AUDITED FINANCIAL STATEMENTS AND REPORTS OF INDEPENDENT AUDITOR

TULSA TECHNOLOGY CENTER NO. 18
TULSA COUNTY, OKLAHOMA

JUNE 30, 2023

JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

TULSA TECHNOLOGY CENTER NO. 18
TULSA COUNTY, OKLAHOMA
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TECHNOLOGY CENTER OFFICIALS
JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education
Tulsa Technology Center No. VT-18
Tulsa, Oklahoma 74147-7200

Opinions
We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Tulsa Technology Center No. VT-18, Tulsa, 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 Tulsa Technology Center No. VT-18, Tulsa 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 Tulsa Technology Center No. VT-18, Tulsa, 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

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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 7-12, Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual on pages 45-46, Schedule of Proportionate Share of the Net Pension Liability on page 43, and Schedule of Contributions on page 44 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 expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards 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 expenditures of federal awards 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 November 30, 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.

November 30, 2023

MANAGEMENT'S DISCUSSION & ANALYSIS

This discussion and analysis of the Tulsa Technology Center, School District No. 18 (the District), performance provides an overview of the District's financial activities for the year ended June 30, 2023. Please read it in conjunction with the District's financial statements, which follow the Management's Discussion and Analysis section.

Tulsa Technology Center:

The District is part of the public career and technology education system of Oklahoma under the coordinating body of the Oklahoma State System for Career and Technology Education.

The District consists of six campuses and multiple sites in our partner schools' buildings. Through these campuses and offsite programs, the District is able to serve 14 public school districts throughout 8 counties as well as private schools, parochial schools, and home-school students. Additionally, the District serves business and industry partners and post-secondary students throughout our geographic region.

During the FY23 learning term, the District served 5,431 full time students, 8,998 students in Adult Career Development classes, and 12,924 individuals through Business and Industry Training.

Financial Highlights for Fiscal Year 2023:

- The District's Net Assessed Property Valuation increased by 6.5% to $8,048 billion.
- Total District's General Fund revenues totaled $88.2 million, and Building Fund revenues expenditures were $45.2 million.
- The District's Building Fund Ending Fund Balance increased $20.7 million to $98.0 million with $68.9 million restricted for the construction of a new facility.

Overview of the Financial Statements:

The financial statements consist of three parts: management's discussion and analysis, basic financial statements, and required supplementary information. The three parts together provide a comprehensive overview of the financial condition of Tulsa Technology Center. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives:

- District-wide Financial Statements – These statements consist of the Statement of Net Position and the Statement of Activities.
  - The Statement of Net Position includes all of the District's assets and liabilities, with the difference reported as net assets.
  - The Statement of Activities accounts for all current year's revenues and expenses regardless of when cash is paid or received.

  Combined, these statements report the District's net assets and how they have changed. Net assets, the difference between assets and liabilities, is one way to measure the financial health or position of the District. Over time, increases or decreases in the District's net asset position are one indicator of whether its financial health is improving or deteriorating. Other indicators include changes in enrollment, changes in property tax base, and changes in federal and state government funding.

- Fund Financial Statements – These statements focus on reporting the individual parts of the District's operations in greater detail. Funds are accounting devices that the District uses to track specific sources of funding and spending for particular purposes.

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

- The District Activity Funds are Funds, where the District acts as the fiduciary agent for the benefit of others to whom the resources belong.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The basic financial statements are followed by a section of required supplementary information that further explains and supports the financial statements.

Tulsa Technology Center's Financial Position:

Net Position
Fiscal Year Ended June 30, 2023

	Governmental Activities				Variance		
		2022		2023		Amount	% Change
Current Assets	$	228,361,455	$	267,863,840	$	39,502,385	17.3%
Non-Current Assets	$	210,122,862	$	195,401,082	$	(14,721,780)	-7.0%
Total Assets	**$**	**438,484,317**	**$**	**463,264,922**	**$**	**24,780,605**	**5.7%**
Deferred Outflows of Resources	**$**	**14,295,313**	**$**	**17,436,182**	**$**	**3,140,869**	**22.0%**
Current Liabilities	$	6,713,529	$	7,595,177	$	881,648	13.1%
Non-Current Liabilities	$	44,882,229	$	41,785,057	$	(3,097,172)	-6.9%
Net Pension Liabilities	$	44,757,662	$	66,042,683	$	21,285,021	47.6%
Total Liabilities	**$**	**96,353,420**	**$**	**115,422,917**	**$**	**19,069,497**	**19.8%**
Deferred Inflows of Resources	**$**	**127,236,702**	**$**	**110,118,341**	**$**	**(17,118,361)**	**-13.5%**
Net Position							
Invested in Capital Assets, Net of Related Debt	$	165,964,966	$	154,181,447	$	(11,783,519)	-7.1%
Restricted	$	79,159,785	$	100,048,824	$	20,889,039	26.4%
Unrestricted	$	(15,935,243)	$	929,575	$	16,864,818	105.8%
Total Net Position	**$**	**229,189,508**	**$**	**255,159,846**	**$**	**25,970,338**	**11.3%**

Overall, the District's Net Position increased by $26.0 million. Key observations include:

- Current Assets increased by $39.5 million primarily due to the Building Fund Construction Reserve.
- Non-Current Assets decreased by $14.7 million due to the calculated Depreciation with no major construction projects placed in service during the fiscal year.
- Deferred Outflows of Resources increased by $3.1 million, Deferred Inflows decreased by $17.1 million and Net Pension Liabilities increased by $21.3 million, all primarily related to material changes in the State Actuarial projections.
- Restricted Funds are comprised of the Building and Activity Fund Balances plus the amounts held in escrow for debt service. Of the Building Fund balance, $68.9 million has been assigned to the Building Fund Construction Reserve.
- Unrestricted funds are not encumbered and are available for future use to fund on-going operations. The increase to Unrestricted Net Assets is due to the excess of revenues over expenditures for the year partially offset by the increase in the allocation of the State Pension Liabilities.

Changes in Net Position
Fiscal Year Ended June 30, 2023

	2022	2023	Variance Amount	Variance % Change
Beginning Net Position	$ 210,275,785	$ 229,189,508	$ 18,913,723	9.0%
Revenues				
Program Revenues				
Charges for Services	5,234,131	6,414,491	1,180,360	22.6%
Operating Grants/Contributions	9,621,512	5,105,285	(4,516,227)	-46.9%
General Revenues				
Property Taxes Levied	99,876,142	107,363,613	7,487,471	7.5%
State Formula Funding	6,363,807	6,389,793	25,986	0.4%
Other Local/State	5,675,258	6,898,614	1,223,356	21.6%
Interest	194,903	4,165,298	3,970,395	2037.1%
Total Revenues	$ 126,965,753	$ 136,337,094	$ 9,371,341	7.4%
Expenditures				
Instruction	$ 31,730,545	$ 34,491,122	$ 2,760,577	8.7%
Support Services - Instructional	12,329,803	12,441,286	111,483	0.9%
Support Services - Operational	55,336,684	53,722,781	(1,613,903)	-2.9%
Operation of Non-Instructional Services	3,966,156	4,328,166	362,010	9.1%
Facilities and Construction	474,553	1,373,598	899,045	189.5%
Other Outlays	2,631,068	2,535,358	(95,710)	-3.6%
Interest Expense	1,583,221	1,474,445	(108,776)	-6.9%
Total Expenditures	$ 108,052,030	$ 110,366,756	$ 2,314,726	2.1%
Increase / (Decrease) in Net Assets	$ 18,913,723	$ 25,970,338		
Ending Net Position	$ 229,189,508	$ 255,159,846	$ 25,970,338	11.3%

- Property Tax Levied - increases in the Net Assessed Property Valuation resulted in a 7.5% revenue increase.
- Operating Grants/Contribution – decreased $4.5M due to the expiration of CARES Act Funding which offset the additional operating costs related to the Global Pandemic.
- Other Local/State Revenue -increased $1.2M due to an increase in State sponsored specialized training.
- Interest Earnings – increased $4.0M due to rising interest rates.
- Instruction Expenditures – increased $2.8M due to increases in employee salaries and benefits and Business and Industry specialized training expenditures.
- Support Services – Operational – decreased by $1.6M due to lower pension and compensated leave expenses partially offset by increased depreciation.

Governmental Activities:
The net cost of all governmental activities for the fiscal year ended June 30, 2023, was $98,846,980 compared to $93,233,837 for the fiscal year ended June 30, 2022. The governmental activities of the District include instruction, support services, operation of non-instructional programs, site improvements, and other uses. The total of all categories is reduced by program revenues (tuition, fees, live work, and grants) to arrive at Net Cost. The year-over-year $6 million increase is primarily due to the expiration of the CARES Act Funding, which increased the cost of Instruction.

Financial Analysis of Tulsa Technology Center's Funds:

Below is a comparative look at the District's fund balance for the fiscal years ended June 30, 2022 and June 30, 2023:

	Fiscal Year Ended	
	June 30, 2022	**June 30, 2023**
General Fund	$ 36,431,002	$ 50,617,696
Building Fund	$ 77,261,139	$ 97,974,280
Combined Fund Balance	**$ 113,692,141**	**$ 148,591,976**

General Fund:
As of June 30, 2023, the General Fund balance was $50,617,696. Of that amount, the District has estimated a liability and assigned a portion of the fund balance totaling $3,244,904 related to compensated employee absences. The remaining fund balance is unrestricted required for cash flow management. The District's primary funding source, Ad Valorem Taxes, are collected in January and April which requires the District to maintain cash for ongoing operations.

Building Fund:
At June 30, 2023, the Building Fund balance was $97,974,280. Of that amount, the District has assigned a portion of the fund balance totaling $68.9M. Most of this assigned fund balance is comprised of future capital projects with a small amount assigned for compensated employee absences.

Capital Assets and Debt Administration:

Capital Assets:

Governmental Activities
Capital Assets and Depreciation

		2022		2023		Net Change
Land	$	8,515,098	$	8,400,098	$	(115,000)
Construction in Progress		7,651,411		7,929,083		277,672
Building and Improvements		342,481,833		327,311,444		(15,170,389)
Equipment and Fixtures		47,920,428		45,698,862		(2,221,566)
Accumulated Depreciation		(196,445,908)		(194,199,202)		2,246,706
Total Capital Assets	$	210,122,862	$	195,140,285	$	(14,982,577)

As of June 30, 2023, the District had $195,140,285 of governmental funds invested in a broad range of capital assets, including land, buildings, furniture, and equipment. The Construction of the new Client Services Center on the Lemley Campus was completed and capitalized in FY22.

Debt Administration:
The District financed a 2018 Lease Revenue Note to fund the construction of a new Client Service Center. Tulsa County Industrial Authority served as a conduit issuer on behalf of the District. The Authority issued the $55,000,000 note maturing September 1, 2033 at an interest rate of 3.45% per annum.

Although the Authority served as the issuer of the debt, neither the Authority nor the County will be liable for repayment of the obligation and no county-related revenues secure the obligation. The District is solely responsible for the $4.7 million annual debt service payments.

Contacting Tulsa Technology Center's Financial Management:
This financial report is designed to provide citizens, taxpayers, customers, and creditors with a general overview of Tulsa Technology Center's financial position and to demonstrate transparency and accountability for the money the District receives. Additional details can be requested at Tulsa Technology Center, 3638 S Memorial, Tulsa, Oklahoma 74145.

Respectfully Submitted,

Dr. Steve Tiger, Superintendent

Joanne Lucas, Chief Financial Officer

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TULSA TECHNOLOGY CENTER NO. 18
TULSA, OKLAHOMA
STATEMENT OF NET POSITION
JUNE 30, 2023

	GOVERNMENT ACTIVITIES
ASSETS	
Current assets	
Cash, and cash equivalents	$ 2,555,841
Investments	147,684,375
Amounts held in escrow for debt service	1,694,183
Property taxes receivable - current year	5,428,040
Property taxes receivable - succeeding year	109,292,216
Receivables from other governments	1,181,110
Other local receivables	27,875
Receivables held in escrow	200
Total current assets	267,863,840
Non-current assets	
Subscription asset	309,222
Less accumulated amortization	(48,425)
Total subscription assets	260,797
Capital assets	
Land	8,400,098
Construction-in-progress	7,929,083
Building	327,311,444
Furniture and equipment	45,698,862
Less accumulated depreciation	(194,199,202)
Total capital assets	195,140,285
Total assets	463,264,922
Deferred outflows of resources	
Deferred outflows related to pensions	17,436,182
LIABILITIES AND NET POSITION	
Current liabilities	
Accounts payable	3,789,791
Accrued interest	477,995
Long term debt - due within one year, net of amortization	3,327,391
Total current liabilities	7,595,177
Noncurrent liabilities	
Compensated leave	4,115,113
Long term debt - due in more than one year, net of amortization	37,669,944
Net pension liability	66,042,683
Total non-current liabilities	107,827,740
Total liabilities	115,422,917
Deferred inflows of resources	
Deferred inflows of resources related to pensions	826,125
Succeeding year property tax	109,292,216
Total deferred inflows of resources	110,118,341
Net position	
Investment in capital assets	154,181,447
Restricted	100,048,824
Unrestricted	929,575
Total net position	$ 255,159,846

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

TULSA TECHNOLOGY CENTER NO. 18
TULSA, OKLAHOMA
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense)/ Revenue and Changes in Net Assets Governmental Activities
Governmental Activities -				
Instruction	$ 34,491,122	$ 3,907,429	$ 2,854,668	$ (27,729,025)
Support services - instructional	12,441,286			(12,441,286)
Support services - operational	53,722,781		2,885	(53,719,896)
Operation of non-instructional services	4,328,166	2,507,062		(1,821,104)
Facilities and construction	1,373,598			(1,373,598)
Other outlays	2,535,358		2,247,732	(287,626)
Interest expense	1,474,445			(1,474,445)
Total general government	$ 110,366,756	$ 6,414,491	$ 5,105,285	$ (98,846,980)
General revenues-				
Property taxes, levied for building purposes				41,028,617
Property taxes, levied for general purposes				66,334,996
State aid formula grants				6,389,793
State sources - pension related				3,793,503
Other local - contracts, insurance refund, etc.				1,319,909
Other state sources - training and special grants				1,462,720
Earnings on investments				4,165,298
Other income				322,482
Total general revenues				124,817,318
Changes in net position				25,970,338
Net position, beginning of period				229,189,508
Net position, end of period				$ 255,159,846

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

FUND FINANCIAL STATEMENTS

TULSA TECHNOLOGY CENTER NO. 18
TULSA, OKLAHOMA
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023

	GENERAL FUND	BUILDING FUND	ACTIVITY FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash, and cash equivalents	$ 1,527,958	$ 647,522	$ 380,361	$ 2,555,841
Investments	50,267,173	97,417,202		147,684,375
Receivables	4,562,180	2,074,844		6,637,024
Property taxes receivable - succeeding year	67,526,437	41,765,779		109,292,216
Due from other funds	20,092			20,092
Total assets	123,903,840	141,905,347	380,361	266,189,548
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	2,514,803	1,274,988		3,789,791
Compensated leave payable:				
Long term compensated leave	3,244,904	870,208		4,115,112
Due to other funds		20,092		20,092
Total liabilities	5,759,707	2,165,288	-	7,924,995
Deferred inflows of resources				
Succeeding year property tax	67,526,437	41,765,779		109,292,216
Total deferred inflows of resources	67,526,437	41,765,779		109,292,216
Reserved for:				
Restricted fund balance		97,974,280	380,361	98,354,641
Unreserved:				
Unassigned fund balance	50,617,696			50,617,696
Total fund balances	50,617,696	97,974,280	380,361	148,972,337
Total liabilities, deferred inflows of resources and fund balances	$ 123,903,840	$ 141,905,347	$ 380,361	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Capital assets	$ 389,339,487	
Accumulated depreciation	(194,199,202)	195,140,285
Subscription assets, net		260,797
Receivables held in escrow is a trust account to maintain funds that go towards ongoing construction that is turned over to the Center once the project has been completed.		200
Amounts held in escrow that go toward servicing scheduled debt payments		1,694,183
Other liabilities not payable for the current period:		
Net pension liability		(66,042,683)
Accrued interest		(477,995)
Long term debt, net of amortization		(40,997,335)
Deferred outflows of resources related to pensions, net		16,610,057
Net position of governmental activities in the Statement of Net Position		$ 255,159,846

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

TULSA TECHNOLOGY CENTER NO. 18
TULSA, OKLAHOMA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	GENERAL FUND	BUILDING FUND	ACTIVITY FUND	TOTAL GOVERNMENTAL FUNDS
Revenues				
Local sources	$ 73,587,106	$ 42,802,621	$ 232,429	$ 116,622,156
State sources	7,852,503	10		7,852,513
Federal sources	5,102,819	2,466		5,105,285
Other income	1,723			1,723
Earnings on investments	1,668,803	2,394,686		4,063,489
Total revenues	88,212,954	45,199,783	232,429	133,645,166
Expenditures				
Instruction	30,154,856	37,233		30,192,089
Support services - instructional	10,619,322	15,115	170,943	10,805,380
Support services - operational	26,995,427	20,913,308		47,908,735
Operation of non-instructional services	3,722,166	28,960		3,751,126
Facilities and construction	4,345	1,981,444		1,985,789
Other uses	2,530,144			2,530,144
Interest expense		1,510,582		1,510,582
Total expenditures	74,026,260	24,486,642	170,943	98,683,845
Excess (deficiency) of revenues over expenditures	14,186,694	20,713,141	61,486	34,961,321
Fund balances, beginning of year	36,431,002	77,261,139	318,875	114,011,016
Fund balances, end of year	$ 50,617,696	$ 97,974,280	$ 380,361	$ 148,972,337

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

TULSA TECHNOLOGY CENTER NO. 18
TULSA, OKLAHOMA
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

Net change in fund balance - governmental funds	$	34,961,321
Amounts reported for governmental activities in the Statement of Activities and Changes in Net Position 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		
Amortization		(79,367)
Depreciation		(16,726,392)
Subscription assets, net		270,725
Fixed asset additions (deletions), net		1,743,816
Interest revenue is included in the statement of activities because it relates to the ongoing activity in the trust account.		101,808
Fees and other expenditures paid out of the trust account		(3,954,136)
Repayment on capital lease purchases are an expense in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities. Amortization of loan fees are recorded in the statement of activities, but not in the governmental funds.		3,230,000
Interest on long-term debt in the statement of activities differ from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus, requires the use of current financial resources. In the statement of activities, interest expense is recognized as the interest accrues, regardless of when it is due.		36,137
Governmental funds report district pension contributions as expenditures. However, the Statement of Activities reports pension benefits, net of contributions, as pension expense.		6,386,426
Change in net position of governmental activities	$	25,970,338

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies**

A. Reporting Entity

Tulsa Technology Center No. 18 (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 for 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 Tulsa Technology Center No. 18 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 the government-wide financial statements and the fund financial statement for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. For enterprise funds, GASB Statement No.'s 20 and 34 provide the Center the option of electing to apply FASB pronouncements issued after November 30, 1989. The Center has elected not to apply those 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 used in evaluating potential component units is the scope of public service. Application of this 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

1. **Summary of Significant Accounting Policies – contd.**

A. Reporting Entity – contd.

whether the technology center is able to exercise oversight responsibilities. Based upon the application of these criteria, there are no potential component units included in the Center's reporting entity.

B. Basic Financial Statements

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

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

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 three major categories: governmental, proprietary, and fiduciary. 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 or 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.

1. **Summary of Significant Accounting Policies – contd.**

B. Basic Financial Statements – contd.

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 general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds).

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, school 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 fund is the Center's building fund.

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

Student Activity Fund – The student activity fund is used to account for monies collected principally through fundraising efforts of students and sponsored organizations.

C. 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.

1. **Summary of Significant Accounting Policies – contd.**

C. Measurement Focus and Basis of Accounting – contd.

Measurement Focus
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.

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.

In the fund financial statements, governmental funds and fiduciary agency 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

1. **Summary of Significant Accounting Policies – contd.**

C. Measurement Focus and Basis of Accounting – contd.

recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. However, expenditures relating to compensated absences, claims and judgments, are recorded only when payment is due. Some other significant differences are as follows:

Revenues and expenditures are reported by the budget year until all encumbrances have been paid and unexpended appropriations are closed to the current year fund balance.

The general and building funds record purchases of supplies as expenditures rather than as assets to be expensed when used.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is not reported as an expenditure and a fund liability of the governmental fund that will pay it.

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.

D. Budgets and Budgetary Accounting

Tulsa Technology Center 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 sixty (60) days preceding the beginning of the budget 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.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting – under which purchase orders and other commitments of resources are recorded as expenditures of the applicable fund – is utilized in all governmental funds of the Center. Unencumbered appropriations lapse at the end of each fiscal year.

1. **Summary of Significant Accounting Policies – contd.**

E. Assets, Liabilities and Fund Equity

Cash and Investments - For the purpose of the Statement of Net Position, "cash and cash equivalents" include all demand accounts of the Center. For the purpose of the proprietary fund Statement of Cash Flows, "cash and cash equivalents" include all demand accounts. Investments are carried at fair value. Fair value is based on quoted market price.

Receivables - In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. All accounts receivable are considered collectable at year end. Major receivable balances for the governmental activities include property taxes, grants, and contracts.

Inventories - The value of 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 and Property, Plant and Equipment – Capital assets, which include land, building, building improvements and equipment are reported in the government-wide financial statements. Land, buildings and building improvements are recorded at historical cost or estimated historical cost if purchased or constructed. The capitalization threshold for equipment and fixtures is $2,500.

The costs of normal maintenance and repairs that do not add to the value or utility of the asset or materially extend asset lives are not capitalized.

Building and building improvements, and equipment and fixtures are depreciated using the straight-line method beginning in the year they are placed into service. The Center's capital assets have the following estimated useful lives:

Assets	Years
Buildings and building improvements	20-50
Equipment and fixtures	5-15
Vehicles	8

Subscription-based IT arrangements – Certain multi-year IT related software contracts entered into by the Center are capitalized and amortized over their term and are recorded as a subscription asset. Any scheduled future payments over the term of the agreement are recognized as a subscription liability at their net present value.

1. **Summary of Significant Accounting Policies – contd.**

E. Assets, Liabilities and Fund Equity – contd.

Encumbrances – Encumbrances represent commitments related to purchase orders, contracts, other commitments for expenditures or resources, and goods or services received by the Center for which a warrant has not been issued. An expenditure is recorded, and a liability is recognized for outstanding encumbrances at year end.

Compensated Absences – The Center reports compensated absences in accordance with provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. Vacation leave is accrued as a liability as the benefits are earned by the employees if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the Center will compensate the employees for the benefits through time paid off or some other means, such as cash payments at termination or retirement. Sick leave is calculated using the vesting method. The balance reflects sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments. The accrual has been reduced to the maximum amount allowed by the Center's policy as a termination payment.

Funds Held for School Organizations – Funds held for school organizations represent the funds received or collected from students or other cocurricular and extracurricular activities conducted in the Center, control over which is exercised by the board of education. These funds are credited to the account maintained for the benefit of each particular activity within the school activity fund.

Deferred Outflows of Resources – The Center reports decreases in net assets that relate to future periods as deferred outflows of resources on the statement of net position. A deferred outflow is reported for contributions made to Oklahoma Teacher Retirement System (TRS the Plan) between the measurement date of the net pension liabilities (June 30, 2022) at the end of the current fiscal year (June 30, 2023).

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

1. **Summary of Significant Accounting Policies – contd.**

E. Assets, Liabilities and Fund Equity – contd.

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

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

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

Net Position and Fund Balance

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

Net Investment in Capital Assets – The component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, that is directly attributable to the acquisition, construction or improvement of these capital assets.

1. **Summary of Significant Accounting Policies – contd.**

E. Assets, Liabilities and Fund Equity – contd.

Restricted for Buildings – The component of net assets that reports the excess of property taxes and other revenue collected in excess of expenses for operation of the Center's buildings. This amount is restricted by enabling legislation.

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

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

Governmental Fund Financial Statements

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

Restricted Fund Balance – The Building Fund is restricted by statute to certain capital related costs, its fund balance is shown as restricted.

Assigned Fund Balance – The Center assigns a portion of Fund Balance to honor the obligations made by the Center for encumbrances (purchase orders) for which goods or services have not yet been received.

Unassigned Fund Balance – Fund balance represents the funds not restricted in use by Statute nor encumbered by purchase orders, legal contracts.

F. *Revenue and Expenditures*

Local Revenues – Revenue from local sources is the money generated from within the boundaries of the Center and available to the Center for its use. 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 Tulsa, Creek, Okmulgee, Osage, Pawnee, Rogers, Wagoner and Washington 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

1. **Summary of Significant Accounting Policies – contd.**

F. *Revenue and Expenditures* – contd.

submission to the county treasurers prior to October 1. The County Treasurer must commence tax collection within fifteen days of receipt of the tax rolls. The first half of taxes is due prior to January 1. The second half is due prior to April 1.

If the first payment is not made timely, the entire tax becomes due and payable on January 2. Second half taxes become delinquent on April 1 of the year following the year of assessment. If 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. Other local sources of revenues include tuition, fees, rentals, disposals, cafeteria and book sales, commissions and reimbursements.

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.

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.

Federal Revenue – Federal revenues consist of revenues from the federal government in the form of operating grants or entitlements. An operating grant is a contribution to be used for a specific purpose, activity or facility. A grant may be received either directly from the federal government or indirectly as a passthrough from another government, such as the state.

1. **Summary of Significant Accounting Policies – contd.**

F. *Revenue and Expenditures* – contd.

An entitlement is the amount of payment to which the Center is entitled pursuant to an allocation formula contained in applicable statutes.

The majority of the federal revenues received by the Center are apportioned to the general fund.

Interest Earnings – Represent compensation for the use of financial sources over a period of time.

Non-Revenue Receipts – Non-revenue receipts represent receipts deposited into a fund that are not new revenues to the Center, but the return of assets.

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

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

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

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

1. **Summary of Significant Accounting Policies – contd.**

F. *Revenue and Expenditures* – contd.

Other Outlays Expenditures – A number of outlays of governmental funds are not properly classified as expenditures, but still require budgetary or accounting control. These are classified as Other Outlays.

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

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

Interfund Transactions – Quasi-external 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.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers. There were no operating transfers or residual equity transfers during the 2022-23 fiscal year.

Use of Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

1. **Summary of Significant Accounting Policies**- contd.

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 Adopted as of June 30, 2023

- 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, 2021. 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.

2. **Cash and Investments**

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, banks and trust companies; savings accounts or savings certificates of savings and loan associations, banks, and trust companies; and warrants, bonds or judgments of the Center. Collateral is required to be pledged with the state treasurer for demand deposits and certificates of deposit for all amounts not covered by federal deposit insurance.

Deposits – At June 30, 2023, the bank balance of deposits, cash investments, and cash pools was $2,555,841.

Investments – As of June 30, 2023, investment balances of $147,684,375 consist of a combination of certificates of deposits, Treasury notes and bills, FHLB notes, and money market funds. These investments are recorded at fair value and are generally based on quoted market prices or estimated fair values provided by brokerage statements. Investment income, including the net change in fair value of investments, is recognized and reported as earnings (loss) on investments.

Fair value hierarchy – The Center measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Center's investments are categorized by the fair value measurements within the fair value hierarchy established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

2. **Cash and Investments** – cont'd

Fair value hierarchy – cont'd

	Fair Value Measurement Using			
Category	Level 1	Level 2	Level 3	Total Fair Value
US FHLB Notes	$47,162,422			$ 47,162,422
US Treasury Notes	9,988,113			9,988,113
US Treasury Bills	998,188			998,188
	$58,148,723	-	-	$ 58,148,723
Certificates of deposit				7,995,309
Insured cash sweep deposits				53,593,729
Cash deposits				30,502,455
Total cash, cash equivalents and investments				$ 150,240,216

For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Center will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require collateral for all deposits in excess of federally insured amounts. The Center policy for custodial credit risk requires compliance with the provisions of state law. At June 30, 2023, the Center was not exposed to custodial credit risk.

Credit Risk – Investments – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligation. The Center does not have a formal policy limiting its exposure arising from concentrations of investments.

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

Concentration of Credit Risk – The Center places no limit on the amount the entity can invest in any one issuer other than the limitations on types of investments contained in state law.

3. **Receivables**

Below is a summary of receivables for the individual governmental funds as of June 30, 2023:

Receivables	General	Building	Total
Property taxes - current year	$ 3,353,196	$ 2,074,844	$ 5,428,040
Property taxes - succeeding year	67,526,437	41,765,779	109,292,216
Receivables from other governments	1,181,110	-	1,181,110
Other	27,875	-	27,875
Total receivables	$72,088,618	$43,840,623	$115,929,241

Succeeding year property tax receivables are recorded on the lien date of January 1st with the related revenue reported as a deferred inflow of resources and will not be recognized as revenue until the year for which it is budgeted for use.

TULSA TECHNOLOGY CENTER NO. 18, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

4. Capital Assets and Property, Plant and Equipment

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

Class	**Beginning Balance**	Additions	Decreases	**Ending Balance**
Governmental Activities				
Subscription assets	$ -	$ 309,222	$ -	$ 309,222
Less: Accumulated amortization for				
Subscription assets	-	(48,425)	-	(48,425)
Subscription assets, net	-	260,797	-	260,797
Capital assets				
Land	8,515,098	-	(115,000)	8,400,098
Construction in process	7,651,411	1,331,663	(1,053,991)	7,929,083
Buildings and improvements	342,481,833	1,053,991	(16,224,380)	327,311,444
Equipment and fixtures	47,920,428	1,616,089	(3,837,655)	45,698,862
Totals	406,568,770	4,001,743	(21,231,026)	389,339,487
Less: Accumulated depreciation for				
Buildings and improvements	(164,246,571)	(13,191,940)	15,341,573	(162,096,938)
Equipment and fixtures	(32,199,337)	(3,534,452)	3,631,525	(32,102,264)
Totals	(196,445,908)	(16,726,392)	18,973,098	(194,199,202)
Capital assets, net	$ 210,122,862	$ (12,724,649)	$ (2,257,928)	$ 195,140,285

5. Interfund Receivables and Payables

There was an interfund receivable in the general fund from the building fund in the amount of $20,092 at June 30, 2023.

6. **Long-Term Debt**

Capital Lease

In September 2018, the Center entered into a Ground Lease Agreement with the Tulsa County Industrial Authority (the "Authority") under which the Center is leasing land upon which the Authority will construct a Client Service Center from the proceeds of $55,000,000 in revenue bonds sold for that purpose. Improvements are to be constructed for so long as there are obligations outstanding, which are secured by the Ground Lease Agreement. This facility will be leased by the Authority to the Center pursuant to the lease purchase agreement entered into as of September 1, 2018.

The lease purchase agreement between the Authority and the Center enables the Center to lease back the property under construction through the utilization of the revenue bonds proceeds (issued by the Authority). The lease purchase agreement also provides for the Center to obtain title to the facility free and clear of security interest.

The trustee holds the cash and makes the payments after authorization from the Center. Amounts held by the trustee and available for draw down at June 30, 2023 are recorded as a receivable in the government wide statements.

Under the agreements, the Center transferred ownership for the land and the facility covered by the ground lease to the Authority. Ownership will revert to the Center upon final payment of the lease purchase acquisition payments.

Lease payments are payable from the Building Fund. The future principal and interest payments as of June 30, 2023, were as follows:

Year ending June 30	Principal	Interest	Total
2024	$ 3,340,000	$ 1,398,199	$ 4,738,199
2025	3,455,000	1,281,934	4,736,934
2026	3,570,000	1,161,787	4,731,787
2027	3,695,000	1,037,587	4,732,587
2028	3,820,000	908,989	4,728,989
2029-2033	21,155,000	2,457,694	23,612,694
2034-2037	2,320,000	40,020	2,360,020
Totals	$ 41,355,000	$ 8,286,210	$ 49,641,210

Debt issuance costs of $526,875 are amortized over the life of the lease based on the annual principal portion due in relation to the total lease. The amount of debt issuance cost that was amortized for the period ending June 30, 2023 was $30,942.

6. Long-Term Debt

Subscription-Based Information Technology Arrangements
As of June 30, 2023, the Center has entered into several long-term subscription-based information technology arrangements (SBITAs). For the year ended June 30, 2023, the Center reported corresponding SBITA liabilities in the amount of $38,497 at a discount rate of 5%. For the year ended June 30, 2023, there was a principal reduction of $19,669. As of June 30, 2023, the net SBITA right-to-use intangible asset was reported in the amount of $260,797.

The future principal and interest payments as of June 30, 2023, were as follows:

Year ending June 30	Principal	Interest	Total
2024	$ 18,431	$ 1,925	$ 20,356
2025	20,066	996	21,069
Total	$ 38,497	$ 2,921	$ 41,425

7. Employee Retirement System

Teachers' 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 and can be obtained at www.ok.gov/trs/.

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

7. **Employee Retirement System** – contd.

- 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 but before November 1, 2011, are eligible for maximum benefits at age 62 or when their age and years of creditable service total 90. Members joining after November 1, 2011 are eligible for maximum benefits at age 65 or when the member's age is at least 60 and creditable years 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 $239,917 provided by Enrolled House Bill 1873 and paid by the State of Oklahoma as on-behalf payments. For the year ended June 30, 2022, 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 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.

7. **Employee Retirement System** – contd.

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 $66,042,683 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension lability 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. At June 30, 2022, the Center's proportion was 0.80447846%.

For the year ended June 30, 2023, the Center recognized pension expense of $2,592,923. At June 30, 2023, the Center reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,115,703	$ (826,125)
Changes in Assumptions	4,456,012	-
Net difference between projected and actual earnings on pension plan investments		-
Center contributions subsequent to the measurement date	4,577,190	
	$ 11,148,905	$ (826,125)

The $4,577,190 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, 2023.

7. **Employee Retirement System** – contd

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended	
2023	$ 4,002,864
2024	2,969,020
2025	(662,595)
2026	5,701,151
2027	22,427
	$ 12,032,866

Actuarial Assumptions – The total pension liability as of June 30, 2023, was determined based on an actuarial valuation prepared as of June 30, 2022 using the following actuarial assumptions, 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 .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 2021 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 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.

7. **Employee Retirement System** – contd.

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.

2020 Legislative Session: a cost-of-living (COLA) was provided ranging from 2.00% to 4.00% based on the retirement date, effective July 1, 2020. All retirees who retired before July 1, 2019 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	43.5%	7.5%
International Equity	19.0%	8.5%
Fixed Income	22.0%	2.5%
Real Estate *	9.0%	4.5%
Alternative Assets	6.5%	6.2%
Total	100.0%	

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

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

7. Employee Retirement System – cont'd

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 6.0%	Current Discount 7.0%	1% increase 8.0%
Net Pension Liability	$ 92,988,493	$ 66,042,683	$ 43,890,064

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 - 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.

8. Risk Management

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

9. Contingencies

Litigation
There were no known pending litigation or claims that would have a material effect on the financial statements as of the date of the audit report.

10. 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 has determined there to be one item that requires disclosure. On July 31, 2023, the Center received a notice from the Internal Revenue Service (IRS) regarding the assessment of a $160,100 penalty for late filing of the 2021 calendar year forms 1098-T with the IRS. These forms report the tuition paid by students during the calendar year. The forms were issued to students in a timely manner however, they were filed with the IRS on May 6, 2022, after the March 31 filing deadline. The Center has filed for abatement of the penalty that includes reasonable cause for relief. For this reason, Management considers the possibility of the penalty ultimately being enforced as low. As of the date of the audit report, the IRS has requested additional time to consider the application for relief.

REQUIRED SUPPLEMENTARY INFORMATION

TULSA TECHNOLOGY CENTER NO. 18
TULSA, OKLAHOMA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CENTER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2023

	As of June 30,						
	2022	2021	2020	2019	2018	2017	2016
Center's proportion of the net pension liability	0.80447846%	0.87608489%	0.87666918%	0.89614472%	0.92974956%	0.93682364%	0.90881449%
Center's proportionate share of the net pension liability	$ 66,042,683	$ 44,757,662	$ 83,197,946	$ 59,306,854	$ 56,195,104	$ 62,030,056	$ 75,845,654
Center's covered-employee payroll	$ 45,530,308	$ 46,020,284	$ 44,460,463	$ 39,814,736	$ 41,107,410	$ 39,621,399	$ 39,151,571
Center's proportionate share of the net pension liability as a percentage of its covered payroll	145.05%	97.26%	187.13%	148.96%	136.70%	156.56%	193.72%
Plan fiduciary net position	$ (49,432,626)	$ (55,819,052)	$ (59,949,700)	$ (53,017,219)	$ (54,765,002)	$ (57,756,783)	$ (55,716,172)
Plan fiduciary net position as a percentage of the total pension liability	74.85%	124.71%	72.06%	89.39%	97.46%	93.11%	73.46%

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the Center will present information for those years for which information is available.

TULSA TECHNOLOGY CENTER NO. 18
TULSA, OKLAHOMA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2023

June 30th,	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contributions Deficiency (Excess)	Center's Covered-Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2023	$ 4,507,690	4,507,690	-	47,449,368	9.50%
2022	4,325,379	4,325,379	-	45,530,308	9.50%
2021	4,371,927	4,371,927	-	46,020,284	9.50%
2020	4,223,744	4,223,744	-	44,460,463	9.50%
2019	3,782,370	3,782,370	-	39,814,736	9.50%
2018	3,905,173	3,905,173	-	41,107,410	9.50%
2017	3,764,006	3,764,006	-	39,621,399	9.50%
2016	3,720,425	3,720,425	-	39,151,571	9.50%
2015	3,546,023	3,546,023	-	37,295,282	9.51%
2014	3,212,374	3,212,374	-	33,805,076	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%

TULSA TECHNOLOGY CENTER NO. 18
TULSA, OKLAHOMA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund			Variance with Final Budget Favorable (Unfavorable)
	Budget			
	Original	Final	Actual	
Revenues:				
Local sources	$ 71,439,437	$ 71,723,121	$ 72,862,355	$ 1,139,234
State sources	8,651,778	8,584,443	7,829,076	(755,367)
Federal sources	5,551,103	6,571,561	6,368,896	(202,665)
Interest earnings	160,000	1,117,116	1,298,275	181,159
Total revenues	85,802,318	87,996,241	88,358,602	362,361
Expenditures:				
Instruction	35,356,823	35,379,629	30,191,474	5,188,155
Support services	44,103,778	44,132,224	37,660,567	6,471,657
Operation of non-instructional services	4,364,288	4,367,102	3,726,700	640,402
Facilities, acquisition and const. services	5,088	5,092	4,345	747
Other uses	2,963,016	2,964,927	2,530,143	434,784
Total expenditures	86,792,993	86,848,974	74,113,229	12,735,745
Revenues over (under) expenditures	(990,675)	1,147,267	14,245,373	13,098,106
Other financing sources (uses)				
Estopped warrants			1,723	1,723
Revenue and other sources over (under) expenditures and other uses	(990,675)	1,147,267	14,247,096	13,099,829
Cash fund balance, beginning of year	34,682,797	34,682,797	34,682,797	-
Cash fund balance, end of year	$ 33,692,122	$ 35,830,064	$ 48,929,893	$ 13,099,829

Reconciliation of budgetary comparison statutory basis to GAAP basis:

Accounts receivable not recognized as revenue	$ 4,562,180
Unrealized gain on investments	370,528
Liabilities payable recognized as expenditures:	
Leave payable	(3,244,905)
Fund balance end of year GAAP basis	$ 50,617,696

TULSA TECHNOLOGY CENTER NO. 18
TULSA, OKLAHOMA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - BUILDING FUND - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2023

	Building Fund			Variance with Final Budget Favorable (Unfavorable)
	Budget			
	Original	Final	Actual	
Revenues:				
Local sources	$ 40,501,743	$ 42,007,137	$ 42,518,345	$ 511,208
State sources			10	10
Federal sources		56,115	58,581	2,466
Interest earnings	770,000	2,092,216	2,386,206	293,990
Total revenues	41,271,743	44,155,468	44,963,142	807,674
Expenditures:				
Instruction	66,383	51,061	37,233	13,828
Support services	36,816,306	28,318,985	20,649,731	7,669,254
Operation of non-instructional services	51,633	39,715	28,960	10,755
Facilities, acquisition and const. services	6,225,915	4,788,955	3,492,026	1,296,929
Total expenditures	43,160,237	33,198,716	24,207,950	8,990,766
Revenues over (under) expenditures	(1,888,494)	10,956,752	20,755,192	9,798,440
Cash fund balance, beginning of year	76,005,972	76,005,972	76,005,972	-
Cash fund balance, end of year	$ 74,117,478	$ 86,962,724	$ 96,761,164	$ 9,798,440

Reconciliation of budgetary comparison statutory basis to GAAP basis:

Accounts receivable not recognized as revenue	$ 2,074,844
Unrealized gain on investments	8,480
Liabilities payable recognized as expenditures:	
Leave payable	(870,208)
Fund balance end of year GAAP basis	$ 97,974,280

OTHER SUPPLEMENTARY INFORMATION

TULSA TECHNOLOGY CENTER NO. 18, TULSA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass Through Grantor/Program Title	Federal Award Listing Number	Pass-through Grantor's Project Number	Program or Award Amount	Beginning Balance 7/1/2022	Revenue Collected	Total Expenditures	Ending Balance 6/30/2023
U.S. Department of Education							
Direct Programs:							
Pell Grant Program:							
Pell Grants	84.063	474	$ 2,247,732		2,132,226	2,247,733	(115,507)
Pell Grants 2021-22	84.063	n/a		(209,261)	209,261		
Pell Grants - Administration	84.063	474	2,645		1,350	2,885	(1,535)
Pell Grants - Administration 2021-22	84.063	n/a		(1,520)	1,520		
Subtotal - Pell Grant Program			2,250,377	(210,781)	2,344,357	2,250,618	(117,042)
* *Education Stabilization Funds (Covid19):*							
HEERF III-Student GF (Covid19)	84.425F	417	1,275,600		1,275,600	1,275,600	
HEERF III-Institutional GF (Covid19) 2021-22	84.425F	n/a		(1,281,918)	1,281,918		
HEERF III-Institutional BF (Covid19) 2021-22	84.425F	n/a		(58,581)	58,581		
Subtotal - Education Stabilization Funds (Covid19)			1,275,600	(1,340,499)	2,616,099	1,275,600	-
Supplemental Educational Opportunity Grant	84.007	477	38,900		19,520	38,900	(19,380)
Supplemental Educational Opportunity Grant 2021-22	84.007	n/a		(19,201)	19,201		
Subtotal - Direct Programs			3,564,877	(1,570,481)	4,999,177	3,565,118	(136,422)
Passed Through State Department of Career and Technology Education:							
* *Carl Perkins Cluster:*							
Carl Perkins Secondary	84.048	421	1,058,683		725,261	1,014,676	(289,415)
Carl Perkins Secondary 2021-22	84.048	n/a		(257,126)	257,126		
Carl Perkins Post-Secondary	84.048	422	118,553		83,824	111,898	(28,074)
Carl Perkins Post-Secondary 2021-22	84.048	n/a		(19,850)	19,850		
Carl Perkins Special	84.048	424	49,500		30,243	42,751	(12,508)
Subtotal - Carl Perkins Programs (Cluster)			1,226,736	(276,976)	1,116,304	1,169,325	(329,997)
Subtotal - U.S. Department of Education			4,791,613	(1,847,457)	6,115,481	4,734,443	(466,419)
U.S. Department of Health and Human Services							
Passed Through State Department of Career and Technology Education:							
TANF	93.558	452	261,228		118,729	243,153	(124,424)
TANF 2021-22	93.558	n/a		(98,090)	98,090		
CNA to PN Bridge Program (ARPA)	93.498	414	195,030			32,514	(32,514)
Subtotal - U.S. Department of Health and Human Services			$ 456,258	(98,090)	216,819	275,667	(156,938)

TULSA TECHNOLOGY CENTER NO. 18, TULSA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass Through Grantor/Program Title	Federal Award Listing Number	Pass-through Grantor's Project Number	Program or Award Amount	Beginning Balance 7/1/2022	Revenue Collected	Total Expenditures	Ending Balance 6/30/2023
U.S. Department of Defense							
Passed Through State Department of Career and Technology Education:							
Bid Assistance Center (OBAN)	12.002	436	$ 95,176		95,176	95,176	-
Subtotal - U.S. Department of Defense			95,176	-	95,176	95,176	-
Total Federal Assistance			$ 5,343,047	(1,945,547)	6,427,476	5,105,286	(623,357)

* Major federal programs

Note 1 - There were no amounts passed to subrecipients.

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

Note 3 - The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Expenditures are reported on the regulatory basis of accounting consistent with the preparation of the combined financial statements. These expenditures are recognized following the cost principles contained in the Uniform Guidance. The Tech Center has also elected to not use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

JACK JENKINS, CPA
MICHAEL KEMPER, CPA

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
Tulsa Technology Center
Tulsa, OK 74147-7200

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 Tulsa Technology Center No. VT-18, Tulsa, 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 November 30, 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.

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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*. However, there was one (1) immaterial observation included in a separate letter to management.

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.

November 30, 2023

JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

JACK JENKINS, CPA
MICHAEL KEMPER, CPA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Honorable Board of Education
Tulsa Technology Center No. VT-18
Tulsa, Oklahoma 74147-7200

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program
We have audited the Tulsa Technology Center No. VT-18, Tulsa, Oklahoma's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023. The Center's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Tulsa Technology Center No. VT-18, Tulsa, Oklahoma complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

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

We are required to be independent of Tulsa Technology Center No. VT-18, Tulsa, Oklahoma and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Center's compliance with the compliance requirements referred to above.

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

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

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made by a reasonable user of the report on compliance about the Center's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control over Compliance

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

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

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

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

Jenkins & Kemper, CPAs P.C.

Jenkins & Kemper
Certified Public Accountants, P.C.

November 30, 2023

TULSA TECHNOLOGY CENTER NO. 18, TULSA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2023

Section 1 – Summary of Auditor's Results

1. An unqualified opinion was issued on the financial statements with respect to generally accepted accounting principles.

2. The audit disclosed no significant deficiencies in the internal controls over financial reporting.

3. The audit disclosed no instances of noncompliance which are material to the financial statements.

4. The audit disclosed no significant deficiencies in the internal controls over major programs.

5. An unqualified opinion report was issued on the compliance of major programs.

6. The audit disclosed no audit findings which are required to be reported under OMB Uniform Guidance.

7. Major Program Identification: Education Stabilization Fund (84.425E,84.425F) and Carl Perkins (84.048) programs, which were each clustered in the determination.

8. The dollar threshold used to determine between Type A and Type B programs was $750,000.

9. The auditee was determined to be a low-risk auditee.

Section 2 – Findings relating to the financial statements required to be reported in accordance with GAGAS

None

Section 3 – Findings and questioned costs for federal awards

None

TULSA TECHNOLOGY CENTER NO. 18, TULSA COUNTY
DISPOSITION OF PRIOR YEAR'S FINDINGS
JUNE 30, 2023

There were no prior year significant deficiencies or material instances of non-compliance.

TULSA TECHNOLOGY CENTER NO. 18, TULSA 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 Tulsa 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
30th day of, November, 2023

Lauren McCain
NOTARY PUBLIC

NOTARY SEAL PUBLIC
LAUREN McCAIN
Notary Public in and for the
State of Oklahoma
Commission #23000166
My Commission expires 1/04/2027

JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

JACK JENKINS, CPA
MICHAEL KEMPER, CPA

November 30, 2023

Tulsa Technology Public Schools
Attn: Ms. Joanne Lucas
PO Box 477200
Tulsa, OK 74147-7200

Dear Ms. Lucas:

Listed below are management recommendations from the final audit work we performed for you. Please review them carefully along with the copy of your audit report. We will email a copy of the audit report to the State Department of Career and Technology Education, Oklahoma State Auditor and Inspector's Office and the Federal Clearinghouse within 30 days after the presentation of your audit. If you have questions or desire additional information, please call us so that any discrepancies may be resolved.

The following section contains a recommendation relayed to management that is an immaterial observation which is not included in the audit report.

> The Center was notified on July 31, 2023 by the Internal Revenue Service (IRS) that its submission of the 2021 Forms 1098T were filed on May 6, 2022, after the March 31 deadline. This resulted in the IRS assessing a penalty for late filing of $160,100. Although the Center appears to have reasonable cause to have the penalty abated, we recommend the Center implement procedures that would require more than one individual verify the timely filing of these forms in the future.

We take this opportunity to thank you and your professional staff for the outstanding cooperation and invaluable assistance you gave us during our recent onsite audit work.

Sincerely,

Jenkins & Kemper, CPAs P.C.

Jenkins & Kemper
Certified Public Accountants, P.C.

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

AUDIT ACKNOWLEDGEMENT

Tulsa Technology Center
Tulsa, Oklahoma
Audit Year
July 1, 2022 through June 30, 2023

The annual independent audit for Tulsa Technology Center, was presented to the Board of Education in an open board meeting on December 11, 2023, 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.

Superintendent

Sharon Whelpley
Board of Education President

DR Jim Baker
Board of Education Vice President

Mark Griffin
Board of Education Member

David E. Chaney
Board of Education Member

Board of Education Member

Board of Education Member

Board of Education Member

Subscribed and sworn to me this 11 day of December. My commission expires on the 02 day of October 2026

Felicia J. Senter
Notary Public

FELICIA J SENTER
Notary Public
State of Oklahoma
Commission # 18009919
Expires: 10/02/2026