

**AUDITED FINANCIAL STATEMENTS
AND REPORTS OF INDEPENDENT AUDITOR**

**TRI COUNTY TECHNOLOGY CENTER NO. 1
WASHINGTON COUNTY, OKLAHOMA**

JUNE 30, 2023



JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.



JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

JACK JENKINS, CPA
MICHAEL KEMPER, CPA

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education
Tri County Technology Center No. VT-001
Bartlesville, Oklahoma 74006-6029

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Tri County Technology Center No. VT-001, Bartlesville, Oklahoma (the "Center") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements as listed in the table of contents.

In our opinion, the 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 Tri County Technology Center No. VT-001, Washington County, Oklahoma as of June 30, 2023, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Tri County Technology Center No. VT-001, Bartlesville, Oklahoma and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting

from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards 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 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 on pages 7-16, Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual on pages 47-48, Schedule of Proportionate Share of the Net Pension Liability on page 45 and Schedule of Contributions on page 46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the method of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Center's basic financial statements. The combining fund statements, regulatory basis, listed in the accompanying table of contents are presented for purpose of additional analysis, and are not a required part of the basic financial statements. The schedule of federal expenditures is presented for purposes of additional analysis and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of federal expenditures are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 financial statements or to the financial statements themselves, and other additional procedures in accordance

with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of federal expenditures are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 19, 2023, on our consideration of the Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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.

Jenkins & Kemper, CPAs P.C.

Jenkins & Kemper
Certified Public Accountants, P.C.

December 19, 2023

MANAGEMENT'S DISCUSSION & ANALYSIS

TRI COUNTY TECHNOLOGY CENTER NO. 1

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2023

The discussion and analysis of *Tri County Technology Center No. 1*'s financial performance provides an overall review of the Technology Center's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the Technology Center's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the Technology Center's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2023 are as follows:

- In total, net position increased \$18 thousand from fiscal year 2022. Net position of governmental activities increased \$99 thousand from fiscal year 2022. Net position of the business-type activity, including food and childcare services, decreased \$82 thousand from fiscal year 2022.
- **General** revenues accounted for \$14,012 thousand in revenue or 86 percent of all revenues. Program-specific revenues, in the form of charges for services and sales, grants, and contributions, accounted for \$2,260 thousand or 14 percent of total revenues of \$16,272 thousand. Fiscal year 2023 total revenue increased from fiscal year 2022 by \$168 thousand.
- Total assets of governmental activities increased by \$1,852 thousand, primarily due to the increase in cash and capital assets.
- The Technology Center had \$15,000 thousand in expenses related to governmental activities; only \$1,297 thousand of these expenses were offset by program specific charges for services and sales, grants, and contributions. General and building revenues (primarily property taxes, and state funding) of \$14,012 thousand were adequate to provide for these programs.¹

¹Unaudited - See Independent Auditor's Report

TRI COUNTY TECHNOLOGY CENTER NO. 1

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(continued)

Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand *Tri County Technology Center No. 1* as a financial whole, or as an entire operating entity.

The statement of net assets and statement of activities provide information about the activities of the whole Technology Center, presenting both an aggregate view of the Technology Center's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Technology Center's most significant funds with all other non-major funds presented in total in a single column. For *Tri County Technology Center*, the General Fund is the most significant.

Reporting the Technology Center as a Whole

Statement of Net Position and Statement of Activities

While this report contains the large number of funds used by the Technology Center to provide programs and activities, the view of the Technology Center looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2023?" The statement of net position and the statement of activities answer this question. These statements include all assets, liabilities, deferred outflows, and deferred inflows of resources using the accrual basis of accounting similar to the accounting system used by most private sector companies. This basis of accounting considers all the current year's revenues and expenses regardless of when cash was received or paid.

These two statements report the Technology Center's net position and changes in those assets. This change in net position is important because it identifies whether the financial position of the Technology Center has improved or diminished, as a whole. The cause of this change may be the result of many factors, some financial, some not. Non-financial factors include the Technology Center's property tax base, current property tax laws in Oklahoma restricting revenue growth, facility conditions, required educational programs, and other factors.²

² Unaudited - See Independent Auditor's Report

TRI COUNTY TECHNOLOGY CENTER NO. 1

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(continued)

Reporting the Technology Center as a Whole (continued)

Statement of Net Position and Statement of Activities (continued)

In the statement of net position and the statement of activities, the Technology Center is divided into two distinct kinds of activities:

Governmental Activities – Most of the Technology Center's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, and extracurricular activities.

Business-Type Activities – This service is provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The Food Service and Child Care Service enterprise funds are reported as business activities.

Reporting the Technology Center's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the Technology Center's major funds. The Technology Center uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Technology Center's most significant funds. The Technology Center's major governmental funds are the General Fund, Building Fund and Student Activity Fund.

Governmental Funds

Most of the Technology Center's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal year end for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide

3

TRI COUNTY TECHNOLOGY CENTER NO. 1

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(continued)

Reporting the Technology Center's Most Significant Funds (continued)

Governmental Funds (continued)

a detailed short-term view of the Technology Center's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs. The relationship, or differences, between governmental activities reported in the statement of net assets and the statement of activities and the governmental funds is reconciled in the financial statements.

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

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

On June 30, 2023, the Center reported a net pension liability of \$9,448,387 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Center's proportion of the net pension liability was based on a projection of the Center's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. On June 30, 2022, the Center's proportion was 0.113%.⁴

⁴ Unaudited - See Independent Auditor's Report

TRI COUNTY TECHNOLOGY CENTER NO. 1

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(continued)

The Technology Center as a Whole

The perspective of the statement of net position is of the Technology Center as a whole. Table 1 provides a summary of the Technology Center's net position for 2023 compared to 2022:

Table 1
Net Position

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>						
Current and other assets	\$ 20,015,310	19,105,367	3,226	3,647	20,018,536	19,109,014
Noncurrent assets	11,904	11,862	-	-	11,904	11,862
Capital assets, net	<u>15,293,322</u>	<u>14,351,312</u>	<u>914,069</u>	<u>995,256</u>	<u>16,207,391</u>	<u>15,346,568</u>
Total assets	<u>35,320,536</u>	<u>33,468,541</u>	<u>917,295</u>	<u>998,903</u>	<u>36,237,831</u>	<u>34,467,444</u>
Deferred outflows related to pensions	<u>2,514,836</u>	<u>1,897,785</u>			<u>2,514,836</u>	<u>1,897,785</u>
<u>LIABILITIES</u>						
Current and other liabilities	1,895,385	459,568			1,895,385	459,568
Noncurrent liabilities	<u>9,605,464</u>	<u>5,959,674</u>			<u>9,605,464</u>	<u>5,959,674</u>
Total liabilities	<u>11,500,849</u>	<u>6,419,242</u>			<u>11,500,849</u>	<u>6,419,242</u>
Deferred inflows related to pensions	<u>118,188</u>	<u>3,283,612</u>			<u>118,188</u>	<u>3,283,612</u>
Deferred inflows related to succeeding year property tax	<u>9,996,497</u>	<u>9,542,951</u>			<u>9,996,497</u>	<u>9,542,951</u>
<u>NET POSITION</u>						
Investment in capital assets	15,293,322	14,351,312	914,069	995,256	16,207,391	15,346,568
Restricted						
Unemployment Compensation	11,904	11,682			11,904	11,682
Pension	75,061	73,244			75,061	73,244
Building	3,999,490	4,673,356			3,999,490	4,673,356
Unrestricted	<u>(3,159,939)</u>	<u>(2,989,253)</u>	<u>3,226</u>	<u>3,647</u>	<u>(3,156,713)</u>	<u>(2,985,606)</u>
Total net position	<u>\$ 16,219,838</u>	<u>16,120,521</u>	<u>\$ 917,295</u>	<u>998,903</u>	<u>\$ 17,137,133</u>	<u>17,119,424</u>

Total assets increased \$1,770 thousand. The net position of the Technology Center's governmental activities increased \$99 thousand. The net position of the business-type activities decreased \$82 thousand.

TRI COUNTY TECHNOLOGY CENTER NO. 1

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2023

Table 2 reflects the change in net position for fiscal year 2023.⁵

	Governmental		Business-Type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for services and sales	\$ 1,081,437	1,312,647	963,139	705,726	2,044,576	2,018,373
Operating grants and contributions	215,647				215,647	
Total program revenues	<u>1,297,084</u>	<u>1,312,647</u>	<u>705,726</u>	<u>705,726</u>	<u>2,260,223</u>	<u>2,018,373</u>
General Revenues:						
Property taxes	9,670,505	9,228,464			9,670,505	9,228,464
State aid formula grant	2,512,286	2,329,365			2,512,286	2,329,365
Other state aid	850,794	569,667			850,794	569,667
Federal grants	-	-			-	-
Student activities	671,485	625,730			671,485	
Interest and investment earnings	235,764	8,226			235,764	8,226
Miscellaneous income	95,406	1,324,507			95,406	1,324,507
Transfers-internal activities	(210,321)	(587,211)	210,321	587,211	-	-
Estopped warrants	(23,989)	-			(23,989)	-
Adjustment to prior year encumbrances	-	-			-	-
Total general revenues	<u>13,801,930</u>	<u>13,498,748</u>	<u>210,321</u>	<u>587,211</u>	<u>14,012,251</u>	<u>14,085,959</u>
Total revenues	<u>15,099,014</u>	<u>14,811,395</u>	<u>1,173,460</u>	<u>1,292,937</u>	<u>16,272,474</u>	<u>16,104,332</u>
Program Expenses:						
Instruction	\$ 5,767,178	5,264,724			5,767,178	5,264,724
Support services	8,086,728	6,822,872			8,086,728	6,822,872
Non-instructional	604,047	429,467			604,047	429,467
Facilities, acq. & const. services	490,669	105,203			490,669	105,203
Other outlays	51,075	41,234			51,075	41,234
Food services	-	-	467,072	562,260	467,072	562,260
Child care services	-	-	787,996	797,122	787,996	797,122
Total expenses	<u>14,999,697</u>	<u>12,663,500</u>	<u>1,255,068</u>	<u>1,359,382</u>	<u>16,254,765</u>	<u>14,022,882</u>
Increase (decrease) in net position	<u>\$ 99,317</u>	<u>2,147,895</u>	<u>(81,608)</u>	<u>(66,445)</u>	<u>17,709</u>	<u>2,081,450</u>

⁵ Unaudited - See Independent Auditor's Report

TRI COUNTY TECHNOLOGY CENTER NO. 1

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(continued)

Governmental Activities

The statement of activities reflects the cost of program services and the charges for services and sales, grants, and contributions offsetting those services. Table 3, for governmental activities, indicates the total cost of services and the net cost of services. It identifies the cost of these services supported by local revenues and unrestricted state entitlements.

Table 3
Governmental Activities

	<u>Total Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Net Cost of Services</u>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Instruction	\$ 5,767,178	5,264,724	4,470,094	3,952,077
Support services	8,086,728	6,882,872	8,086,728	6,882,872
Non-instructional Facilities, acq. & const. services	604,047 490,669	429,467 105,203	604,047 490,669	429,467 105,203
Other outlays	<u>51,075</u>	<u>41,234</u>	<u>51,075</u>	<u>41,234</u>
Total expenses	\$ <u>14,999,697</u>	<u>12,663,500</u>	\$ <u>13,702,613</u>	<u>11,350,853</u>

The dependence upon local revenues for governmental activities is apparent. Twenty-two percent of instruction activities are supported through charges for services and other general revenues. For all governmental activities, general revenues support is 100 percent.

Business-Type Activity

The business-type activities of the Technology Center are the food service operation and childcare service. These programs had revenues and transfers of \$1,173 thousand and expenses of \$1,255 thousand for fiscal year 2023. Total revenues decreased \$119 thousand and expenses decreased \$104 thousand from the prior fiscal year.

The business activities receive no direct support from tax revenues.⁶

⁶ Unaudited - See Independent Auditor's Report

TRI COUNTY TECHNOLOGY CENTER NO. 1

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(continued)

The Technology Center's Funds

The Technology Center's governmental funds are accounted for using the modified accrual basis of accounting. Total governmental funds had revenues and other financing sources of \$14,791 thousand and expenditures and other financing uses of \$15,770 thousand. The General Fund fund balance decreased by \$307 thousand due to decreased state funding and increased instructional expenditures. The Building Fund fund balance decreased by \$674 thousand due to increased facilities, acquisition, and construction services for the cosmetology remodeling project.

General Fund Budgeting Highlights

The Technology Center's budget is prepared according to Oklahoma law and is based on accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The most significant budgeted funds were the General Fund and Building Fund.

During fiscal 2023, the Technology Center amended its General Fund budget as needed. The Technology Center uses a site-based budget. The budgeting systems are designed to control total site budgets tightly but provide flexibility for site management.

Final budgeted revenues and other financing sources for General and Building Funds, in the amount of \$15,021 thousand, were above original budgeted revenues and other financing sources, in the amount of \$14,325 thousand. Most of this \$696 thousand difference was due to additional fund balance carryover in the building and general funds.

General fund expenditures and other financing uses were budgeted at \$14,930 thousand while actual expenditures were \$11,935 thousand. Building Fund expenditures and other financing uses were budgeted at \$6,046 thousand while actual expenditures were \$4,235 thousand.⁷

⁷ Unaudited - See Independent Auditor's Report

TRI COUNTY TECHNOLOGY CENTER NO. 1

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(continued)

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2023, the Technology Center had a \$16,207 thousand net investment in capital assets, \$15,293 thousand of which was in governmental activities. Refer to Notes to the Financial Statements on page 40 and 41 for additional detailed information regarding capital assets and long-term debt.

Table 4 reflects fiscal year 2023 balances:

Table 4
Capital Assets at June 30

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 435,533	435,533	-	-	435,533	435,533
Construction in progress	1,779,305	2,671,814	-	-	1,779,305	2,671,814
Buildings	31,875,000	29,219,611	2,140,461	2,140,461	31,360,072	31,360,072
Improvements	2,361,961	2,304,917	239,521	239,521	2,601,482	2,544,438
Machinery and equipment	3,796,692	3,683,949	140,415	140,415	3,937,107	3,824,364
Less accumulated depreciation	<u>(24,955,189)</u>	<u>(23,964,532)</u>	<u>(1,606,328)</u>	<u>(1,525,141)</u>	<u>(26,561,517)</u>	<u>(25,489,673)</u>
Total net assets	\$ <u>15,293,322</u>	<u>14,351,312</u>	<u>914,069</u>	<u>995,256</u>	<u>16,207,391</u>	<u>15,346,568</u>

The increase in capital assets is a result of the addition of the Nowata Business Development Center. Construction in progress is related to the remodel of the Cosmetology program.

TRI COUNTY TECHNOLOGY CENTER NO. 1

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(continued)

Economic Factors and Next Year's Budget

Many factors were considered by the District's administration during the process of developing the fiscal year 2023-24 budget. Among them:

- Enrollment of full-time, flex, and fast track programs
- Estimated general fund budget balance carry forward (\$3.938 million)

Also considered in the development of the budget is the local economy and inflation of the surrounding area.

Budgeted expenditures in the General Fund decreased by \$414 thousand, or 2.6 percent, to \$15.506 million in fiscal year 2023-24. The decrease ensures the District does not exceed the amount of allowable carry forward by the state.

Contacting the Technology Center's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Technology Center's finances and to reflect the Technology Center's accountability for the monies it receives. Questions about this report or additional financial information needs should be directed to Kim Smith, CPA Chief Administrative Officer, *Tri County Technology Center No. 1*, 6101 SE Nowata Rd., Bartlesville, Oklahoma 74006.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TRI COUNTY TECHNOLOGY CENTER NO. 1
STATEMENT OF NET POSITION
JUNE 30, 2023

	GOVERNMENT ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
<u>ASSETS</u>			
Current assets			
Cash, and cash equivalents	\$ 9,862,223		9,862,223
Property taxes receivable	10,134,632		10,134,632
Receivables from other governments	18,455		18,455
Inventories		3,226	3,226
Total current assets	20,015,310	3,226	20,018,536
Noncurrent assets			
Restricted assets			
Unemployment reserve funds	11,904		11,904
Total restricted assets	11,904		11,904
Capital assets			
Land and construction-in-progress	2,214,858		2,214,858
Net investment in capital assets	13,078,464	914,069	13,992,533
Total capital assets	15,293,322	914,069	16,207,391
Total noncurrent assets	15,305,226	914,069	16,219,295
Total assets	35,320,536	917,295	36,237,831
Deferred outflows of resources			
Deferred outflows related to pensions	2,514,836		2,514,836
<u>LIABILITIES AND NET POSITION</u>			
Current liabilities			
Accounts payable and other current liabilities	1,895,385		1,895,385
Noncurrent liabilities			
Accrued compensated absences	157,077		157,077
Net pension obligation	9,448,387		9,448,387
Total non-current liabilities	9,605,464		9,605,464
Total liabilities	11,500,849		11,500,849
Deferred inflows of resources			
Deferred pension plan inflows	118,188		118,188
Succeeding year property tax	9,996,497		9,996,497
Total deferred inflows of resources	10,114,685		10,114,685
Net position			
Investment in capital assets	15,293,322	914,069	16,207,391
Restricted for:			
Unemployment compensation	11,904		11,904
Building fund	3,999,490		3,999,490
Other	75,061		75,061
Unrestricted	(3,159,939)	3,226	(3,156,713)
Total net position	\$ 16,219,838	917,295	17,137,133

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

**TRI COUNTY TECHNOLOGY CENTER NO. 1
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues		Net (Expense)/Revenue and Changes in Net Position		TOTALS
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities -						
Instruction	\$ 5,767,178	1,081,437	215,647	(4,470,094)		(4,470,094)
Support services	8,086,728			(8,086,728)		(8,086,728)
Non-instructional	604,047			(604,047)		(604,047)
Facilities, acquisition and const. services	490,669			(490,669)		(490,669)
Other outlays	51,075			(51,075)		(51,075)
Total general government	<u>14,999,697</u>	<u>1,081,437</u>	<u>215,647</u>	<u>(13,702,613)</u>	<u>-</u>	<u>(13,702,613)</u>
Business-Type Activities -						
Food services	467,072	226,250			(240,822)	(240,822)
Child care services	787,996	736,889			(51,107)	(51,107)
Total business-type activities	<u>1,255,068</u>	<u>963,139</u>	<u>-</u>	<u>-</u>	<u>(291,929)</u>	<u>(291,929)</u>
Total primary government	<u>\$ 16,254,765</u>	<u>2,044,576</u>	<u>215,647</u>	<u>(13,702,613)</u>	<u>(291,929)</u>	<u>(13,994,542)</u>
General revenues-						
Property taxes				9,670,505		9,670,505
State aid formula grants				2,512,286		2,512,286
Other state aid				850,794		850,794
Student activities				671,485		671,485
Interest and investment earnings				235,764		235,764
Loss on disposal of assets				(23,989)		(23,989)
Miscellaneous income				95,406		95,406
Total general revenues				<u>14,012,251</u>	<u>-</u>	<u>14,012,251</u>
Transfers in (out)				<u>(210,321)</u>	<u>210,321</u>	<u>-</u>
Changes in net position				99,317	(81,608)	17,709
Net position, beginning of period				<u>16,120,521</u>	<u>998,903</u>	<u>17,119,424</u>
Net position, end of period				<u>\$ 16,219,838</u>	<u>917,295</u>	<u>17,137,133</u>

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

GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

**TRI COUNTY TECHNOLOGY CENTER NO. 1
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023**

	<u>GENERAL FUND</u>	<u>BUILDING FUND</u>	<u>ACTIVITY FUND</u>	<u>TOTALS</u>
<u>ASSETS</u>				
Cash, and cash equivalents	\$ 3,989,492	5,797,670	75,061	9,862,223
Property taxes receivable	6,761,092	3,373,540		10,134,632
Receivables from other governments	18,455			18,455
Total assets	<u>10,769,039</u>	<u>9,171,210</u>	<u>75,061</u>	<u>20,015,310</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable and other liabilities	51,145	1,844,240		1,895,385
Total liabilities	<u>51,145</u>	<u>1,844,240</u>	<u>-</u>	<u>1,895,385</u>
Deferred inflows of resources				
Succeeding year property tax	6,452,598	3,226,670		9,679,268
Unavailable revenue-delinquent property taxes	216,419	100,810		317,229
Total deferred inflows of resources	<u>6,669,017</u>	<u>3,327,480</u>	<u>-</u>	<u>9,996,497</u>
Fund balances				
Restricted for:				
Building		3,999,490		3,999,490
Student activities			75,061	75,061
Unrestricted	4,048,877			4,048,877
Total fund balances	<u>4,048,877</u>	<u>3,999,490</u>	<u>75,061</u>	<u>8,123,428</u>
Total liabilities and fund balances	<u>\$ 10,769,039</u>	<u>9,171,210</u>	<u>75,061</u>	

Amounts reported for governmental activities in the Statement of Net Position - Government Wide are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

Capital assets	\$ 40,248,511			
Depreciation	(24,955,189)			
				15,293,322
Other assets not available for the current period				
Unemployment compensation				11,904
Other liabilities not payable for the current period				
Compensated absences				(157,077)
Net pension liability				(9,448,387)
Pension related deferred outflows and inflows not due and payable in the current period				
Deferred pension plan outflows				2,514,836
Deferred pension plan inflows				(118,188)
Net position of governmental activities in the Statement of Net Position				<u>\$ 16,219,838</u>

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

**TRI COUNTY TECHNOLOGY CENTER NO. 1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
JUNE 30, 2023**

	GENERAL FUND	BUILDING FUND	ACTIVITY FUND	TOTALS
Revenues				
Local sources	\$ 7,698,814	3,384,298	671,485	11,754,597
State sources	2,756,085	64,278		2,820,363
Other income	162,372	53,275		215,647
Total revenues	<u>10,617,271</u>	<u>3,501,851</u>	<u>671,485</u>	<u>14,790,607</u>
Expenditures				
Instruction	5,092,373	103,657		5,196,030
Support services	5,200,716	1,481,752	669,668	7,352,136
Operation of non-instructional services	370,157	57,844		428,001
Facilities, acquisition and const. services		2,532,464		2,532,464
Other outlays	51,075			51,075
Total expenditures	<u>10,714,321</u>	<u>4,175,717</u>	<u>669,668</u>	<u>15,559,706</u>
Revenues over (under) expenditures	(97,050)	(673,866)	1,817	(769,099)
Other financing sources (uses)				
Transfers in (out)	<u>(210,321)</u>	-	-	<u>(210,321)</u>
Revenue and other sources over (under) expenditures and other uses	(307,371)	(673,866)	1,817	(979,420)
Fund balances, beginning of year	<u>4,356,248</u>	<u>4,673,356</u>	<u>73,244</u>	<u>9,102,848</u>
Fund balances, end of year	<u>\$ 4,048,877</u>	<u>3,999,490</u>	<u>75,061</u>	<u>8,123,428</u>

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

**TRI COUNTY TECHNOLOGY CENTER NO. 1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
JUNE 30, 2023**

Reconciliation of the change in fund balances - total governmental funds
to the change in net assets of governmental activities:

Net change in fund balance - total governmental funds	\$ (979,420)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the asset	
Depreciation	(1,075,796)
Fixed asset additions (deletions), net	2,017,806
Unemployment compensation deposit	42
Governmental funds report district pension contributions as expenditures however, the Statement of Activities reports pension benefits, net of contributions, as pension expense.	130,062
Compensated absences	6,623
Change in net assets of governmental activities	<u>\$ 99,317</u>

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

PROPRIETARY FUNDS FINANCIAL STATEMENTS

TRI COUNTY TECHNOLOGY CENTER NO. 1
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2023

<u>ASSETS</u>	<u>FOOD SERVICE</u>	<u>CHILD CARE SERVICES</u>	<u>TOTALS</u>
Current assets			
Inventories	\$ 3,226		3,226
Noncurrent assets			
Capital assets, net	364,631	549,438	914,069
Total Assets	367,857	549,438	917,295
<u>LIABILITIES AND NET POSITION</u>			
Net position			
Investment in capital assets	364,631	549,438	914,069
Unrestricted net position	3,226		3,226
Total net position	\$ 367,857	549,438	917,295

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

TRI COUNTY TECHNOLOGY CENTER NO. 1
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2023

	<u>FOOD SERVICE</u>	<u>CHILD CARE SERVICES</u>	<u>TOTALS</u>
Operating revenue			
Food sales	\$ 226,250		226,250
Child care services		736,889	736,889
Total operating revenues	<u>226,250</u>	<u>736,889</u>	<u>963,139</u>
Operating expenses			
Cost of goods sold	267,119	148,225	415,344
Personal services	189,759	561,563	751,322
Other services and charges	605	6,610	7,215
Depreciation	9,589	71,598	81,187
Total operating expenses	<u>467,072</u>	<u>787,996</u>	<u>1,255,068</u>
Revenues over (under) expenses	(240,822)	(51,107)	(291,929)
Other financing sources (uses)			
Transfers in (out)	230,812	(20,491)	210,321
Total other financing sources (uses)	<u>230,812</u>	<u>(20,491)</u>	<u>210,321</u>
Revenue and other sources over (under) expenses and other uses	(10,010)	(71,598)	(81,608)
Net position, beginning of period	<u>377,867</u>	<u>621,036</u>	<u>998,903</u>
Net position, end of period	<u>\$ 367,857</u>	<u>549,438</u>	<u>917,295</u>

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

**TRI COUNTY TECHNOLOGY CENTER NO. 1
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>FOOD SERVICE</u>	<u>CHILD CARE SERVICES</u>	<u>TOTALS</u>
Cash Flows from Operating Activities:			
Receipts from customers	\$ 226,250	736,889	963,139
Payments to employees	(189,759)	(561,563)	(751,322)
Payments to suppliers	<u>(267,303)</u>	<u>(154,835)</u>	<u>(422,138)</u>
Net Cash Provided by Operating Activities	<u>(230,812)</u>	<u>20,491</u>	<u>(210,321)</u>
Cash Flows from Noncapital Financing Activities:			
Operating subsidies and transfers (to) from other funds	<u>230,812</u>	<u>(20,491)</u>	<u>210,321</u>
Net Cash Provided (Used) by Operating Activities	<u>230,812</u>	<u>(20,491)</u>	<u>210,321</u>
Cash Flows from Capital and Related Financing Activities:			
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-	-	-
Balance - beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>
Balance - end of the year	<u>\$ -</u>	<u>-</u>	<u>-</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ (240,822)	(51,107)	(291,929)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	9,589	71,598	81,187
Inventory adjustment	<u>421</u>	<u>-</u>	<u>421</u>
Net cash provided by operating activities	<u>\$ (230,812)</u>	<u>20,491</u>	<u>(210,321)</u>

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

NOTES TO THE FINANCIAL STATEMENTS

TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1. Summary of Significant Accounting Policies

A. Reporting Entity

Tri County Technology Center No. 1 (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 education system of Oklahoma under the general direction and control of the State Board of Career and Technology Education and is financially dependent on the State of Oklahoma support. The general operating authority for the public education system is the Oklahoma Public School Code contained in Title 70, Oklahoma Statutes. The governing body of the technology center is the Board of Education composed of elected members. The appointed superintendent is the executive officer of the Center.

The financial statements of Tri County Technology Center No. 1 comply with accounting principles generally accepted in the United States of America (GAAP). The Center's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

In evaluating how to define the Center, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion involves considering whether the activity is conducted within the geographic boundaries of the technology center and is generally available to its patrons. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the technology center is able to exercise oversight responsibilities.

**TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

1. Summary of Significant Accounting Policies – cont’d

B. Fund Accounting

Government Wide Financial Statements

The statement of net position and statement of activities display information about the overall financial position and activities of the Center as a whole. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures. Funds are organized into two major categories: governmental and proprietary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Center or meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
2. Total assets, liabilities, revenues, or expenditures of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Governmental Fund Types

Governmental funds are used to account for all or most of a government’s general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of capital assets (capital projects funds), and the servicing of general long-term debt (debt service funds).

**TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

1. **Summary of Significant Accounting Policies – cont'd**

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 Centers except for programs funded for building repairs and maintenance, Center construction and debt service on bonds and other long-term debt. The general fund includes federal and state restricted monies that must be expended for specific programs.

Special Revenue Fund - The special revenue funds are the Center's building and activity funds.

Building Fund - The building fund consists of monies derived property taxes levied for the purpose of erecting, remodeling, repairing, or maintaining Center buildings and for purchasing furniture, equipment and computer software to be used on or for the Technology Center property, for paying energy and utility costs, for purchasing telecommunications services, for paying fire and casualty insurance premiums for Center facilities, for purchasing security systems, and for paying salaries of security personnel.

Student Activity Fund – The Student Activity Fund is used to account for monies collected principally through fundraising efforts of the students and center-sponsored groups.

Proprietary Fund Types

The Center's Proprietary Funds, or Enterprise Funds, are used to account for business -like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes two activities reported in the Enterprise Fund. They are Food Services and Child-Care Services.

**TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

1. **Summary of Significant Accounting Policies – cont'd**

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when transactions are recorded regardless of the measurement focus applied.

On the government -wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported. Proprietary fund equity is classified as net assets.
- c. Custodial funds are involved in the measurement of results of operations.

In the government -wide Statement of Net Position and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1. **Summary of Significant Accounting Policies – cont'd**

In the fund financial statements, governmental funds and custodial funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

2. **Basis of Accounting**

Assets, Liabilities and Fund Balances

Cash and Investments - For the purpose of the Statement of Net Position, "cash, including time deposits" include all demand, savings accounts, and certificates of deposits of the Center. For the purpose of the proprietary fund Statement of Cash Flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less. Investments are carried at fair value. Fair value is based on quoted market price.

Property Tax Revenues 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 district. These property taxes are distributed to the center's general fund and building fund based on the levies approved for each fund. The center receives property taxes from three counties. The county assessor for each county, upon receipt of the certification of tax levies from the county excise board, extends the tax levies on the tax rolls of 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 in a timely manner, 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 not paid by the following October 1, the property is offered for sale for the amount of taxed due. The owner has two years to redeem the property by paying the taxes and penalty owed. If at the end of two years the owner has not done so, the purchaser is issued a deed to the property. Property tax receivables are recorded on the lien date, although the related revenue is reported as a deferred inflow of

TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

2. **Basis of Accounting – cont’d**

resources and will not be recognized as revenue until the year for which it is levied. Delinquent property taxes, which are not collected within the availability period, 60 days of the year end, are recorded in the governmental fund financial statements as deferred inflows of resources.

Inventories - The Food Service inventory consists of food held for resale. All inventories are at the lower of cost or market. The cost of other consumable materials and supplies on hand are immaterial to the financial statements, and the Center has therefore chosen to report these items as expenditures at the time of purchase.

Capital Assets - The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government -wide or fund financial statements.

Government-wide Statements

In the government -wide financial statements, capital assets are accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable. If the original purchase price or construction cost is unknown, a professional appraisal may be necessary. Estimated historical cost was used to report the majority of the buildings and infrastructures. Historical cost was used to report land, furniture and equipment.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of assets is as follows:

• Buildings and infrastructure	40 years
• Machinery and Equipment	3 – 20 years
• Furniture	10 years
• Vehicles	5 – 7 years

In the government-wide financial statements all machinery, equipment, furniture and automobiles costing \$5,000 or more has been capitalized and depreciated over the estimated useful life, Improvements will be depreciated over the remaining life of the asset. Land will be recorded as a capital asset regardless of the cost or value.

**TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

2. Basis of Accounting – cont’d

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition, Capital assets used in proprietary fund operations are accounted for the same as in the government -wide statements.

Long-Term Debt - The Center has no long-term debt at June 30, 2023.

Compensated Absences - A twelve-month full-time employee (working 20 or more hours per week) has a vacation ranging from 10 to 20 working days per year depending on the individual's years of service. Vacation may be accumulated to a total of not to exceed two times the maximum number of days earned annually. Sick leave is earned at a rate of one day per month for all Center employees up to a maximum of 70 days. Upon retirement or termination, employees are paid for 100 percent of unused vacation leave at the employee's current salary rate. Unused sick leave is not paid. The following is a summary of accrued compensated absences for the year ended June 30, 2023:

Balance July 1, 2022	\$ 163,700
Additions	23,906
Subtractions	<u>(30,529)</u>
Balance June 30, 2023	<u>\$ 157,077</u>

Net Pension Liability - The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. This amount represents the Center’s proportionate share of the net pension liability. The following is a summary of changes in net pension liability for the year ended June 30, 2023:

Balance July 1, 2022	\$ 5,795,974
Additions	3,652,413
Subtractions	<u> </u>
Balance June 30, 2023	<u>\$ 9,448,387</u>

**TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

2. **Basis of Accounting – cont'd**

Equity Classification

Government -wide Financial Statements

Net Positions and Fund Balances – The government wide financial statements utilize a net position presentation. Net position on the statement of net position includes the following:

- *Invested in capital assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation.
- *Restricted net position* - Consists of net position with constraints placed on the use whether by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- *Unrestricted net position* - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

The Center's policy for the application of net position for which both restricted and unrestricted net position is available, restricted net position is considered to have been spent first.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as restricted and unrestricted. Proprietary fund equity is classified the same as in the government –wide statements.

Fund Balances and Equity - Fund balance refers to the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources in the Governmental Funds Balance Sheet.

Fund balance consists of two categories, defined in Governmental Accounting Standards Board Statement No. 54, as follows:

- *Restricted* - includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts restricted due to constitutional provisions or enabling legislation. This classification includes the building fund and student activity fund.

**TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

2. Basis of Accounting – cont’d

- *Unrestricted* - includes residual positive fund balances within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted for those specific purposes.

It is the Center’s policy to first use restricted fund balance prior to the use of unrestricted fund balance when an expense is incurred for purposes for which both restricted and unrestricted fund balance are available.

Revenues Expenditures and Expenses

Property Tax Revenues - 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's service area of Washington, Osage and Nowata counties. The county assessor, upon receipt of the certification of tax levies from the counties' excise boards, extends the tax levies on the tax roll for submission to the county treasurers prior to October 1. The county treasurers 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.

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 not paid by the following October 1, the property is offered for sale for the amount of taxes due. The owner has two years to redeem the property by paying the taxes and penalty owed. If at the end of two years the owner has not done so, the purchaser is issued a deed to the property.

State Revenues - Revenues from state sources for current operations are primarily governed by the state aid formula under the provisions of Article XVUI, Title 70, Oklahoma Statutes. The State Board of Education administers the allocation of state aid funds to school districts based on information accumulated from the districts. After review and verification of reports and supporting documentation, the State Department of Education may adjust subsequent fiscal period allocations of money for prior year errors disclosed by review. Normally, such adjustments are treated as reductions or additions of revenue of the year when the adjustment is made.

TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

2. Basis of Accounting – cont’d

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 Oklahoma Department of Career and Technology Education requires that categorical education program revenues be accounted for in the General Fund.

Operating Revenues and Expenses - Operating revenues and expenses for proprietary funds are those that result from providing service and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, non-capital financing, or investing activities.

Deferred Outflows of Resources – In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources until that period. Deferred outflows of resources for the year ended June 30, 2023, consist of unrecognized items not yet charged to pension expense and contributions from the employer after the measurement date but before the end of the employer’s reporting period. See Note 7 for additional discussion regarding pension deferred outflows of resources

Deferred Inflows of Resources – In addition to liabilities, the statement of net position and fund balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The governmental fund balance sheet includes deferred inflows of resources related to unavailable local sources of revenues and succeeding year property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available or the period levied for and budgeted. In the center’s government-wide statements, the property tax revenues for the succeeding year remain a deferred inflow and will be recognized as revenue in the year for which they are levied and budgeted for. The center’s government-wide statements also consist of unrecognized items not yet charged to pension expense. See Note 7 for additional discussion regarding pension deferred inflows of resources.

**TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

2. **Basis of Accounting – cont'd**

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

3. **Cash and Investments**

The carrying amount of the Center's deposits was \$9,862,223 and the bank balance was \$10,550,135 at June 30, 2023. Of the bank balance, \$828,771 was insured by federal depository insurance and the balance was collateralized by the pledging financial institution as required by Oklahoma State Law.

The Center's investment policies are governed by state statute. Permissible investments include direct obligations of the United States Government and Agencies; certificates of deposit of savings and loan associations, and bank and trust companies; and savings accounts or savings certificates of savings and loan associations, and trust companies. Collateral is required for demand deposits and certificates of deposit for all amounts not covered by federal deposit insurance.

The Center had no investments at June 30, 2023.

**TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

4. Capital Assets

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

Category	Balance 7/1/2022	Additions	Deletions	Balance 6/30/2023
<u>Governmental activities:</u>				
Land	\$ 435,553			435,553
Construction in process	2,671,814	1,779,305	2,671,814	1,779,305
Land improvements	2,304,917	62,660	5,616	2,361,961
Buildings	29,219,611	2,758,901	103,512	31,875,000
Machinery and equipment	3,683,949	112,743		3,796,692
Less: Accumulated depreciation for:				
Land improvements	(1,726,557)	(73,715)	(4,914)	(1,795,358)
Buildings	(20,541,978)	(773,416)	(80,225)	(21,235,169)
Machinery and equipment	(1,695,997)	(228,665)		(1,924,662)
Subtotal accumulated depreciation	<u>(23,964,532)</u>	<u>(1,075,796)</u>	<u>(85,139)</u>	<u>(24,955,189)</u>
Net capital assets	<u>14,351,312</u>	<u>3,637,813</u>	<u>2,695,803</u>	<u>15,293,322</u>
<u>Business-type activities:</u>				
Land improvements	239,521			239,521
Buildings	2,140,461			2,140,461
Machinery and equipment	140,415			140,415
Less: Accumulated depreciation for:				
Land improvements	(157,907)	(15,090)		(172,997)
Buildings	(1,364,241)	(64,101)		(1,428,342)
Machinery and equipment	(2,993)	(1,996)		(4,989)
Subtotal accumulated depreciation	<u>(1,525,141)</u>	<u>(81,187)</u>	<u>-</u>	<u>(1,606,328)</u>
Net capital assets	<u>995,256</u>	<u>(81,187)</u>	<u>-</u>	<u>(692,259)</u>
Net capital assets, all funds	<u>\$ 15,346,568</u>	<u>3,556,626</u>	<u>2,695,803</u>	<u>16,207,391</u>

**TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

5. Inter-fund Transactions

Operating Transactions

Inter-fund 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. The following are the transfers between funds during the 2022-23 fiscal year:

	<u>Transfers In</u>	<u>Transfers Out</u>
Food Service Fund	\$ 230,812	0
Child-Care Fund	0	20,491
General Fund	<u>0</u>	<u>210,321</u>
Totals	<u>\$ 230,812</u>	<u>230,812</u>

6. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts 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. Accordingly, actual results could differ from those estimates.

7. Employee Retirement System

Teacher’s Retirement System of Oklahoma

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

**TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

7. Employee Retirement System – cont'd

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

- Members become 100% vested in benefits earned to date after five years of credited Oklahoma service. Members who joined the System on June 30, 1992 or prior are eligible to retire at maximum benefits with age and years of creditable service total 80. Members joining after June 30, 1992, are eligible for maximum benefits when their age and years of creditable service total 90. Members whose age and service do not equal the eligible limit may receive reduced benefits as early as age 55, and at age 62, receive unreduced benefits based on their years of service. The maximum retirement benefit is 2% of final compensation for each year of credited service.
- Final compensation for members who joined the System prior to July 1, 1992, is defined as the average salary for the three highest years of compensation. For members joining the System after June 30, 1992, final compensation is defined as the average of the five highest consecutive years of annual compensation in which contributions have been made. Final average compensation is limited for service credit accumulated prior to July 1, 1995 to \$40,000 or \$25,000, depending upon member's election. Monthly benefits are 1/12 of this amount. Service credits accumulated after June 30, 1995, are calculated based on each member's final average compensation.
- Upon death of a retired member, the System will pay \$5,000 to the designated beneficiary in addition to the benefits provided by the retirement option selected by the member.
- A member is eligible for disability benefits after 10 years of credited Oklahoma service. The disability benefit is equal to 2% of final average compensation for the applicable years of credited service.
- Upon withdrawal from the System, a member's contributions are refundable with interest, based on the years of service.

Contributions – In accordance with *Oklahoma Statutes*, System members are required to contribute 7.00% of applicable compensation. For the year ended June 30, 2023, qualifying employee contributions were reduced by a retirement credit of \$28,193 provided by Enrolled House Bill 1873 and paid by the State of Oklahoma as on-behalf payments. For the year ended June 30, 2023, the Center had a statutory contribution rate of 9.5% plus 8.25% as a match for salaries funded by federal programs. The contribution requirements of System

**TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

7. Employee Retirement System – cont’d

members and the Center are established and may be amended by the state legislature. For the year ended June 30, 2023, the Center contributions to the System were not determined.

The State of Oklahoma, a non-employer contributing entity, provides funds through 5% of the State’s sales, use, corporate and individual income taxes collected. The System receives 1% of the cigarette taxes collected by the State and 5% of net lottery proceeds collected by the State. The Center’s estimated share of these contributions based on their covered payroll for the measurement period was not determined.

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 net pension liability of \$9,448,387 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. This represents an increase of \$3,652,413 since the prior measurement period. The Center’s proportion of the net pension liability was based on a projection of the Center’s long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2022, the Center’s proportion was 0.11509259%.

For the year ended June 30, 2023, the Center recognized pension expense of \$412,655. At June 30, 2023, the Center reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 302,683	(118,189)
Changes in assumptions	637,499	
Net difference between projected and actual earnings on plan investments	899,488	
Center contributions subsequent to the measurement date	675,166	
	<u>\$ 2,514,836</u>	<u>(118,189)</u>

**TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

7. Employee Retirement System – cont’d

The \$675,166 reported as deferred outflows of resources related to pensions resulting from Center contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended</u>	
2023	\$ 572,669
2024	424,762
2025	(94,794)
2026	815,634
2027	<u>3,209</u>
	<u>\$ 1,721,480</u>

Actuarial Assumptions – The total pension liability as of June 30, 2022, was determined based on an actuarial valuation prepared as of June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial Cost Method – Entry Age Normal
- Amortization Method – Level Percentage of Payroll
- Amortization Period – Amortization over an open 30-year period
- Asset Valuation Method – 5-year smooth market
- Inflation – 2.25%
- Salary Increases – Composed of 2.25% inflation, plus 0.75% productivity increase rate, plus step-rate promotional increases for members with less than 25 years of service.
- Investment Rate of Return – 7.00%
- Retirement Age – Experience-based table of rates based on age, service and gender.
- Mortality – RP-2000 Combined Mortality Table, projected to 2022 using Scale AA, multiplied by 60% for males and 50% for females.

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study, dated July 2020, for the period July 1, 2014 – June 30, 2019.

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

**TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

7. Employee Retirement System – cont’d

projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

2008 Legislative Session: a 2.00% ad hoc cost-of-living adjustment (COLA) was provided, effective July 1, 2008. All retirees who retired before July 1, 2007 were eligible, including disabled retirees, special retirees and beneficiaries receiving payments.

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

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

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	38.3%	4.9%
International Equity	16.7%	5.5%
Fixed Income	22.0%	1.3%
Real Estate*	10.0%	3.5%
Private Equity	8.0%	7.6%
Private Debt	5.0%	4.6%
Total	<u>100.0%</u>	

*The Real Estate total expected return is a combination of US Direct Real Estate (unlevered) and US Value Added Real Estate (unlevered)

**TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2023**

7. Employee Retirement System – cont’d

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 the total pension liability. The projection of cash flows was used to determine this single discount rate assumed that plan member and employer contributions will be made at the current statutory levels and remain a level percentage of payrolls. The projection of cash flows also assumed that the State’s contribution plus the matching contributions will remain a constant percent of projected member payroll based on the past five years of actual contributions.

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

	1% decrease 6.00%	Current discount 7.00%	1% increase 8.00%
Net Pension Liability	\$ 13,303,385	\$ 9,448,387	\$ 6,279,125

Pension plan fiduciary net position – Detailed information about the pension plan’s fiduciary net position and changes in net pension liability is available in the separately issued TRS financial report.

Other Post-Employment Benefits (OPEB)

The Oklahoma Teachers Retirement System pays between \$100 and \$105 per month, depending on the members’ years of service, to the Oklahoma State and Education Employees Group Insurance Board (OSEEGIB), for each retiree who elects to obtain health insurance coverage through OSEEGIB. The Center retains no obligation for this benefit and performs no administrative functions related to the health insurance coverage provided through OSEEGIB.

**TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

8. Budgets and Budgetary Accounting

Tri County Technology Center No. 1 operates under the Alternative School Center Budget Act provided by Oklahoma State Statutes. In accordance with this act, the proposed budget plan is prepared and presented at a public hearing which must be held within forty-five (45) days preceding the beginning of the budget year.

The school board approves the budget within the thirty (30) day period preceding the beginning of the fiscal year. The adopted budget must be in effect no later than the first day of the technology center's fiscal year.

The Board of Education legally adopts a budget for the General Fund and Building Fund. An amended budget is required when ad valorem taxes have been certified by the County Excise Board. Additional amendments can be made throughout the fiscal year.

9. Unemployment Compensation

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 technology centers self-insure unemployment benefits for school employees. The funds are held in the name of each center as reserves to pay unemployment claims. Each technology center is individually liable for the portion of the benefits paid from the fund attributable to wages paid by the center in the same manner as if no group account had been established. The reserve funds may be withdrawn from the account upon request of the center. At June 30, 2023, the Tri County Technology Center had reserves on deposit with the Oklahoma Public Schools Unemployment Compensation Account totaling \$11,904.

10. Risk Management

Governments face the risk of possible loss due to theft of, damage to, or destruction of assets, job-related illnesses or injuries to employees, torts, and acts of God. Tri County Technology Center No. 1 has elected to manage these risks by purchasing insurance coverage. In the past three years, settlements have not exceeded this coverage.

**TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

11. New/Adopted Pronouncements

New/adopted pronouncements

The GASB has issued several new accounting pronouncements, which will be effective to the Center in both the reported and subsequent years. A description of the new accounting pronouncements, the fiscal year in which they are effective, and the Center's consideration of the impact of these pronouncements are described below:

New Accounting Pronouncements Issued and Adopted

- GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, issued May 2020. The object of Statement No. 96 is to provide guidance for accounting and financial reporting for subscription-based information technology arrangements. The requirements of this Statement are effective for periods beginning after June 15, 2022. The Center now recognizes any IT arrangements that meet the requirements of this Statement as a Subscription Asset on the Statement of Net Position.

New Accounting Pronouncements Issued Not Yet Adopted:

- GASB issued Statement No. 100, Accounting Changes and Error Corrections, issued June 2022. This Statement provides guidance on the accounting and financial reporting requirements for accounting changes and error corrections. The requirements of this Statement are effective for periods beginning after June 15, 2023. The Center is currently evaluating the impact that these new standards may have on its financial statements.
- GASB issued Statement No. 101, Compensated Absences, issued June 2022. This Statement updates the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for periods beginning after December 15, 2023. The Center is currently evaluating the impact that these new standards may have on its financial statements.

12. Subsequent Events

Management has evaluated subsequent events through the date of the audit report, which is the date the financial statements were available to be issued and have determined that no additional information needs to be added to the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**TRI COUNTY TECHNOLOGY CENTER NO. 1
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CENTER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2023**

	June 30 2022	June 30 2021	June 30 2020	June 30 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Center's proportion of the net pension liability	0.11509259%	0.11345020%	0.11503817%	0.12048987%	0.12570503%	0.12420002%	0.12368730%	0.12292357%
Center's proportionate share of the net pension liability	\$ 9,448,387	\$ 5,795,974	10,917,390	7,974,019	7,597,753	8,223,676	10,322,397	7,464,851
Center's covered-employee payroll	\$ 6,463,105	\$ 6,065,674	5,898,021	6,023,741	5,652,731	5,434,529	5,529,801	5,390,915
Center's proportionate share of the net pension liability as a percentage of its covered payroll	146.19%	95.55%	185.10%	132.38%	134.41%	151.32%	186.67%	138.47%
Plan fiduciary net position	\$ (7,051,740)	\$ (7,181,802)	(7,872,344)	(7,702,767)	(7,359,660)	(7,674,592)	(7,604,860)	(8,332,623)
Plan fiduciary net position as a percentage of the total pension liability	74.63%	123.91%	72.11%	96.60%	96.87%	93.32%	73.67%	111.62%

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full ten-year trend is compiled, the Center will present information for those years for which information is available.

**TRI COUNTY TECHNOLOGY CENTER NO. 1
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Statutorily Required Contributions</u>	<u>Contributions in Relation to the Statutorily Required Contributions</u>	<u>Contributions Deficiency (Excess)</u>	<u>Center's Covered- Employee Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
2023	\$ 675,166	675,166	-	7,107,011	9.50%
2022	613,995	613,995	-	6,463,105	9.50%
2021	576,239	576,239	-	6,065,674	9.50%
2020	560,312	560,312	-	5,898,021	9.50%
2019	572,255	572,255	-	6,023,741	9.50%
2018	537,009	537,009	-	5,652,731	9.50%
2017	516,280	516,280	-	5,434,529	9.50%
2016	525,331	525,331	-	5,529,801	9.50%
2015	512,193	512,193	-	5,390,915	9.50%
2014	496,786	496,786	-	5,229,334	9.50%

Notes to Required Supplementary Information:

The Center's statutorily required contribution rate has changed over the prior 10 years as follows:

1. January 1, 2010 to present 9.50%

**TRI COUNTY TECHNOLOGY CENTER NO. 1
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2023**

	GENERAL FUND		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Revenues			
Local sources	\$ 8,269,810	8,609,981	8,609,981
State sources	2,777,119	2,774,945	2,774,945
Federal Sources		162,372	162,372
Total revenues	<u>11,046,929</u>	<u>11,547,298</u>	<u>11,547,298</u>
Expenditures			
Instruction	5,068,751	5,092,074	5,092,373
Support services	5,315,416	5,248,600	5,248,600
Operation of non-instructional services	1,530,669	1,543,617	1,543,617
Other outlays	3,015,399	3,989,722	51,075
Total expenditures	<u>14,930,235</u>	<u>15,874,013</u>	<u>11,935,665</u>
Revenues over (under) expenditures	(3,883,306)	(4,326,715)	(388,367)
Other financing sources (uses)			
Lapsed appropriations			<u>47,884</u>
Revenue and other sources over (under) expenditures and other uses	(3,883,306)	(4,326,715)	(340,483)
Cash fund balance, beginning of year	<u>3,883,306</u>	<u>4,326,715</u>	<u>4,278,830</u>
Cash fund balance, end of year	<u>\$ -</u>	<u>-</u>	<u>3,938,347</u>
Reconciliation of budgetary comparison statutory basis to GAAP basis:			
Accounts receivable not recognized as revenue			110,530
Fund balance end of year GAAP basis			<u>\$ 4,048,877</u>

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

**TRI COUNTY TECHNOLOGY CENTER NO. 1
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - BUILDING FUND - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2023**

	SPECIAL REVENUE FUNDS		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Revenues			
Local sources	\$ 3,214,984	3,356,194	3,356,194
State sources	63,500	64,278	64,278
Federal sources		53,275	53,275
Total revenues	<u>3,278,484</u>	<u>3,473,747</u>	<u>3,473,747</u>
Expenditures			
Instruction	126,562	103,657	103,657
Support services	2,186,967	1,540,986	1,540,986
Operation of non-instructional services		57,844	57,844
Facilities acquisitions and construction	1,882,475	2,532,464	2,532,464
Other outlays	1,850,483	3,953,430	
Total expenditures	<u>6,046,487</u>	<u>8,188,381</u>	<u>4,234,951</u>
Revenues over (under) expenditures	(2,768,003)	(4,714,634)	(761,204)
Other financing sources (uses)			
Lapsed appropriations			<u>59,234</u>
Revenue and other sources over (under) expenditures and other uses	(2,768,003)	(4,714,634)	(701,970)
Cash fund balance, beginning of year	<u>2,768,003</u>	<u>4,714,634</u>	<u>4,655,400</u>
Cash fund balance, end of year	<u>\$ -</u>	<u>-</u>	<u>3,953,430</u>
Reconciliation of budgetary comparison statutory basis to GAAP basis:			
Accounts receivable not recognized as revenue			46,060
Fund balance end of year GAAP basis			<u>\$ 3,999,490</u>

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

OTHER SUPPLEMENTARY INFORMATION

**TRI COUNTY TECHNOLOGY CENTER NO. 1
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
REGULATORY BASIS - ALL CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	Balance <u>July 1, 2022</u>	<u>Additions</u>	Net <u>Transfers</u>	<u>Deletions</u>	Balance <u>June 30, 2023</u>
Assets					
Cash	\$ 73,244	671,485	-	669,668	75,061
Liabilities					
Funds held for student organizations					
Student-General	\$ 5,502	1,976		6,436	1,042
Skills USA-ACR	3,001	500		904	2,597
Skills USA-AST	3,774			-	3,774
Skills USA-AWT	3,423			9	3,414
Skills USA-EAST	5,053		645	232	5,466
Skills USA-COS	-	268		268	-
DECA-Marketing	748			151	597
Skills USA-GCT	-			-	-
SADHA-DH-General	288	1,620		1,620	288
Skills USA-PMO	1,687			-	1,687
BPA - MOS	645		(645)	-	-
HOSA - NRS	-			-	-
HOSA-LPN	1,547			650	897
SkillsUSA - ECE	-	118		118	-
SkillsUSA - CUL	796			-	796
Child Development Center	8,805	528		3,328	6,005
TCT Employee Fund	1,710	2,888		738	3,860
Skills USA - NET	-	622		72	550
Skills USA-CST	766	32		188	610
HOSA - MED	421			29	392
TSA - ENG	1,525	839		942	1,422
SADHA-DH-Sr Class	30			-	30
TPP	5,539			438	5,101
Full Time Programs	2,443	142,939		139,340	6,042
Community Education	1,048	58,553		59,195	406
Career Assistance Center	-	4,473		4,473	-
Internal Service	7,265	437,457		427,038	17,684
Foundation	17,228	18,672		23,499	12,401
Total Liabilities	\$ 73,244	671,485	-	669,668	75,061

**TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY
SCHEDULE OF FEDERAL EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2023**

(AS REQUIRED BY THE OKLAHOMA STATE DEPT OF CAREER & TECH EDUCATION)

Federal Grantor/Pass Through <u>Grantor/Program Title</u>	Federal Award Listing <u>Number</u>	Pass-through Grantor's Project <u>Number</u>	Program or Award <u>Amount</u>	Beginning Balance <u>7/1/2022</u>	Revenue Collected	Total Expenditures	Ending Balance <u>6/30/2023</u>
<u>U.S. Department of Treasury</u>							
<u>Passed Through Health Care Workforce Training Commission</u>							
ARPA-Nursing Workforce Expansion Grant-GF	21.027	414	\$ 1,572,583		16,647	16,647	
ARPA-Nursing Workforce Expansion Grant-BF	21.027	414	53,275		53,275	53,275	
Subtotal - Passed Through HWTC			<u>1,625,858</u>	<u>-</u>	<u>69,922</u>	<u>69,922</u>	<u>-</u>
<u>Passed Through Eastern Shawnee Tribe of Oklahoma</u>							
ARPA NEOK Childcare Grant	21.027	414	145,725		145,725	145,725	
Total Federal Assistance			<u>\$ 1,771,583</u>	<u>-</u>	<u>215,647</u>	<u>215,647</u>	<u>-</u>

Note 1 - There were no amounts passed to subrecipients.

Note 2 - Grantor provides adequate insurance coverage against loss on assets purchased with Federal Awards.



**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
Tri County Technology Center
Bartlesville, OK 74006-6029

We have audited, in accordance with the 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 the Tri County Technology Center No. VT-001, Bartlesville, 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 basic financial statements, and have issued our report thereon dated December 19, 2023. This report was unqualified with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in the United States.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Jenkins & Kemper, CPAs P.C.

Jenkins & Kemper
Certified Public Accountants, P.C.

December 19, 2023

**TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY
SCHEDULE OF FINDINGS
JULY 1, 2022 TO JUNE 30, 2023**

Findings – Financial Statement Audit

None.

**TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY
DISPOSITION OF PRIOR YEAR'S SCHEDULE OF FINDINGS
JULY 1, 2022 TO JUNE 30, 2023**

There were no prior year findings.

**TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL
LIABILITY INSURANCE AFFIDAVIT
JULY 1, 2022 TO JUNE 30, 2023**

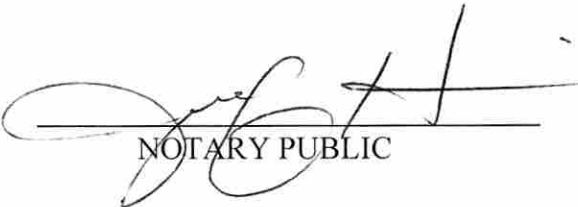
State of Oklahoma)
County of Tulsa)

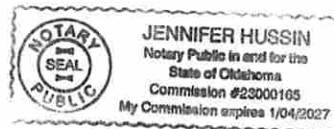
The undersigned auditing firm representative of lawful age, being first duly sworn on oath, says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public Center Audit Law" at the time of audit contract and during the entire audit engagement with Tri County Technology Center for the audit year 2022-23.

Jenkins & Kemper, CPAs, P.C.
AUDITING FIRM

BY 
AUTHORIZED AGENT

Subscribed and sworn to before me on this
19th day of, December, 2023


NOTARY PUBLIC



Brent Haken, State Director
Oklahoma Department of Career and Technology Education
1500 W. 7th Avenue, Stillwater, OK 74074

AUDIT ACKNOWLEDGEMENT

Tri County Technology Center No. 1
Washington County, Oklahoma
Audit Year
July 1, 2022 through June 30, 2023

The annual independent audit for Tri County Technology Center No. 1, was presented to the Board of Education in an open board meeting on February 8, 2024, by Jenkins & Kemper, CPAs, P.C.

The Board acknowledges that as the governing body of the Center responsible for the Center's financial and compliance operations, the audit findings and exceptions have been presented to them.

A copy of the audit, including this acknowledgement form, will be sent to the Oklahoma Department of Career and Technology Education, and the State Auditor and Inspector within 30 days from its presentation to the Center's board.

In accordance with administrative rule 780 O.A.C. 15-3-4(k), the Department shall be responsible for ensuring that audits are performed by independent auditors in a timely manner and are in accordance with applicable OMB circulars and guidance.

Hammie Strobel
Superintendent

George Hollins
Board of Education President

Board of Education Vice President

WCS
Board of Education Member

Board of Education Member

Chris Hall
Board of Education Member

Board of Education Member

Board of Education Member

Subscribed and sworn to me this 8th day of February, 2024. My commission expires on the 5th day of July, 2024.

Tamara Hill
Notary Public

