</u>	<u>Activity Fund</u>	
	<u>Scholarships/ Endowment</u>	<u>Scholarships</u>	<u>Total</u>
<b>ADDITIONS</b>			
Gifts and contributions	\$ -	\$ 28,098	\$ 28,098
Interest and dividends	1,644	-	1,644
Gains	4,545	-	4,545
Total Additions	<u>6,189</u>	<u>28,098</u>	<u>34,287</u>
<b>DEDUCTIONS</b>			
Scholarships awarded	1,500	28,686	30,186
Management fees	1,270	-	1,270
Losses	-	-	-
Total Deductions	<u>2,770</u>	<u>28,686</u>	<u>31,456</u>
Changes in Net Position	3,419	(588)	2,831
Net Position - July 1, 2022	<u>62,834</u>	<u>51,532</u>	<u>114,366</u>
Net Position - June 30, 2023	<u>\$ 66,253</u>	<u>\$ 50,944</u>	<u>\$ 117,197</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**RED RIVER TECHNOLOGY CENTER NO. 19**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Fund balances, beginning of year	\$ 3,856,443	\$ 3,856,443	\$ 3,856,443	\$ -
Revenues				
Local sources	\$ 5,303,396	\$ 5,303,396	\$ 6,595,685	\$ 1,292,289
Intermediate sources	-	-	-	-
State sources	2,403,607	2,403,607	2,420,304	16,697
Federal sources	<u>242,341</u>	<u>242,341</u>	<u>440,771</u>	<u>198,430</u>
Total revenues	\$ <u>7,949,344</u>	\$ <u>7,949,344</u>	\$ <u>9,456,760</u>	\$ <u>1,507,416</u>
Expenditures				
Instruction	\$ 4,541,444	\$ 4,541,444	\$ 3,862,622	\$ 678,822
Support services	5,532,340	5,532,340	4,836,838	695,502
Non-instructional services	768,985	768,985	527,184	241,801
Capital outlay	499,279	499,279	470,225	29,054
Other outlays	61,339	61,339	39,179	22,160
Other uses	<u>402,400</u>	<u>402,400</u>	<u>298,099</u>	<u>104,301</u>
Total expenditures	\$ <u>11,805,787</u>	\$ <u>11,805,787</u>	\$ <u>10,034,147</u>	\$ <u>1,771,640</u>
Excess of revenues over/ (under) expenses before adjustments to prior year encumbrances	\$ <u>-</u>	\$ <u>-</u>	\$ <u>3,279,056</u>	\$ <u>3,279,056</u>
Adjustments to prior year encumbrances			<u>360,110</u>	
Other financing sources (uses):				
Bank charges			<u>(3,925)</u>	
Total other financing sources (uses)			<u>(3,925)</u>	
Cash fund balance end of year - Budgetary Basis			<u>\$ 3,635,241</u>	
Reconciliation of budgetary fund balance with GAAP fund balance				
Budgetary fund balance June 30, 2023			\$ 3,635,241	
Accounts receivable not recognized as revenue			378,144	
Expenses not recognized in budgetary basis			(132,373)	
Expenses not recognized in GAAP basis (encumbrances & prepaid insurance)			<u>873,705</u>	
GAAP basis fund balance June 30, 2023			<u>\$ 4,754,717</u>	

**RED RIVER TECHNOLOGY CENTER NO. 19**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS**  
**BUILDING FUND**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Fund balances, beginning of year	\$ 1,517,500	\$ 1,517,500	\$ 1,517,500	\$ -
Revenues				
Local sources	\$ 947,896	\$ 947,896	\$ 2,250,799	\$ 1,302,903
Intermediate sources	-	-	-	-
State sources	-	-	-	-
Federal sources	-	-	-	-
Total revenues	<u>\$ 947,896</u>	<u>\$ 947,896</u>	<u>\$ 2,250,799</u>	<u>\$ 1,302,903</u>
Expenditures				
Instruction	\$ 9,000	\$ 9,000	\$ 9,000	\$ -
Support services	2,406,080	2,406,080	2,382,078	24,002
Non-instructional services	-	-	-	-
Capital outlay	50,316	50,316	50,115	201
Total expenditures	<u>\$ 2,465,396</u>	<u>\$ 2,465,396</u>	<u>\$ 2,441,193</u>	<u>\$ 24,203</u>
Excess of revenues over/(under) expenses paid before adjustments to prior year encumbrances	<u>\$ -</u>	<u>\$ -</u>	\$ 1,327,106	<u>\$ 1,327,106</u>
Adjustments to prior year encumbrances			<u>104,264</u>	
Other financing sources (uses):				
Bank charges			<u>\$ (2,077)</u>	
Total other financing sources (uses)			<u>\$ (2,077)</u>	
Cash fund balance end of year - Budgetary Basis			<u>\$ 1,429,293</u>	
Reconciliation of budgetary basis fund balance with GAAP fund balance				
Budgetary fund balance June 30, 2023			\$ 1,429,293	
Expenses Not Recongized in Budgetary Basis			(373,584)	
Accounts receivable not recognized as revenue			23,122	
Encumbrances Not Recongized in GAAP Basis			<u>1,868,720</u>	
GAAP basis fund balance June 30, 2023			<u>\$ 2,947,551</u>	



RED RIVER TECHNOLOGY CENTER NO. 19  
 STEPHENS COUNTY, OKLAHOMA  
 SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 OKLAHOMA TEACHERS RETIREMENT SYSTEM  
 LAST TEN FISCAL YEARS\*  
 FOR THE YEAR END JUNE 30, 2023

	2015	2016	2017	2018	2019	2020	2021	2022	2023
School's Proportion of the net pension liability	0.07873500%	0.07850600%	0.07846358%	0.07695640%	0.07506287%	0.77789470%	0.07648916%	0.08136797%	0.07875772%
School's proportionate share of the net pension liability	\$ 4,235,827	4,767,481	6,548,225	5,095,523	4,536,884	5,148,107	7,257,101	4,156,949	\$ 6,465,519
School's covered-employee payroll	\$ 3,383,785	3,476,458	3,374,052	3,319,736	3,611,878	3,689,810	3,985,177	4,121,228	\$ 4,243,236
School's proportionate share of the net pension liability as a percentage of its covered-employee payroll	125%	137%	194%	153%	126%	140%	182%	101%	152%
Plan fiduciary net position as a percentage of total pension liability	72.43%	70.31%	62.24%	69.32%	72.74%	71.56%	63.47%	80.80%	70.05%

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

**Note to Schedule:**

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

RED RIVER TECHNOLOGY CENTER NO. 19  
 STEPHENS COUNTY, OKLAHOMA  
 SCHEDULE OF THE CONTRIBUTIONS  
 OKLAHOMA TEACHERS RETIREMENT SYSTEM  
 LAST TEN FISCAL YEARS\*

FOR THE YEAR END JUNE 30, 2023

	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution	\$ 301,957	315,543	310,058	353,898	364,104	378,592	412,107	\$ 426,792
Contributions in relation to the contractually required contribution	301,957	315,543	310,058	353,898	364,104	378,592	412,107	426,792
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
School's covered-employee payroll	\$ 3,178,493	3,321,507	3,263,766	3,611,878	3,689,810	3,985,177	4,121,228	\$ 4,243,236
Contributions as a percentage of covered-employee payroll	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.90%	10.06%

Notes to Schedule:

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

RED RIVER TECHNOLOGY CENTER NO. 19  
 STEPHENS COUNTY, OKLAHOMA  
 SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)  
 SUPPLEMENTAL HEALTH INSURANCE PROGRAMS  
 LAST TEN FISCAL YEARS\* (DOLLAR AMOUNTS IN THOUSANDS)  
 FOR THE YEAR END JUNE 30, 2023

	2018	2019	2020	2021	2022	2023
District's portion of the net OPEB liability (asset)	0.07695600%	0.07506287%	0.07778947%	0.07646916%	0.08137500%	0.08137500%
District's proportionate share of the net OPEB liability (asset)	\$ (34,318)	\$ (48,510)	\$ (48,113)	\$ (7,576)	\$ (103,648)	\$ (35,595)
District's covered payroll	\$ 3,319,736	\$ 3,611,878	\$ 3,689,810	\$ 3,985,177	\$ 4,121,228	\$ 4,243,236
District's proportionate share of the new OPEB liability (asset) as a percentage of its Covered-employee payroll	1.03%	1.34%	1.30%	0.19%	2.51%	0.84%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	110.40%	115.41%	115.07%	102.30%	129.91%	110.31%

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

**Notes to Schedule:**

Only the current and prior fiscal year is presented because 10-year data is not yet available.

RED RIVER TECHNOLOGY CENTER NO. 17  
 STEPHENS COUNTY, OKLAHOMA  
 SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
 SUPPLEMENTAL HEALTH INSURANCE PROGRAMS  
 LAST TEN FISCAL YEARS\* (DOLLAR AMOUNTS IN THOUSANDS)  
 FOR THE YEAR END JUNE 30, 2023

	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution	\$ 4,906	\$ 4,929	\$ 4,809	\$ 686	\$ 745	\$ 5,094	\$ 4,786
Contributions in relation to the contractually required contribution	4,906	4,929	4,809	686	745	5,094	4,786
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 3,263,766	\$ 3,319,736	\$ 3,611,878	\$ 3,689,810	\$ 3,985,177	\$ 4,121,228	\$ 4,243,236
Contributions as a percentage of covered-payroll	0.15%	0.15%	0.13%	0.19%	0.02%	0.12%	0.11%

**Notes to Schedule:**

Only the current and prior three (3) fiscal years are presented because 10-year data is not yet available.

**SUPPORTING SCHEDULES**

RED RIVER TECHNOLOGY CENTER NO. 19  
 SCHEDULE OF FEDERAL AWARDS EXPENDED  
 FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Grantor's Number	Balance at July 1, 2022	Revenue	Expenditures	Balance at June 30, 2023
<u>U.S. Department of Education</u>						
Direct Programs:						
Pell Grant	84.063	P063P222640	-	228,681	230,405	(1,724)
Pell Grant Adm. Fee	84.063	P063Q222640	-	10	10	-
Sub-Total			-	228,691	230,415	(1,724)
Passed-through State Department of Education:						
Title II, Adult Basic Education	84.002	N/A	(29,145)	64,878	83,941	(48,208)
Sub-Total			(29,145)	64,878	83,941	(48,208)
Passed-Through State Department of Career and Technology Education:						
Carl Perkins Secondary	84.048	N/A	(25,420)	97,620	144,992	(72,792)
Sub-Total			(25,420)	97,620	144,992	(72,792)
<u>U.S. Department of Defense</u>						
Passed-through State Department of Career and Technology Education:						
Bid Assistance Center	12.002	N/A	-	49,583	49,583	-
Sub-Total			-	49,583	49,583	-
<u>Other Federal Assistance</u>						
Passed-through Jefferson County						
Sub-Marginal Lands	10.666	N/A	-	-	-	-
Sub-Total			-	-	-	-
<b>TOTAL FEDERAL ASSISTANCE</b>			<u>(54,565)</u>	<u>440,772</u>	<u>508,931</u>	<u>(122,724)</u>

The accompanying notes are an integral part of this schedule.

**RED RIVER TECHNOLOGY CENTER NO. 19**  
**A COUNTY, OKLAHOMA**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**Note A: Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Red River Technology Center No. 19 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 US. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements/or Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Red River Technology Center No. 19 it is not intended to and does not present the basic financial statements as listed in the table of contents of Red River Technology Center No. 19.

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

Revenues and expenditures reported on the Schedule are reported on using the regulatory 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. This basis of accounting recognizes revenue from all sources when received. Expenditures are considered to be recognized when encumbered or reserved.

**Note C: Indirect Cost Rate**

Red River Technology Center No. 19 has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**Note D: Subrecipients**

Red River Technology Center No. 19 did not have any awards that have been passed through to subrecipients.

**RED RIVER TECHNOLOGY CENTER NO. 19  
SCHOOL ACTIVITY FUND  
STATEMENT OF REVENUE, EXPENDITURES, AND FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2023**

Activities	Balance 7-1-22	Revenue	Net Transfers/ Adjustments	Expenditure s	Balance 6-30-23
Pell Clearing Acct.	\$ 32	\$ 88,791	\$ (16,871)	\$ 71,920	\$ 32
LPN Graduation/Sunshine	1,202	-	-	-	1,202
HCC Sunshine Fund	13	-	-	-	13
Vending	501	7,684	(2,107)	5,580	498
Miscellaneous	409	3,384	2,094	2,067	3,820
LPN	-	116,529	(34)	116,495	-
Skills USA	82	1,562	34	1,452	226
BPA	4,509	400	20	420	4,509
HOSA	396	1,471	34	1,190	711
Sunshine Fund	764	807	-	1,201	370
Postage and Freight	91	10	-	-	101
Health Career Certification	-	1,282	24	574	732
Bd. Members Insurance Prem.	410	14,923	-	14,975	358
Student Activites Non-Instructional	612	389	(13)	376	612
Bio-Med Sunshine Fund	1	-	-	-	1
Pre-Engineering Sunshine Fund	150	-	-	-	150
Cosmetology	-	2,311	(680)	1,051	580
Welding	-	21	-	21	-
Auto Mechanics II	-	3,484	-	3,484	-
Business Technology	-	20	(20)	-	-
Auto Collision	-	817	-	817	-
Cosmetology Resale	-	429	659	1,088	-
Robotics	87	-	-	-	87
Livework Lab Fees	12,155	1,035	90	-	13,280
Food Service	-	90,484	(14)	90,470	-
Student Store	-	4,640	-	4,240	400
Auction Sale	150	12,701	-	12,851	-
OTAG & OHLAP	-	3,526	-	3,526	-
Dodge Scan/Blueprint Copies	3	3,593	5	3,601	-
Contracted Training Services	-	28,199	-	28,199	-
Safety Training	113	4,530	-	4,643	-
Adult Ed Tuition	912	108,561	25	107,793	1,705
Adult Ed Books/Fees/Supplies	581	90,513	45	88,639	2,500
Adult Ed Day Students	-	-	-	-	-
Adult Day Books/Supp/Test Fee	-	189	20	209	-
Credit Card Revenue	-	35	-	-	35
<b>Total Activities</b>	<b>\$ 23,173</b>	<b>\$ 592,320</b>	<b>\$ (16,689)</b>	<b>\$ 566,882</b>	<b>\$ 31,922</b>
Transfer to General Fund	-	(326,161)	-	(326,161)	-
<b>Total</b>	<b>\$ 23,173</b>	<b>\$ 266,159</b>	<b>\$ (16,689)</b>	<b>\$ 240,721</b>	<b>\$ 31,922</b>



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

# Patten & Odom, CPAs, PLLC

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

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

The Honorable Board of Education  
Red River Technology Center No. 19  
Stephens County, Oklahoma

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Red River Technology Center No. 19, Stephens County, Oklahoma, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Center's financial statements, and have issued our report thereon dated March 5, 2024.

### **Internal Control over Financial Reporting**

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

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

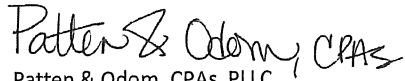
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

### **Compliance and Other Matters**

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

**Purpose of this Report**

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



Patten & Odom, CPAs, PLLC

Broken Arrow, Oklahoma

March 5, 2024

**RED RIVER TECHNOLOGY CENTER NO. 19  
STEPHENS COUNTY, OKLAHOMA  
SUMMARY OF PRIOR AUDIT FINDINGS  
JULY 1, 2022 TO JUNE 30, 2023**

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

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

**RED RIVER TECHNOLOGY CENTER NO. 19  
STEPHENS COUNTY, OKLAHOMA  
SCHEDULE OF COMMENTS  
JULY 1, 2022 TO JUNE 30, 2023**

Based on our tests of accounting records and related procedures, we found nothing to indicate that Red River Technology Center No. 19 had not complied with significant compliance rules and regulations of the Oklahoma State Department of Career & Technology Education.

**Previous Year's Audit Comments**

There were no items in the school's 2021-22 audit report which required resolution during fiscal year 2023.

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

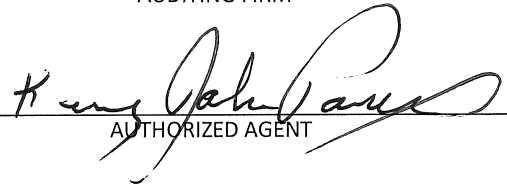
RED RIVER TECHNOLOGY CENTER NO. 19  
STEPHENS COUNTY, OKLAHOMA  
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE AFFIDAVIT  
JULY 1, 2022 TO JUNE 30, 2023

State of Oklahoma)  
County of Tulsa)

The undersigned auditing firm of lawful age, being first duly sworn on oath, says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with Red River Technology Center for the audit year 2022-2023.

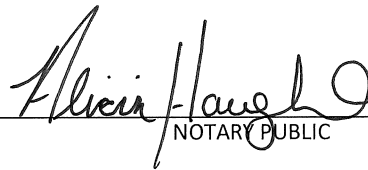
Patten & Odom, CPAs, PLLC  
AUDITING FIRM

BY

  
AUTHORIZED AGENT

Subscribed and sworn to before me on this

5<sup>th</sup> day of March, 2024

  
NOTARY PUBLIC

My commission expires on:

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

