

ANNUAL FINANCIAL REPORT
CANADIAN VALLEY TECHNOLOGY CENTER NO. 6
CANADIAN COUNTY, OKLAHOMA
JULY 1, 2020 TO JUNE 30, 2021

AUDITED BY
KERRY JOHN PATTEN, C.P.A.

**CANADIAN VALLEY TECHNOLOGY CENTER NO. 6
CANADIAN COUNTY, OKLAHOMA
SCHOOL DISTRICT OFFICIALS
JUNE 30, 2021**

Board of Education

President	Jimmie Vickrey
Vice-President	Penny Jones
Clerk	Dean Riddell
Deputy Clerk	Christy Stanley
Member	Dennis Crawford

Superintendent of Schools

Ms. Gayla Lutts

School District Treasurer

Ms. Darci Rains

**CANADIAN VALLEY TECHNOLOGY CENTER NO. 6
CANADIAN COUNTY, OKLAHOMA
TABLE OF CONTENTS
JUNE 30, 2021**

TABLE OF CONTENTS	Page
Report of Independent Auditor	1
Management's Discussion and Analysis	3
Basic Financial Statements	
Government Wide Financial Statements --	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements	
Balance Sheet	11
Reconciliation of Balance Sheet of Governmental Funds to the Statement of Net Position.....	12
Statement of Revenues, Expenditures and Changes in Fund Balance – All Governmental Fund Types.....	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14
Notes to the Financial Statements	15
Required Supplementary Information	
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – (GAAP Basis) – General Fund	35
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – (GAAP Basis) – Building Fund	36
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – (GAAP Basis) – Sinking Fund	37
Schedule of Proportionate Share of the Net Pension Liability Oklahoma Teachers Retirement System	38
Schedule of Contributions to the Oklahoma Teachers Retirement System	39
Schedule of Proportionate Share of the Net OPEB Liability (Asset) Supplemental Health Insurance Program	40

(continued)

**CANADIAN VALLEY TECHNOLOGY CENTER NO. 6
CANADIAN COUNTY, OKLAHOMA
SCHOOL DISTRICT OFFICIALS
JUNE 30, 2021**

TABLE OF CONTENTS

Required Supplementary Information (continued)

Schedule of Contributions to the Supplemental Health Insurance Program,	41
---	----

Supporting Schedules

Schedule of Expenditures of Federal Awards.....	42
Notes to the Schedule of Expenditures of Federal Awards.....	43
School Activity Fund – Statement of Changes in Assets and Liabilities	44

Reports Required by *Government Auditing Standards*

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 <i>Government Auditing Standards</i>	45
---	----

Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures Of Federal Awards Required by the Uniform Guidance	47
--	----

Schedule of Findings and Questioned Costs	49
---	----

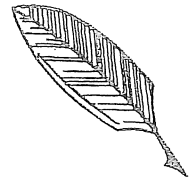
Summary of Prior Audit Findings	50
---------------------------------------	----

Schedule of Comments	51
----------------------------	----

Schedule of Accountant's Professional Liability Insurance Affidavit	52
---	----

KERRY JOHN PATTEN, C.P.A.

2101 N. Willow Ave.
Broken Arrow, OK 74012
Phone Number (918) 250-8838
FAX Number (918) 250-9853



INDEPENDENT AUDITOR'S REPORT

The Board of Education
Canadian Valley Technology Center No. 6
Canadian, Oklahoma

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Canadian Valley Technology Center No. 6, Canadian County, Oklahoma, as of and for the year ended June 30, 2021, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my 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. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Canadian Valley Technology Center as of June 30, 2021, and the respective changes in its financial position and, where applicable, cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Auditing Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 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 Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting 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 and other additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the supplementary information including the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated March 5, 2022, on my consideration of Canadian Valley Technology Center No. 6, Canadian County, Oklahoma's, internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.



Kerry John Patten, C.P.A.
Broken Arrow, OK
March 5, 2022

MANAGEMENT DISCUSSION AND ANALYSIS

Canadian Valley Technology Center, District No. 6
Canadian County, Oklahoma
Management Discussion and Analysis (Unaudited)
July 1, 2020, to June 30, 2021

Within the management's discussion and analysis of the Canadian Valley Technology Center, District No. 6 (the District) annual financial report, the District's management provides narrative discussion and analysis of the financial activities of the District for the fiscal year ended June 30, 2021. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements following this section.

I. Financial Highlights

- Total net position \$74,972,934
- Change in total net position \$10,077,597
- Fund balances, governmental funds \$38,870,275
- Property valuation of the district for fiscal year ended 2021 is up 6.92 % from the prior year.

II. Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction of the Canadian Valley Technology Center, District No. 6's basic financial statements. The District's basic financial statements comprise three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

1) District-wide Financial Statements. The district-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Position represents district-wide information on all of the District's assets and liabilities, with the difference between assets and liabilities reported as Net Position. Over time, increases or decreases in Net Position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents district-wide information showing how the District's Net Position changed during the most recent fiscal year. All changes in Net Position are reported as soon as the underlying event giving rise to the change occurs, regardless of when cash is received or paid. Thus, some revenues and expenses reported in this statement will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused sick leave which is available for redemption upon retirement).

Both of the district-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include vocational and technical education focusing on career development and administration.

The district-wide financial statements can be found on pages 9-10 in this report.

2) Fund Financial Statements. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's most significant funds rather than the District as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Since there is only one non-major fund, the activity fund, it is reported alongside the major funds.

Canadian Valley Technology Center, District No. 6
Canadian County, Oklahoma
Management Discussion and Analysis (Unaudited)
July 1, 2020, to June 30, 2021

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on short-term inflows and outflows of spendable resources, as well as on balances of spending resources available at the end of the fiscal year. Such information may be useful in evaluating the District's short-term financing requirements. Most of the District's basic services are included here, such as vocational and technical education focusing on career development and administration. Property taxes, bond proceeds, federal grants, state grants, and state formula aid finance most of these activities.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the government's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District internally maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, building fund, capital projects fund and sinking fund, all of which are considered to be major funds.

General Fund: The general fund is the chief operating fund of the District. The general fund accounts for all financial resources not accounted for within another fund.

Special Revenue Funds: Special revenue funds are used to account for and report proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service and capital projects. The proceeds of specific revenue sources are the foundation for the fund. The District reports the building fund as a special revenue funds.

Capital Projects Fund: Capital project funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays. The District reports unspent bond proceeds in the capital projects fund. The District did not report capital projects fund for 2021.

Debt Service Fund: Debt service funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest. The District reports resources collected from property taxes levied for bond payments in the debt service fund along with interest earnings on funds accumulated.

The District adopts an annual appropriated budget for its general, building and sinking funds. Budgetary comparison statements have been provided for the general fund and building fund to demonstrate compliance with these budgets.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the district-wide financial statements because the resources of these funds are not available to support the District's own programs.

The basic governmental fund financial statements can be found on pages 11-14 of this report.

Canadian Valley Technology Center, District No. 6
Canadian County, Oklahoma
Management Discussion and Analysis (Unaudited)
July 1, 2020, to June 30, 2021

3) Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. Notes to the financial statements can be found on pages 15-34 of this report.

Other information, in addition to the basic financial statements and accompanying notes, includes certain required supplementary information including budgetary comparison schedules for the general and building funds and schedules for the Oklahoma Teacher Retirement system

Required supplementary information can be found on pages 35-41 of this report.

III. Financial Analysis of the District as a Whole

As year-to-year financial information is accumulated on a consistent basis, changes in Net Position may be observed and used to discuss the changing financial position of the District as a whole.

The net position of the District's governmental activities increased by 13.4% from \$64,895,337 to \$74,972,934. This increase was primarily due to capital asset acquisition.

A portion of the District's Net Position, \$17,919,124 (23.9% of total Net Position), represents resources that are subject to external restrictions on how they may be used or are not in expendable form. \$57,984,101 is the investment in capital assets less related debt. The District uses these capital assets to provide instruction, support, and transportation services; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The remaining balance is a deficit of (\$930,291), which is unrestricted portion.

At the end of the current fiscal year, the District is able to report a positive balance in Net Position. The same situation held true for the prior fiscal year. Comparative data is accumulated and presented to assist analysis.

IV. Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with budgetary and finance-related legal requirements.

Governmental funds

The focus of the District's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Canadian Valley Technology Center, District No. 6
Canadian County, Oklahoma
Management Discussion and Analysis (Unaudited)
July 1, 2020, to June 30, 2021

The following schedule presents a summary of general, building, and sinking fund revenues and expenditures

Revenues:	2021	Percent of Total	2020	Percent of Total	Increase (Decrease) from Prior Year	Percent Change
Local Sources	\$ 39,661,872	86.21%	\$ 36,492,258	89.28%	\$ 3,169,614	8.69%
State Sources	3,617,274	7.86%	4,082,042	8.00%	(464,768)	-11.39%
Federal Sources	2,724,787	5.92%	1,272,595	2.72%	1,452,192	114.11%
	<u>\$ 46,003,933</u>	100.00%	<u>\$ 41,846,895</u>	100.00%	<u>\$ 4,157,038</u>	9.93%

- Increases in local and federal sources (HEERF) resulted in the funding increase.

Expenditures:	2021	Percent of Total	2020	Percent of Total	Increase (Decrease) from Prior Year	Percent Change
Instructional	\$ 12,487,826	31.82%	\$ 12,590,078	33.31%	\$ (102,252)	-0.81%
Support Services	15,823,273	40.32%	15,386,814	8.00%	436,459	2.84%
Non-instructional	1,685,334	4.29%	1,777,395	4.70%	(92,061)	-5.18%
Capital Outlay	1,969,395	5.02%	177,879	0.47%	1,791,516	1007.15%
Other	1,641,279	4.18%	714,980	1.89%	926,299	129.56%
Debt Service	5,640,528	14.37%	7,145,407	2.72%	(1,504,879)	-21.06%
	<u>\$ 39,247,635</u>	100.00%	<u>\$ 37,792,553</u>	100.00%	<u>\$ 1,455,082</u>	3.85%

- Increase in capital outlay is due to final payments of Cowan Campus construction from building fund.

V. General Fund Budgetary Highlights

During the year, the Board adopted amendments to the budget. Budget amendments are approved once final property tax valuation and allocations are received.

General fund revenues exceeded budget by \$3.7 million, most of which resulted from increases in property taxes and federal HEERF funds.

Canadian Valley Technology Center, District No. 6
Canadian County, Oklahoma
Management Discussion and Analysis (Unaudited)
July 1, 2020, to June 30, 2021

VI. Capital Asset and Debt Administration

Capital Assets. The District's investment in capital assets increased from \$87,000,399 to \$90,011,539, net of accumulated depreciation. This investment in capital assets includes land, buildings, equipment, and vehicles.

	Governmental Activities	
	<u>2021</u>	<u>2020</u>
Land	\$ 1,013,987	\$ 1,013,987
Construction in Progress	<u>0</u>	<u>14,119,116</u>
Total Capital Assets Not Depreciated	<u>1,013,987</u>	<u>15,133,103</u>
Buildings	102,065,713	83,171,109
Machinery & Equipment	8,354,775	8,116,942
Land Improvements	<u>-</u>	<u>-</u>
Capital Assets Being Depreciation	110,420,488	91,288,051
Less Accumulated Depreciation	<u>(21,422,936)</u>	<u>(19,420,756)</u>
Total Capital Assets		
Being Depreciated -Net	88,997,552	71,867,296
Total Capital Assets	<u>90,011,539</u>	<u>87,000,399</u>

Additional information concerning the District's capital assets is contained in the notes to the financial statements.

Debt. At year-end, the District had the following debt outstanding.

	Governmental Activities	
	<u>2021</u>	<u>2020</u>
General Obligation Bonds	\$ 4,005,000	\$ 5,340,000
Capital Lease Obligations	<u>27,007,438</u>	<u>30,368,338</u>
	<u>\$ 31,012,438</u>	<u>\$ 35,708,338</u>

Oklahoma statutes limit the general obligation debt that can be issued to 10% of the assessed valuation for the District. The District's imposed limit is approximately \$235 million.

More information about the District's long-term liabilities is presented in the notes to the financial statements.

The District's share of the Teacher Retirement System's net pension liability as of June 30, 2021 was \$31,470,570. This was an increase of \$8,760,959 from fiscal year 2020.

**Canadian Valley Technology Center, District No. 6
Canadian County, Oklahoma
Management Discussion and Analysis (Unaudited)
July 1, 2020, to June 30, 2021**

VII. Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Chief Financial Officer, Canadian Valley Technology Center, District No. 6, 6505 E. Highway 66, El Reno, Oklahoma 73036

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CANADIAN VALLEY TECHNOLOGY CENTER NO. 6
STATEMENT OF NET POSITION
June 30, 2021

	Governmental Activities
<u>ASSETS</u>	
Cash	\$ 38,901,996
Restricted cash	233
Property tax receivable	4,933,645
Due from other governments	556,760
Other Receivables	95,759
Prepaid Insurance	10,792
Capital assets	
Land	1,013,987
Construction in Progress	-
Other capital assets, net of accumulated depreciation	87,982,553
Net OPEB asset	32,852
Total Assets	<u>\$ 133,528,577</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>	
Deferred amounts of resources related to pensions	9,283,714
Deferred amounts of resources related to OPEB	164,651
Total deferred outflows of resources	<u>9,448,365</u>
<u>LIABILITIES</u>	
Current liabilities	
Accounts payable	\$ 455,043
Salaries payable	801,681
Accrued Interest payable	754,410
Compensated absences - short term	85,790
Lease payable	3,452,811
GO Bond Payable	1,335,000
Total current liabilities	<u>6,083,054</u>
Non-current liabilities	
Compensated absences - long term	1,048,178
GO Bonds	2,670,000
Leases	23,554,628
Net pension liability	31,470,570
Total non-current liabilities	<u>58,743,376</u>
Total Liabilities	<u>\$ 64,826,430</u>
<u>DEFERRED INFLOW OF RESOURCES</u>	
Deferred amounts of resources related to pensions	3,104,666
Deferred amounts of resources related to OPEB	72,912
Total deferred inflows of resources	<u>3,177,578</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	\$ 57,984,101
Restricted Lease Purchase Proceeds	233
Restricted for Net OPEB Asset	32,852
Restricted for Building Fund	17,248,364
Restricted for Debt Service	465,818
Restricted for Student Organizations	171,857
Unrestricted	(930,291)
Total Net Position	<u><u>\$ 74,972,934</u></u>

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

**CANADIAN VALLEY TECHNOLOGY CENTER NO. 6
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

		Program Revenues				Net (Expenses) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions		Government Activities
Governmental Activities:						
Instructional	\$ (14,967,081)	\$ 2,640,800	\$ -	\$ -	\$	(12,326,281)
Support services - instructional	(8,687,073)	807,953	457,173	-		(7,421,947)
Support services - operational	(8,456,811)	427,994	52,092	-		(7,976,725)
Non-Instruction	(1,814,874)	-	-	-		(1,814,874)
Other Outlays		-	-	-		-
Other Uses	(130,021)					(130,021)
Capital Outlays		-	-	-		-
Repayments and financial aid	(653,047)	-	-	-		(653,047)
Other Refunds	(13,771)					(13,771)
Correcting Entry	(5,309)	-	-	-		(5,309)
Debt Interest	(883,913)	-	-	-		(883,913)
Governmental Activities	\$ (35,611,900)	\$ 3,876,747	\$ 509,265	\$ -	\$	(31,225,888)

General revenues

Taxes:

Property taxes, levied for general purposes	\$ 24,219,687
Property taxes, levied for building purposes	12,107,008
Property taxes, levied for debt purposes	1,326,550
Other Taxes	3,211
State Appropriations	3,188,787
Other	387,911
Interest Income	70,331
Total general revenues	<u>41,303,485</u>
Changes in net position	10,077,597
Net position - beginning-restated	<u>64,895,337</u>
Net position - ending	<u>\$ 74,972,934</u>

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

GOVERNMENTAL FUNDS

CANADIAN VALLEY TECHNOLOGY CENTER NO. 6
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

	General Fund	Building Fund	Sinking Fund	Activity Fund	Total Governmental Funds
ASSETS					
Cash	\$ 21,104,721	\$ 17,183,632	\$ 441,786	\$ 171,857	\$ 38,901,996
Property taxes receivable	3,167,691	1,582,800	183,154	-	4,933,645
Due from other governments	420,299	136,461	-	-	556,760
Other Receivables	91,043	4,716	-	-	95,759
Prepaid Insurance	10,792	-	-	-	10,792
Total assets	<u>\$ 24,794,546</u>	<u>\$ 18,907,609</u>	<u>\$ 624,940</u>	<u>\$ 171,857</u>	<u>\$ 44,498,952</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 170,873	\$ 284,170	\$ -	\$ -	\$ 455,043
Salaries payable	801,681	-	-	-	801,681
Compensated absences-current	85,790	-	-	-	85,790
Total liabilities	<u>1,058,344</u>	<u>284,170</u>	<u>-</u>	<u>-</u>	<u>1,342,514</u>
Deferred inflows of resources:					
Deferred property taxes	<u>2,751,966</u>	<u>1,375,075</u>	<u>159,122</u>	<u>-</u>	<u>4,286,163</u>
Total deferred inflow of resources	<u>2,751,966</u>	<u>1,375,075</u>	<u>159,122</u>	<u>-</u>	<u>4,286,163</u>
Fund balances:					
Non-spendable Fund Balances:					
<i>Prepaid Items</i>	10,792	-	-	-	10,792
Restricted Fund Balances:					
<i>Restricted by Statute</i>	-	14,640,634	465,818	-	15,106,452
<i>Restricted for Student Organizations</i>				171,857	171,857
Assigned Fund Balances:					
<i>Encumbrances</i>	1,212,871	2,607,730			3,820,601
<i>Other Assigned Fund Balances</i>			-		-
Unassigned	<u>19,760,573</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,760,573</u>
Total Fund Balances	<u>20,984,236</u>	<u>17,248,364</u>	<u>465,818</u>	<u>171,857</u>	<u>38,870,275</u>
Total Liabilities and Fund Balances	<u>\$ 24,794,546</u>	<u>\$ 18,907,609</u>	<u>\$ 624,940</u>	<u>\$ 171,857</u>	<u>\$ 44,498,952</u>

Canadian Valley Technology Center No. 6
Canadian County, Oklahoma
Reconciliation of the Balance Sheet of Governmental Funds to the
Statement of Net Position
June 30, 2021

Total Fund Balances-Governmental Funds	\$ 38,870,275
Amounts reported for governmental activities in the statement of net position, are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds. The cost of the assets is \$110,399,020 and the accumulated depreciation is \$21,402,500.	88,996,520
Long term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet. Long term liabilities consist of:	
Long-Term Debt	(31,012,438)
Compensated Absence	(1,048,178)
Property taxes receivable will be collected this year, but are not available soon enough to pay current period's expenditures, therefore they are deferred in the funds.	4,286,163
Net pension obligations are not due and payable in the current period and therefore, are not reported in funds.	(31,470,570)
Restricted cash is provided by lease-purchase debt and is therefore not reported in the governmental funds.	223
Net OPEB asset is not a financial resource, therefore not reported in funds	32,852
Accrued interest is not due and payable in the current period and is therefore not reported in the governmental funds.	47,300
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and therefore, are not reported in funds.	6,270,787
Net Position of Governmental Activities	<u><u>\$ 74,972,934</u></u>

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

CANADIAN VALLEY TECHNOLOGY CENTER NO. 6
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Building Fund	Sinking Fund	Activity Fund	Total Governmental Funds
Revenues:					
Local sources	\$ 25,378,543	\$ 11,980,635	\$ 1,317,547	\$ 985,147	\$ 39,661,872
Intermediate sources	-	-	-	-	-
State sources	3,616,128	1,030	116	-	3,617,274
Federal sources	2,504,340	220,447	-	-	2,724,787
Total revenues	\$ 31,499,011	\$ 12,202,112	\$ 1,317,663	\$ 985,147	\$ 46,003,933
Expenditures:					
Instructional	\$ 11,772,957	\$ 714,869	\$ -	\$ -	\$ 12,487,826
Support Services:					
Students	1,790,442	191,290	-	-	1,981,732
Instructional Staff	1,389,112	18,300	-	-	1,407,412
General Administration	1,227,653	-	-	-	1,227,653
School Administration	3,092,254	1,988	-	-	3,094,242
Business	3,118,915	685,236	-	-	3,804,151
Operation of Plant	2,148,304	1,583,594	-	-	3,731,898
Student Transportation	157,873	418,312	-	-	576,185
Non-instructional	1,650,171	35,163	-	-	1,685,334
Capital Outlay	-	1,969,395	-	-	1,969,395
Other Outlays	(2,646)	-	-	968,798	966,152
Student Aid	653,047	-	-	-	653,047
Other Refunds	13,771	-	-	-	13,771
Correcting Entry	5,309	-	-	-	5,309
Other Uses	3,000	-	-	-	3,000
Debt Service					
Principal	-	3,360,899	1,335,000	-	4,695,899
Interest	-	801,116	143,513	-	944,629
Total expenditures	\$ 27,020,162	\$ 9,780,162	\$ 1,478,513	\$ 968,798	\$ 39,247,635
Excess of revenues over (under) expenditures	\$ 4,478,849	\$ 2,421,950	\$ (160,850)	\$ 16,349	\$ 6,756,298
Other Financing Sources					
Proceeds of Capital Leases	-	-	-	-	-
Total Other Financing Sources	-	-	-	-	-
Excess of revenues and other sources of funds over (under) expenditures	\$ 4,478,849	\$ 2,421,950	\$ (160,850)	\$ 16,349	\$ 6,756,298
Fund balance, beginning of year	\$ 16,505,387	\$ 14,826,414	\$ 626,668	\$ 155,508	\$ 32,113,977
Fund balance, end of year	\$ 20,984,236	\$ 17,248,364	\$ 465,818	\$ 171,857	\$ 38,870,275

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

**CANADIAN VALLEY TECHNOLOGY CENTER NO. 6
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES,
FOR THE YEAR ENDED JUNE 30, 2021**

Net change in fund balances - governmental funds	\$	6,756,298
--	----	-----------

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlays exceeds depreciation in the period.

Capital outlay expenditures	\$	4,159,401	
Depreciation expense		(2,153,279)	
Retirements		<u>-</u>	2,006,122

Some expenses (compensated absences) reported in the Statement of Activities do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.

189,682

Property taxes receivable will be collected this year, but are not available soon enough to pay current period's expenditures, therefore they are deferred in the funds.

523,697

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

2,141,644

Repayment of principal on long-term debt is an expenditure in government funds, but it reduces long term liability in the Statement of Net Position.

(3,117,756)

Some Capital Outlay assets were financed with proceeds from lease purchase financing.

1,577,910

Change in Net Position of Governmental Activities

\$ 10,077,597

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

NOTES TO THE FINANCIAL STATEMENTS

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 6
CANADIAN COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1. Summary of Significant Accounting Policies

The financial statements of the Canadian Valley Technology Center School District No. 6 (the "Center") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units. The governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Center's accounting policies are described below.

A. Reporting Entity

In accordance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity," the Center has presented the entities, which comprise the primary government in the fiscal year 2021 basic financial statements.

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

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

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

The Canadian Valley Technology Education Foundation is not included in the reporting entity. The District does not appoint any board members or exercise any oversight authority over the Foundation.

B. Basis of Presentation

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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 properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

Fund Financial Statements

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

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

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 6
CANADIAN COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Summary of Significant Accounting Policies (continued)

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 Formula Operations.

Expenditures include all costs associated with the daily operations of the schools except for programs funded for building repairs and maintenance, school construction and debt service on bonds and other long-term debt.

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

Fiduciary Fund Types

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

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

The Center's Fiduciary Funds have been excluded from the government-wide financial statements.

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

Account Groups

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

C. Basis of Accounting

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

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

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

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 6
CANADIAN COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Summary of Significant Accounting Policies (continued)

D. Budgets and Budgetary Accounting

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

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

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

E. Net Position and Fund Balances

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

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

Restricted Net Position – are liquid assets generated from revenues and not bond proceeds, which have third party (statutory bond covenant or granting agency) limitations on their use. The Center would typically use restricted net assets first, as appropriate opportunities arise, but reserve the right to selectively defer the use thereof to a future project or replacement equipment acquisition.

Unrestricted Net Position – represent unrestricted liquid assets.

Governmental Fund Financial Statements – The Center has adopted Governmental Accounting Standards Board Statement No. 54, which redefined how fund balances of the governmental funds are presented in the 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 available in the governmental fund financial statements are as follows:

Non-Spendable – Amounts that are not in a spendable form such as prepaid expenses, or are required to be maintained intact such as the corpus of permanent fund.

Restricted – The Building Fund is restricted by statute to certain capital related costs. Amounts constrained to specific purposes by their providers such as creditors, grantors, or imposed by law through constitutional provisions or enabling legislation.

Committed – The Center commits a portion of the accrual basis fund balance to honor the commitments made by the Center for encumbrances (purchase orders) for which goods or services have not yet been received. The fund balance committed for encumbrances will be equivalent of the purchase orders rolled forward from the old year to the new year. The Director of Finance will determine the balance of committed fund balance as a part of the accrual conversion for the audit.

Amounts that are constrained by a government itself using its highest level of decision making authority (Board of Education); to be reported as committed, amounts cannot be used for any purpose unless the government takes the same highest level action (vote of Board of Education) to remove or change the constraint. Action to constrain resources should occur before the end of the fiscal year.

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 6
CANADIAN COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Summary of Significant Accounting Policies (continued)

Assigned – The Center has assigned a portion of fund balance in both the General and Building Fund for funding the cash flow needs during the first half of each fiscal year. The collection of property taxes occurs mainly in December through March. This creates a temporary cash flow deficit during the first part of each fiscal year. The assigned fund balance is used to finance this temporary cash flow deficit. The Treasurer and Director of Finance will determine the amount of assigned fund balance at the end of the fiscal year.

Unassigned - Fund balance represents the funds not restricted in use by statute nor encumbered by purchase orders or legal contracts. Amounts that are available for any purpose; these amounts are reported only in the General Fund.

F. Assets, Liabilities and Cash Fund Balances

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

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

If the first payment is not made timely, the entire tax becomes due and payable on January 2. The second half of taxes becomes delinquent on April 1 of the year following the year of assessment. If taxes are delinquent and unpaid for a period of three (3) years or more the real estate may be sold for taxes.

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

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

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

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

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

Assets capitalized have an original cost of \$5,000 or more. Depreciation has been calculated using the straight-line method over the following useful lives:

Buildings and structures	25-50 years
Improvements	Remaining life
Equipment	5-20 years
Furniture and fixtures	15-20 years
Vehicles	8 years

CANADIAN VALLEY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 6
CANADIAN COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Summary of Significant Accounting Policies (continued)

Repairs, remodeling and construction costing \$25,000 or more has been capitalized and depreciated over the estimated useful life.

Compensated Absences – The Center's policy regarding vacation time permits employees to accumulate earned, but unused, vacation leave. A maximum of ten days may be carried over to the next anniversary year. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable, available financial resources, while the proprietary funds report the liability as it is incurred.

The Center will provide one day of sick leave per month of duty contract. The right to such leave shall vest at the beginning of the contract period. The maximum number of days of accumulated sick leave that may be carried forward from one contract year to the next shall be sixty days. Unused sick leave is paid when the employee retires if they have been employed by the Center for ten years or more and have a minimum of thirty days accrued. Amounts are paid out to an employer sponsored 403(b) plan at 2% of salary.

Employees of the Center receive varying amounts of vacation depending on the number of months contracted each year and the years of service completed with the Center. The maximum annual leave that may accumulate and carry forward to the next calendar year is 35 days. Upon termination of employment, unused vacation may be paid to the employee upon approval of the Board of Education.

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

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

G. Revenue, Expenses and Expenditures

Revenues are classified by source as follows:

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

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

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

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

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

Expenditures are classified by function as follows:

**CANADIAN VALLEY TECHNOLOGY CENTER NO. 11
CANADIAN COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

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

Deferred Outflows of Resources: Deferred outflows are the consumption of net position by the school district that are applicable to a future reporting period. At June 30, 2021, the school district's deferred outflows of resources were comprised of deferred outflows related to pensions and deferred outflows related to OPEB.

Deferred Inflows of Resources: Deferred inflows are the acquisition of net position by the school district that are applicable to a future reporting period. At June 30, 2021, the school district deferred inflows of resources were comprised of deferred inflows related to pensions and deferred inflows related to OPEB.

**CANADIAN VALLEY TECHNOLOGY CENTER NO. 11
CANADIAN COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS
FOR THE YEAR ENDED JUNE 30, 2021**

Deposit Categories of Credit Risk (continued)

2. Deposit Categories of Credit Risk

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

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

**CANADIAN VALLEY TECHNOLOGY CENTER NO. 11
CANADIAN COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS
FOR THE YEAR ENDED JUNE 30, 2021**

Deposit Categories of Credit Risk (continued)

Custodial Credit Risk:

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

Certificates of deposit are collateralized at least by the amount not federally insured.

Interest Rate Risk:

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

Credit Risk:

The Center has no formal written policy addressing credit risk.

3. Use of Estimates

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

4. Accounts Receivable

Accounts receivables of the governmental activities consist of Ad Valorem tax, miscellaneous local, State grants, and Federal grant programs. Receivables detail by fund at June 30, 2021, is as follows:

Accounts Receivable	General Fund	Building Fund	Sinking Fund
Ad Valorem Tax	\$ 3,167,691	\$ 1,582,800	\$ 183,154
Due from Local Sources	91,043	4,716	
Due from Other Governments	5,500	-	
Federal Grants	414,799	136,461	
Gross receivables			
Less: deferred taxes	2,751,966	1,375,076	159,122
Net Receivables	\$ 927,067	\$ 348,901	\$ 24,032

**CANADIAN VALLEY TECHNOLOGY CENTER NO. 11
CANADIAN COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS
FOR THE YEAR ENDED JUNE 30, 2021**

5. Capital Assets

A Summary of changes in general fixed assets for the year ended June 30, 2021, follows:

	Balance July 1, 2020	Additions	Transfers	Retirements	Balance July 1, 2021
<u>Capital Assets Not Being Depreciated</u>					
Land	\$ 1,013,987	\$	\$ -	\$ -	\$ 1,013,987
Construction in Progress	<u>14,119,116</u>		<u>(14,119,116)</u>	<u>-</u>	<u>-</u>
Total Assets Not					
Being Depreciated	<u>15,133,103</u>		<u>(14,119,116)</u>	<u>-</u>	<u>1,013,987</u>
<u>Capital Assets Being Depreciated</u>					
Buildings	83,171,109	4,775,488	14,119,116	-	102,065,713
Machinery & Equipment	<u>8,116,942</u>	<u>409,368</u>	<u>-</u>	<u>171,535</u>	<u>8,354,775</u>
Total Capital Assets					
Being Depreciated	<u>91,288,051</u>	<u>5,184,856</u>	<u>14,119,116</u>	<u>171,535</u>	<u>110,420,488</u>
Less:					
Accumulated					
Depreciation	<u>19,420,756</u>	<u>2,173,714</u>	<u>-</u>	<u>171,535</u>	<u>21,422,936</u>
Total Capital Assets					
Being Depreciated - Net	<u>71,867,296</u>	<u>3,011,141</u>	<u>-</u>	<u>-</u>	<u>88,997,552</u>
Total Capital Assets-Net	\$ <u>87,000,399</u>	\$ <u>3,011,141</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>90,011,539</u>

Depreciation expense for the year ended June 30, 2021, was charged to functions of the District as follows:

General government

Instruction	\$ 1,547,032
Support services – instructional	358,445
Support services – operational	146,508
Non-instructional services	<u>121,729</u>
Total depreciation expense-governmental activities	\$ 2,173,714

**CANADIAN VALLEY TECHNOLOGY CENTER NO. 11
CANADIAN COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS
FOR THE YEAR ENDED JUNE 30, 2021**

6. Interfund Transactions

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

7. Employee Retirement System

Description of Plan

The District participates in the state-administrated Teacher's Retirement System of Oklahoma (the "system"), which is a cost-sharing multiple-employer public employee retirement system. The supervising authority for the management and operation of the System is a 13-member Board of Trustees, which acts as a fiduciary for investment of the funds and the application of plan interpretations. The System provides retirement and disability benefits, annual cost of living adjustments, death benefits and other benefits to plan members and beneficiaries. Oklahoma State Statutes establish benefit provisions and may be amended only through legislative action. The District has no responsibility or authority for the operation and administration of the system nor has it any liability, except for contribution requirements. The Oklahoma Teachers' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Oklahoma Teachers' Retirement System, P.O. Box 53624, Oklahoma City, Oklahoma 73152.

Basis of Accounting

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

Funding Policy

The District, the State of Oklahoma, and the participating employee make contributions. The contribution rates for the District and its employees are established by and may be amended by Oklahoma Statutes. The rates are applied to the employee's earnings plus employer-paid fringe benefits. The required contribution for the participating members is 7.0% of compensation. The contribution rate for employers is 9.5%. The State of Oklahoma contributes a percentage of its revenues from sales taxes, use taxes, corporate income taxes, individual income taxes, and lottery proceeds to the System. This percentage has been 5.00% since FY 2008. HB 2741 passed during the 2020 legislative session which temporarily reduced the rate to 3.50% for FY 2021. HB 2894 passed during the 2021 legislative session which restored the rate to 5.00% for FY 2022 and then changed the rate to 5.25% for FY 2023 through FY 2027. The rate is scheduled to return back to 5.00% beginning in FY 2028. The lottery proceeds contributed to the System were not impacted by this legislation. The matching contribution rate for FY 2021 is 7.7% of applicable payroll. The District is allowed by the Oklahoma Teacher's Retirement System to make the required contributions on behalf of participating members. The school is required to pay 16.5% for any compensated retired teachers already receiving retirement benefits.

Annual Pension Cost

The Center's total contributions for 2021, 2020, and 2019 were \$1,098,449, 1,134,926, and \$1,143,911, respectively. The Center's total payroll for fiscal year 2020-21 amounted to \$17,000,034.

**CANADIAN VALLEY TECHNOLOGY CENTER NO. 11
CANADIAN COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Employee Retirement System (continued)

On Behalf Contributions

The State of Oklahoma makes retirement contributions each year for teachers employed by Oklahoma School Districts. The contribution amounts are based on the teacher's years of service and amounts paid are prescribed by O.S.70 Section 17-108.2 subsection A. During fiscal year 2020-21, the State of Oklahoma's contribution was \$77,216. This Center recognized revenue and expenditures of this amount during the year.

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

At June 30, 2021, the center reported a liability of \$31,470,570 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The center's proportion of the net pension liability was based on the center's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2020. Based upon this information, the center's proportion was .33161010 percent.

For the year ended June 30, 2021, the Center recognized pension expense of \$1,096,384. At June 30, 2021, the center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,532,048	\$ 533,013
Changes of assumptions	3,859,470	454,673
Net difference between projected and actual earnings on pension plan investments	2,712,775	-
Differences in center's proportionate share of contributions and changes in proportion	-	2,081,521
System contributions during measurement date	83,037	35,459
Center contributions subsequent to the measurement date	1,098,449	-
Total	\$ <u>9,285,779</u>	\$ <u>3,104,666</u>

**CANADIAN VALLEY TECHNOLOGY CENTER NO. 11
CANADIAN COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Employee Retirement System (continued)

Deferred pension outflows totaling \$1,098,449 resulting from the center's contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. The deferred outflows resulting from the difference between projected and actual earnings on pension plan investments will be recognized in pension expense over five years. The deferred inflows resulting from differences between expected and actual experience will be recognized in pension expense using the average expected remaining service life of the plan participants.

The average expected remaining life of the plan participants is determined by taking the calculated total future service years of the plan participants divided by the number of people in the Plan including retirees. The total future service years of the plan participants are estimated at 5.59 years at June 30, 2020, and are determined using the mortality, termination, retirement and disability assumptions associated with the Plan.

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

Year ended,		
2022	\$	484,802
2023		1,009,789
2024		1,779,357
2025		1,565,360
2026		<u>243,356</u>
	\$	<u><u>5,082,664</u></u>

Actuarial assumptions: The total pension liability as of June 30, 2021, was determined based on an actuarial valuation prepared as of June 30, 2020 using the following actuarial assumptions:

- Actuarial Cost method-Entry Age Normal
- Inflation – 2.25 percent
- Future Ad HOC Cost of Living increases-None
- Salary Increases-Composed of 2.25 percent wage inflation, plus .75 percent productivity increase rate, plus step-rate promotional increases for members with less than 25 years of service.
- Investment Rate of Return-7 percent.
- Retirement Age-Experience-based table of rates based on age, service, and gender. Adopted by the Board in May 2020 in conjunction with the five year experience study for the period ending June 30, 2019.
- Mortality Rates after Retirement-Males and females: 2020 GRS Southwest Region Teacher Mortality Table. Generational Mortality improvements with the Ultimate MP scales are projected from the year 2020.
- Mortality Rates for Active Members -Pub-2010 Teachers Active Employee. Mortality table. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2010.

The actuarial assumption uses assumptions such as future salary increases and inflation to development what they expect to be the experience of the Plan. Each year the difference between the expected experience and the actual experience is amortized over the average expected remaining service life of Plan.

**CANADIAN VALLEY TECHNOLOGY CENTER NO. 11
CANADIAN COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Employee Retirement System (continued)

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 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. The ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimates of arithmetic expected real rates of return for each major asset class as of June 30, 2020, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38.5%	7.5%
International Equity	19.0%	8.5%
Fixed Income	23.5%	2.5%
Real Estate*	9.0%	4.5%
Alternative Assets	10.0%	6.1%
Total	<u>100.00%</u>	

**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, 2020. This single discount rate was based solely on the expected invested rate of return on pension's plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine total pension liability.

Sensitivity of the Center's proportionate share of the net pension liability to changes in the Discount Rate

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

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Center's proportionate share of the net pension liability	<u>\$ 42,002,523</u>	<u>\$ 31,450,570</u>	<u>\$ 22,751,753</u>

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

**CANADIAN VALLEY TECHNOLOGY CENTER NO. 11
CANADIAN COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

8. Other Post-Employment Benefits OPEB

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

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

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

OPEB Liabilities (Assets), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – At June 30, 2021, the District reported an asset of \$32,852 for its proportionate share of the new OPEB asset. The net OPEB asset was measured as of June 30, 2020, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of June 30, 2020. The District's proportion of the net OPEB asset was based on the District's contributions received by the OPEB plan relative to the total contributions received by the OPEB plan for all participating employers as of June 30, 2020. Based upon this information, the District's proportion was 0.33161010 percent.

For the year ended June 30, 2021, the District recognized OPEB expense of \$3,034. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 71,171
Net difference between projected and actual earnings on OPEB plan investments	71,751	-
Changes in proportion	8,382	-
Contributions during measurement date	11,374	741
District contributions subsequent to the measurement date	2,065	-
Total	\$ 164,615	\$ 72,912

**CANADIAN VALLEY TECHNOLOGY CENTER NO. 11
CANADIAN COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

OPEB (continued)

The \$2,065 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2022	\$	(453))
2023		19,825
2024		30,069
2025		27,362
2026		10,228
Thereafter		<u>2,242</u>
	\$	<u><u>89,674</u></u>

Actuarial Assumptions – The total OPEB liability (asset) as of June 30, 2019, was determined based on an actuarial valuation prepared as of June 30, 2020 using the following actuarial assumptions:

- Actuarial Cost method-Entry Age Normal
- Inflation – 2.25%
- Salary Increases-Composed of 2.25% price inflation, plus .75 percent productivity increase rate, plus step-rate promotional increases for members with less than 25 year of service.
- Future Ad Hoc Cost-of-living increases None
- Investment Rate of Return-7.00%
- Retirement Age-Experience-based table of rates based on age, service, and gender. Adopted by the Board in July 2020 in conjunction with the five year experience study for the period ending June 30, 2019
- Mortality Rates after Retirement – Males and females: 2000 GRS Southwest Region Teacher Mortality table. Generational mortality improvements in accordance with Ultimate MP scales are projected from the year 2010..
- Mortality Rates for Active Members – PUB-2010 Teachers Active Employee Mortality tables. Generational mortality improvements in accordance with the Ultimate MP scales are projected from year 2010.
- Due to the nature of the benefit, health care trend rates are not applicable to the calculation of contribution rates.

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	38.5%	7.5%
International Equity	19.0%	8.5%
Fixed Income	23.5%	2.5%
Real Estate**	9.0%	4.5%
Alternative Assets	<u>10.0%</u>	6.1%
 Total	 <u><u>100.00%</u></u>	

**CANADIAN VALLEY TECHNOLOGY CENTER NO. 11
CANADIAN COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

OPEB (continued)

** 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 OPEB liability (asset) as of June 30, 2021. This single discount rate was based solely on the expected rate of return on OPEB plan investments of 7.00%. Based on the stated assumptions and the projection of cash flows, the OPEB plan's fiduciary net position and future contributions were projected to be available to finance all projected future payments of current plan members. Therefore, the long term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability (asset). The projection of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the 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 OPEB Liability (Asset) to Changes in the Discount Rate – The following presents the net OPEB liability (asset) of the employer calculated using the discount rate of 7.0%, as well as what the Plan's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage- lower (6.0%) and 1-percentage point higher (8.0%) than the current rate:

		1% Decrease (6.0%)		Current Discount Rate (7.0%)		1% Increase (8.0%)
Employer's Net OPEB Liability (asset)	\$	(119,255)	\$	(32,582)	\$	(161,836)

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

9. General Long-Term Debt

The Center's long term debt consisted of non-current compensated absences, capitalized lease-purchase agreements, estimated voluntary separation incentive payments.

The following is a summary of the long-term debt transactions for the year ended June 30, 2021:

	Balance July 1, 2020	Additions	Retirements	Balance June 30, 2021
Leases Payable	\$ 30,368,337	\$	\$ 3,360,899	\$ 27,007,438
General Obligation Bonds	5,340,000		1,335,000	4,005,000
Compensated Absences	884,109	249,859		1,133,968
Total	\$ 36,592,446	\$ 249,859	\$ 4,695,899	32,146,406
Less: Amounts Due within One Year				4,873,602
Total Long-Term Debt				\$ 27,272,804

**CANADIAN VALLEY TECHNOLOGY CENTER NO. 11
CANADIAN COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Canadian Valley Technology Center issued \$12,000,000 in building bonds dated June 1, 2014. The bonds were for the purpose of providing additional resources for the replacement of the El Reno Campus that was destroyed in the tornado of May 31, 2013. The bonds are due on June 1, 2016 in the amount of \$1,320,000 and \$1,335,000 is due on June 1 in each of the years 2017 to 2024. These bonds bear interest at a rate of 2% to 3%.

The debt maturity on the building bonds is as follows:

Year ending June 30,	Principal	Interest	Total
2022	\$ 1,335,000	113,476	1,448,476
2023	1,335,000	80,100	1,415,100
2024	1,335,000	40,050	1,375,050
Totals	\$ 4,005,000	\$ 233,626	\$ 4,238,626

Lease Commitments

Canadian Valley Technology Center entered into a lease agreement with Bank of America, N.A. on December 28, 2006. This agreement included a Ground Lease Agreement and a Lease/Purchase Agreement. In March 22, 2005, Canadian Valley Technology Center purchased 30 acres of land for a new east campus location for the school district. This Earl Cowan Campus is located at 12200 S.W. 15th Street, Oklahoma City, Ok. The District is leasing this campus and the Main Campus in El Reno to the Bank of America, N.A. for the purpose of constructing, renovating, remodeling and repairing properties on behalf of the District. The term of the Ground Lease Agreement is through July 15, 2018. The lease term is \$10.00 per year commencing December 1, 2006. On December 12, 2012, the December 28, 2006 issue was refinanced through the Canadian County Educational Facilities Authority under the same terms and interest rates. This was done to comply with an Oklahoma Attorney General's opinion regarding lease agreements with a ground lease agreement component.

The second part of the agreement involved the Lease/Purchase Agreement, dated May 1, 2007, between the District and Bank of America, N.A. for the school facilities consisting of the new campus building constructed at 12200 S.W. Oklahoma City, OK and the renovation and remodeling of the existing cosmetology facilities at the El Reno Campus. On December 12, 2012, the May 1, 2007 issue was also refinanced through the Canadian County Educational Facilities Authority under the same terms and interest rates. This was done to comply with an Oklahoma Attorney General's opinion regarding lease agreements with a ground lease agreement component. At June 30, 2021, this lease purchase was paid off.

The third agreement, dated March 3, 2009, involved the Lease/Purchase agreement between the District and Standard Capital Finance, LLC for the re-roofing of two buildings on the El Reno Campus and electrical wiring change out for two buildings on the Chickasha Campus and one building on the El Reno Campus. The term of the lease was 10 years. This agreement included a Ground Lease Agreement and a Lease/Purchase Agreement with UMB Bank N.A. Bank of Union has purchased this Lease/Purchase Agreement. On February 14, 2013, the Lease/Purchase Agreement was paid off with a new Lease/Purchase. This was done to comply with an Oklahoma Attorney General's opinion regarding lease agreements with a ground lease component.

The fourth agreement, dated February 14, 2013, involved the Lease/Purchase Agreement between the District and the Canadian County Education Facilities Authority for the school facilities consisting of building additions, remodeling of existing buildings, and the purchase of additional equipment. This issue was for the amount of \$9,950,000. This construction project was started in 2014. The trustee bank is holding the cash in the construction escrow in the amount of \$233.

The fifth agreement, dated October 1, 2017, involved the Lease/Purchase Agreement between the District and the Canadian County Educational Facilities Authority for the school facilities consisting of acquisition, construction and equipping of new education facilities. This issue was for the amount of \$25,000,000. This construction project will be started in fiscal year 2019.

CANADIAN VALLEY TECHNOLOGY CENTER NO. 11
CANADIAN COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

The minimum lease payments under these leases are as follows as of June 30, 2019:

Year ending June 30,	2013c Lease	2017 Lease	Total
2022	\$ -	\$ -	\$ -
2023	3,162,014	1,000,000	4,162,014
2024	-	3,300,527	3,300,527
2025	-	3,300,527	3,300,527
2026	-	3,300,527	3,300,527
2027-2030	-	16,502,637	16,502,637
Total Minimum Lease Payment	3,162,014	27,404,218	30,566,232
Less Interest	(84,628)	(3,474,166)	(3,558,794)
Totals	\$ 3,077,386	\$ 23,930,052	\$ 27,007,438

The Center has operating leases for equipment, including copiers and buses. These leases are generally renewed or replaced annually for like equipment. The Center's operating lease payments for the upcoming 2020-2021 school year are estimated at \$129,817.

Compensated Absences

The Technology Center allows certified Teachers to accumulate unused sick leave up to 125 days. Upon termination, the teacher is paid a daily salary rate for unused sick days in excess of 60 days up to a maximum of 20 days. Compensated absences are recognized in the Financial Statements in the year employees become eligible for payment upon termination. The accrued liability for compensated absences at June 30, 2021, was \$1,133,968. The total liability is recognized in the Center's Government wide Financial Statements as a portion of the General Long Term Debt.

10. Litigation

The Center is contingently liable for lawsuits and other claims in the ordinary course of its operations. The settlement of such contingencies under the budgetary process would require appropriation of revenues yet to be realized and would not materially affect the financial position of the Center at June 30, 2021.

11. Contingent Liabilities

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

12. Risk Management

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

The Center participates in the Oklahoma Public Schools Unemployment Compensation Account under the sponsorship of the Oklahoma State School Boards Association and the cooperative council for Oklahoma School Administration. The account was established to let school s self-insure unemployment benefits for school employees. The funds are held in the name of each center as reserves to pay unemployment claims. Each center is individually liable for that portion of the benefits paid from the fund attributable to wages paid by the center in the same manner as if no group account had been established. The reserve funds may be withdrawn from the account upon request of the center. At June 30, 2021, the Canadian Valley Technology Center had reserves on deposit with the Oklahoma Public Schools Unemployment Compensation Accounting totaling \$10,792. This amount has been shown as prepaid insurance on the financial statements.

**CANADIAN VALLEY TECHNOLOGY CENTER NO. 11
CANADIAN COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

The Center participates in the Oklahoma Public Schools Unemployment Compensation Account under the sponsorship of the Oklahoma State School Boards Association and the cooperative council for Oklahoma School Administration. The account was established to let school s self-insure unemployment benefits for school employees. The funds are held in the name of each center as reserves to pay unemployment claims. Each center is individually liable for that portion of the benefits paid from the fund attributable to wages paid by the center in the same manner as if no group account had been established. The reserve funds may be withdrawn from the account upon request of the center. At June 30, 2021, the Canadian Valley Technology Center had reserves on deposit with the Oklahoma Public Schools Unemployment Compensation Accounting totaling \$10,792. This amount has been shown as prepaid insurance on the financial statements.

13. Surety Bonds Bond

The Treasurer is bonded by Ohio Casualty Insurance Company, bond number LSF042101 for the sum of \$120,000 for the term 7/1/20 to 7/1/21.

The Deputy Treasurer is bonded by Liberty Mutual Company, bond number 601119951 for the sum of \$100,000 for the term 7/1/20 to 7/1/21.

The Superintendent is bonded by Liberty Mutual Company, bond number 601142565, for the sum of \$100,000 for the term 7/1/20 to 7/1/21.

The Director of Finance is bonded Liberty Mutual Company, bond number 999094079, for the sum of \$100,000. Term 2/16/21 to 7/1/21.

14. Related Entities

The following entity is separately constituted and, accordingly, their financial position and results of operations have not been presented in the accompanying financial statements. Officers are not appointed by the school board. The school board is not responsible for approving budgets, contracts, key personnel, fiscal matters or day-to-day operations of the foundation.

Canadian Valley Education Foundation

15. Tax Abatement

The State of Oklahoma has authorized by Oklahoma Statute 62-850, the creation of tax increment financing (TIF) districts. These districts are intended to provide incentives and exemptions form taxation within certain areas to encourage investment, development, and economic growth. There are TIF districts in Canadian County and in Oklahoma County. These TIF districts reduce the ad valorem taxes remitted to the Center.

For the year ended June 30, 2021, abated property taxes due to TIF Districts was approximately \$17,963.

Oklahoma Statute Title 31, offers a homestead exemption of up to 1 acre in an unburn area or 160 acres in a rural area. These homestead exemptions, also reduce the Ad Valorem taxes remitted to the Technology Center.

For the year ended June 30, 2021, abated property taxes due to homestead exemption were approximately \$1,141,897.

CANADIAN VALLEY TECHNOLOGY CENTER NO. 11
CANADIAN COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

16. Change In Beginning Net Position

The following discloses the restatement of Government Wide Net Position as of the beginning of the fiscal year:

Net Position, beginning of year, as previously stated	\$ 65,852,596
Decrease resulting from offset of restricted cash and lease payable	(1,112,767)
Accounts Payable overstated 6/30/20	
Increase due to implantation of GASB No. 84-Fiduciary Activities	-
	<u>155,508</u>
Net Position, beginning of year, as stated	\$ <u><u>64,895,337</u></u>

The June 30, 2020 Net Position included "Restricted Cash" some of which was on deposit with fiscal year agent waiting payment of lease payable.

REQUIRED SUPPLEMENTARY INFORMATION

CANADIAN VALLEY TECHNOLOGY CENTER NO. 6
FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Fund balances, beginning of year	\$ 14,305,852	\$ 16,175,923	\$ 15,589,153
Revenues collected:			
Local sources	23,325,500	22,666,206	25,270,968
Intermediate sources	-	-	-
State sources	3,498,191	3,528,191	3,536,243
Federal sources	<u>929,427</u>	<u>1,247,735</u>	<u>2,350,757</u>
Total revenues collected	<u>27,753,118</u>	<u>27,442,132</u>	<u>31,157,968</u>
Expenditures paid:			
Instruction	13,601,000	12,810,555	11,042,656
Support services	14,752,970	14,400,000	12,690,562
Non-instructional services	2,000,000	1,950,000	1,658,369
Capital outlay	-	-	-
Other outlays	-	-	3,000
Other uses	<u>11,705,000</u>	<u>14,457,500</u>	<u>625,725</u>
Total expenditures paid	<u>\$ 42,058,970</u>	<u>\$ 43,618,055</u>	<u>\$ 26,020,312</u>
Excess of revenues collected over (under) expenses paid before adjustments to prior year encumbrances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,726,809</u>
Adjustments to prior year encumbrances			<u>377,912</u>
Cash fund balance end of year - Budgetary Basis			<u>\$ 21,104,721</u>
Explanation of differences between Budgetary Basis year end fund balance and GAAP year end fund balance:			
Fund Balance, June 30, 2021 Budgetary basis			\$ 21,104,721
Accounts receivable not recognized as revenue			927,067
Accounts Payable not recognized in Budgetary basis			(972,554)
Prepaid Insurance not recognized in Budgetary Basis			10,792
Current portion of compensated absences not recognized in budgetary basis			<u>(85,790)</u>
Net Position of Governmental Activities-GAAP Basis			<u>\$ 20,984,236</u>

CANADIAN VALLEY TECHNOLOGY CENTER NO. 6
FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
BUILDING FUND
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Fund balances, beginning of year	\$ 13,878,695	\$ 14,631,504	\$ 14,312,254
Revenues collected:			
Local sources	11,050,000	10,897,621	11,939,716
Intermediate sources	-	-	-
State sources	-	-	1,030
Federal sources	-	-	85,238
Total revenues collected	<u>11,050,000</u>	<u>10,897,621</u>	<u>12,025,984</u>
Expenditures paid:			
Instruction	2,743,695	3,244,125	678,460
Support services	4,700,000	4,700,000	2,720,203
Capital outlay	8,935,000	8,535,000	6,062,168
Building Improvements	<u>8,550,000</u>	<u>9,050,000</u>	<u>35,163</u>
Total expenditures paid	<u>24,928,695</u>	<u>25,529,125</u>	<u>9,495,994</u>
Excess of revenues collected over (under)			
expenses paid before adjustments to prior			
year encumbrances	\$ -	\$ -	\$ 16,842,244
Adjustments to prior year encumbrances			<u>341,388</u>
Cash fund balance end of year - Budgetary Basis			<u>\$ 17,183,632</u>
Explanation of differences between Budgetary Basis year end fund balance and GAAP year end fund balance:			
Fund Balance, June 30, 2021 - Budgetary Basis			\$ 17,183,632
Accounts receivable not recognized as revenue			348,902
Accounts Payable not recognized in Budgetary basis			<u>(284,170)</u>
Net Position of Governmental Activities-GAAP Basis			<u>\$ 17,248,364</u>

CANADIAN VALLEY TECHNOLOGY CENTER NO. 6
FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
SINKING FUND
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Fund balances, beginning of year	\$ -	\$ 606,508	\$ 606,508
Revenues collected:			
Local sources	-	1,386,461	1,313,674
Intermediate sources	-	-	-
State sources	-	-	116
Federal sources	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues collected	<u>-</u>	<u>1,386,461</u>	<u>1,313,790</u>
Expenditures paid:			
Instruction	-	-	-
Support services	-	-	-
Capital outlay	-	-	-
Other outlays			
Debt Service			
Principal			1,335,000
Interest	-	-	143,513
	<u>-</u>	<u>-</u>	<u>143,513</u>
Total expenditures paid	<u>-</u>	<u>-</u>	<u>1,478,513</u>
Excess of revenues collected over (under)			
expenses paid before adjustments to prior			
year encumbrances	\$ -	\$ 1,992,969	\$ 441,786
Adjustments to prior year encumbrances			<u>-</u>
Cash fund balance end of year - Budgetary Basis			\$ <u><u>441,786</u></u>
Explanation of differences between Budgetary Basis year end fund balance and GAAP year end fund balance:			
Fund Balance, June 30, 2021 - Budgetary Basis			\$ 441,786
Accounts receivable not recognized as revenue			24,032
Expenses not recognized in GAAP basis (reserves)			<u>-</u>
Net Position of Governmental Activities-GAAP Basis			\$ <u><u>465,818</u></u>

CANADIAN VALLEY TECHNOLOGY CENTER NO. 6
CANADIAN COUNTY, OKLAHOMA
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OKLAHOMA TEACHERS RETIREMENT SYSTEM
LAST TEN FISCAL YEARS*
FOR THE YEAR END JUNE 30, 2021

	2013	2014	2015	2016	2017	2018	2019	2020
District's Protion of the net pension liability (asset)	0.301090050%	0.301090050%	0.315089820%	0.315089820%	0.338648450%	0.361882620%	0.343149170%	0.331610100%
District's proportionate share of the net pension liability	\$ 21,670,474.00	16,198,242.00	19,134,643	26,982,302	22,470,710	21,872,591	\$ 22,709,611	31,470,570
District's covered-employee payroll	\$ 16,867,104.00	14,522,085.00	13,669,375	14,123,189	14,123,189	16,929,726	\$ 17,613,977	17,000,034
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	128%	112%	140%	191%	159%	129%	129%	185%
Plan fiduciary net position as a percentage of total pension liability	57.25%	63.19%	70.31%	62.24%	69.92%	72.74%	71.56%	63.47%

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

Note to Schedule:

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

CANADIAN VALLEY TECHNOLOGY CENTER NO. 6
CANADIAN COUNTY, OKLAHOMA
SCHEDULE OF THE CONTRIBUTIONS
OKLAHOMA TEACHERS RETIREMENT SYSTEM
LAST TEN FISCAL YEARS*
FOR THE YEAR END JUNE 30, 2021

	2013	2014	2015	2016	2017	2018	2019	2020
Contractually required contribution	\$ 1,120,222	1,197,599	1,365,303	1,341,703	1,388,709	1,608,324	\$ 1,598,921	1,098,449
Contributions in relation to the contractually required contribution	1,120,222	1,197,599	1,365,303	1,341,703	1,388,709	1,608,324	1,598,921	1,098,449
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
District's covered-employee payroll	\$ 13,867,104.00	14,522,085.00	13,669,375	14,123,189	14,617,989	16,929,726	\$ 17,613,977	17,000,034
Contributions as a percentage of covered-employee payroll	8.08%	8.25%	9.99%	9.50%	9.50%	9.50%	9.08%	6.46%

Notes to Schedule:

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

CANADIAN VALLEY TECHNOLOGY CENTER NO. 6
CANADIAN COUNTY, OKLAHOMA
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
TEACHERS' OPEB PLAN
LAST TEN FISCAL YEARS* (DOLLAR AMOUNTS IN THOUSANDS)
FOR THE YEAR END JUNE 30, 2021

	2017	2018	2019	2020
District's portion of the net OPEB liability (asset)	0.33864845%	0.36188262%	0.34314917%	0.33161010%
District's proportionate share of the net OPEB liability (asset)	\$ (151,018)	(223,868)	\$ (212,178)	(32,852)
District's covered payroll	\$ 14,617,989	16,929,726	\$ 17,613,977	17,000,034
District's proportionate share of the new OPEB liability (asset) as a percentage of its Covered-employee payroll	1.03%	1.32%	1.20%	0.19%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	110.40%	115.41%	115.07%	115.07%

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

Notes to Schedule:

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

CANADIAN VALLEY TECHNOLOGY CENTER NO. 6
CANADIAN COUNTY, OKLAHOMA
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
TEACHERS' OPEB PLAN
LAST TEN FISCAL YEARS* (DOLLAR AMOUNTS IN THOUSANDS)
FOR THE YEAR END JUNE 30, 2021

	2017	2018	2019	2020
Contractually required contribution	\$ 22,057	10,540	\$ 3,012	2,065
Contributions in relation to the contractually required contribution	<u>22,057</u>	<u>10,540</u>	<u>3,012</u>	<u>2,065</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	\$ <u>-</u>	<u>-</u>
District's covered payroll	\$ 14,617,989	16,929,726	\$ 17,613,977	17,000,034
Contributions as a percentage of covered-payroll	0.151%	0.062%	0.017%	0.012%

Notes to Schedule:

Only the current and prior two (2) fiscal years are presented because 10-year data is not yet available.

SUPPLEMENTARY INFORMATION

CANADIAN VALLEY TECHNOLOGY CENTER NO. 6
SCHEDULE OF FEDERAL AWARDS EXPENDED
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title

U.S. Department of Education

Direct Programs:

2020-21 Programs

Pell Grant	84.063		\$ (70,309)	\$ 370,779	\$ 455,311	\$ (154,841)
* COVID 19 - Higher Education Emergency Relief Fund-Student	84.425E		(10,580)	318,309	307,729	-
* COVID 19 - Higher Education Emergency Relief Fund-Institution	84.425F		(48,297)	1,161,046	1,117,567	(4,818)
Sub-Total			\$ (129,186)	\$ 1,850,134	\$ 1,880,607	\$ (159,659)

Passed-Through State Department
of Career and Technology Education:

2020-21 Programs

Carl Perkins	84.048	N/A	\$ (81,899)	\$ 218,886	\$ 309,155	\$ (172,168)
Adult Education - Basic Grants	84.002	N/A	(7,438)	27,674	35,020	(14,784)
Sub-Total			\$ (89,337)	\$ 246,560	\$ 344,175	\$ (186,952)

U.S. Department of Commerce

Passed-Through Oklahoma Alliance
for Manufacturing Excellence:

2020-21 Programs

Manufacturing Extension Partnerships	11.611	N/A	\$ -	\$ 15,472	\$ 15,472	\$ -
Sub-Total			\$ -	\$ 15,472	\$ 15,472	\$ -

U.S. Department of Health and Human Services

Passed-Through State Department
of Career and Technology Education:

2020-21 Programs

Temporary Assistance for Needy Families	93.558	N/A	\$ (43,943)	\$ 177,753	\$ 172,763	\$ (38,953)
Sub-Total			\$ (43,943)	\$ 177,753	\$ 172,763	\$ (38,953)

TOTAL FEDERAL ASSISTANCE			\$ (262,466)	\$ 2,289,919	\$ 2,413,017	\$ (385,564)
--------------------------	--	--	--------------	--------------	--------------	--------------

* Major program

See accompanying notes to Schedule of Federal Awards Expended

Canadian Valley Technology Center School District No. 6
Canadian County, Oklahoma
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Note A: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Canadian Valley Technology Center, District No. 6 under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of *Title 2 US. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Canadian Valley Technology Center, District No. 6 it is not intended to and does not present the basic financial statements as listed in the table of contents, of Canadian Valley Technology Center, District No. 6

Note B: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on using the statutory basis of accounting. Some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, where certain types of expenditures are not allowable or are limited as to reimbursement.

Note C: Indirect Cost Rate

Canadian Valley Technology Center, District No. 6 has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note D: Subrecipients

Canadian Valley Technology Center, District No. 6 did not have any awards that have been passed through to subrecipients.

**CANADIAN VALLEY TECHNOLOGY CENTER NO. 6
ACTIVITY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Activities	Beginning Balance 07-01-20	Revenue	Expenditures	Ending Balance 6-30-21
0000- Estopped Checks	\$ -	\$ 30	\$ -	\$ 30
8020- Register Change	1,750	1,710	1,710	1,750
8050- Misc Non-Clearing	2,003	7,074	6,792	2,285
8070- Donations	1,323	5,930	5,467	1,786
8380- BPA	4,919	-	-	4,919
8420- Flower & Gift Fund	6,853	2,578	2,893	6,538
8460- FCCLA	125	-	-	125
8480- HOSA	558	8,115	8,026	647
8580- Project Connect	-	-	-	-
8590- Vending	63,906	20,947	18,964	65,889
8600- School Wide Fundraiser	266	-	-	266
8610- Sm Business Mngmt Scholarship	-	-	-	-
8620- Child Care Special Activities	164	-	-	164
8640- Skills USA	23,051	5,635	3,971	24,715
8940- Administrative	10,098	7,845	3,495	14,448
9010- Student Grant Payable	3,810	5,744	5,744	3,810
9300- Foundation Grants	-	19,762	19,762	-
9320- Chickasaw Nation Grant	145	-	-	145
9900- Miscellaneous	15,468	441,367	433,131	23,704
9960- Tuition and Fees	20,558	426,660	429,923	17,295
9980- Resale	511	31,750	28,920	3,341
Total	\$ <u>155,508</u>	\$ <u>985,147</u>	\$ <u>968,798</u>	\$ <u>171,857</u>

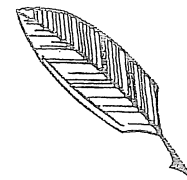
KERRY JOHN PATTEN, C.P.A.

2101 N. Willow Ave.

Broken Arrow, OK 74012

Phone Number (918) 250-8838

FAX Number (918) 250-9853



**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
Canadian Valley Technology Center No. 6
Canadian County, Oklahoma

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Canadian Valley Technology Center No. 6, Canadian County, Oklahoma (District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued my report thereon dated March 5, 2022.

Internal Control over Financial Reporting

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

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

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

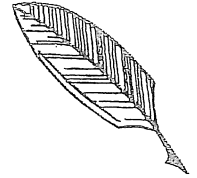
This report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with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



Kerry John Patten, C.P.A.
Broken Arrow, OK
March 5, 2022

KERRY JOHN PATTEN, C.P.A.

2101 N. Willow Ave.
Broken Arrow, OK 74012
Phone Number (918) 250-8838
FAX Number (918) 250-9853



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY UNIFORM GUIDANCE

The Honorable Board of Education
Canadian Valley Technology Center No. 6
Canadian County, Oklahoma

Report on Compliance for Each Major Federal Program

I have audited the compliance of Canadian Valley Technology Center No. 6, Canadian County, Oklahoma (District's) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of the District's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major program occurred. An audit includes examining on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as I consider necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In my opinion, Canadian Valley Technology Center, No. NO. 6, Canadian County, 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, 2021.

Report on Internal Control Over Compliance

Management of Canadian Valley Technology Center No. 6, Canadian County, Oklahoma (District), is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the District's 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 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.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of my 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.



Kerry John Patten, C.P.A.
Broken Arrow, OK
March 5, 2022

**CANADIAN VALLEY TECHNOLOGY CENTER NO. 6
CANADIAN COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the government-wide financial statements of Canadian Valley Technology Center.
2. There were no audit findings reported of deficiencies in internal control, which the auditor considers to be "significant deficiencies" as defined in A.I.C.P.A. standards.
3. No instances of noncompliance material to the financial statements of Canadian Valley Technology Center which would be required to be reported in accordance with Government Auditing Standards were disclosed during the audit.
4. There were no audit findings reported of deficiencies in internal control over major programs, which the auditor considers to be "significant deficiencies" as defined by A.I.C.P.A.
5. The auditor's report on compliance for the major federal award programs for Canadian Valley Technology Center expresses an unmodified opinion on all major federal programs.
6. There were no audit findings that are required to be reported in accordance with Uniform Guidance relative to major federal award programs for Canadian Valley Technology Center.
7. The programs tested as major programs included: COVID 19 - Higher Education Emergency Relief Fund – CARES Act (84.425E & 84.425F).
8. A threshold for distinguishing Types A and B programs was \$750,000.
9. Canadian Valley Technology Center was determined to be a low-risk auditee for purposes of determining overall percentage of Federal compliance testing.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

1. No matters were reported.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

1. No matters were reported.

**CANADIAN VALLEY TECHNOLOGY CENTER NO. 6
CANADIAN COUNTY, OKLAHOMA
SUMMARY OF PRIOR AUDIT FINDINGS
FOR YEAR ENDED JUNE 30, 2021**

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

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

**CANADIAN VALLEY TECHNOLOGY CENTER NO. 6
CANADIAN COUNTY, OKLAHOMA
SCHEDULE OF COMMENTS
FOR YEAR ENDED JUNE 30, 2021**

Based on my tests of accounting records and related procedures, I found nothing to indicate that Canadian Valley Technology Center had not complied with significant compliance rules and regulations of the Oklahoma State Department of Career and Technology Education.

Previous Year's Audit Comments

There were no items in the school's 2019-20 audit report which required correction.

I would like to express my appreciation for the courtesies and cooperation extended to us by District administrators and employees during the course of this audit.

CANADIAN VALLEY TECHNOLOGY CENTER NO. 6
CANADIAN COUNTY, OKLAHOMA
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE AFFIDAVIT
FOR YEAR ENDED JUNE 30, 2021

State of Oklahoma)
County of Tulsa)

The undersigned auditing firm of lawful age, being first duly sworn on oath, says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with Canadian Valley Technology Center for the audit year 2020-2021.

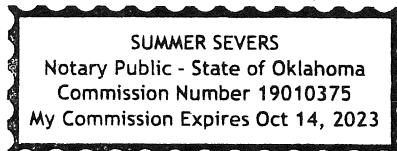
Kerry John Patten, C.P.A.

AUDITING FIRM

BY



AUTHORIZED AGENT



Subscribed and sworn to before me on this

5th day of March, 2022



NOTARY PUBLIC

My commission expires on:

14th day of October, 2023