Tulsa Community College
Regular Meeting of the Board of Regents

MINUTES

The regular meeting of the Board of Regents of Tulsa Community College was held on **October 21, 2021, at 3:00 p.m. at the Southeast Campus VanTrease Performing Arts Center for Education**.

Board Members Present:	James Beavers, Paul Cornell, Caron Lawhorn, Samuel Combs, Wesley Mitchell, and William McKamey
Board Members Absent:	Mitch Adwon
Others Present:	President Goodson Executive Assistant for the Board College Administrators College Legal Counsel Faculty and Staff Crowe LLP Audit Representatives

CALL TO ORDER

Chairperson Lawhorn called the meeting to order at 3:00 p.m.

President Goodson confirmed compliance with the Open Meetings Act.

ROLL CALL

The assistant called the roll and the meeting proceeded with a quorum.

APPROVAL OF THE MINUTES

A **motion** was made by Regent McKamey and seconded by Regent Cornell to approve the minutes for the regular meeting of the Tulsa Community College Board of Regents held on Thursday, September 16, 2021 as presented. The Chair called for a vote. **Motion carried by unanimously voice vote**.

CARRYOVER ITEMS

There were no carryover items.

ACADEMIC AFFAIRS AND STUDENT SUCCESS COMMITTEE REPORT

Presented by Regent Mitchell

1. Overview of Committee Meeting Topics

Regent Mitchell apprised the board of meeting topics discussed in the October 14 committee meeting.

- Faculty Salary Reclassifications Discussion
  - Dr. Sivadon apprised the Committee of faculty salary reclassifications based on completion of requirements.
- Five-year Program Review Update
  - Annual review conducted per Oklahoma State Regents for Higher Education requirements.
- EDGE: Earn a Degree, Graduate Early Update
  - Presentation given by Melissa Steadley, Director of Dual-Credit Programs. EDGE provides wraparound services and tutoring.

2. Recommendation for Approval of Changes in Academic Programs

The Committee recommended approval of the following curriculum changes:

- Pharmacy Technology – Delete Program
- Veterinary Technology AAS – Modify Program
- Biotechnology AS – Suspend Program
- Geology AS – Suspend Program
- Human Resources CER – Suspend Program
- Business, Human Resources Option AAS – Suspend Program
- Mathematics AS – Modify Program

A **motion** was made by Regent Combs and seconded by Regent Beavers to approve the curriculum changes. The Chair called for a vote. **Motion carried unanimously by voice vote.**

PERSONNEL REPORT
Presented by President Goodson

1. **Introductions of Recently Appointed Staff**

   There were none.

2. **Consent Agenda**

   The personnel consent agenda was submitted for approval.

   - Appointments of full-time faculty and full-time professional staff at a pay grade 18 and above made since the last meeting of the Board of Regents of Tulsa Community College.
   - Retirements of full-time faculty and full-time professional staff submitted since the last meeting of the Board of Regents of Tulsa Community College.
   - Separations including resignations, terminations, deaths, and transition to disability status of full-time faculty and professional employees submitted since the last meeting of the Board of Regents of Tulsa Community College.
   - Recommendation for Approval of Full-time Faculty Reclassification.

   Comments: President Goodson mentioned the departure of Sarah Wyatt, President's Office Coordinator, who will work for the Tulsa Higher Ed Consortium. In addition, faculty reclassified is due to achievement of the next benchmark of graduate education.

   A **motion** was made by Regent McKamey and seconded by Regent Cornell to approve the personnel consent agenda. The Chair called for a vote. **Motion carried unanimously by voice vote.**

   (Attachment: Consent Agenda)

FACILITIES & SAFETY COMMITTEE REPORT
Presented by Regent Lawhorn

1. **Overview of Committee Meeting Topics**

   Regent Lawhorn asked Sean Weins, Vice President for Administration and COO, to apprise the board of meeting topics discussed in the October 14 committee meeting.

   - Long-term Facilities Planning Update
     - Funding received. Project timelines forthcoming.

- TCC Police Department Certification Process Update
    - Currently in the second of three phases to receive full accreditation. Accreditation will place TCC within national best practices and will be on a recurring audit cycle. Chief Murdock and his team were recognized.
- Major Projects Update
    - Demolition for the Metro Campus Student Success Center in progress.
    - Northeast Campus Student Success Center bids received. City of Tulsa permits are pending. Demolition scheduled for mid-December.
- Facilities Dashboard Update presented by Michael Siftar, Associate Vice President of Administrative Operations and CTO
    - Many of the projects have completed initial design phase and are in the bid process due within the next two months.
    - Deferred maintenance: Metro Campus heat exchanger ordered with several months lead time.
    - Northeast Campus hot water leak occurred. Mitigated damage.
    - Design work for fabrication lab completed.

(Handout: Major Projects Dashboard)

COMMUNITY RELATIONS COMMITTEE REPORT
Presented by Regent McKamey

1. Overview of Committee Meeting Topics

Regent McKamey apprised the board of meeting topics discussed in the October 14 committee meeting.

- Legislative Update
    - Federal: Resolution passed on the debt limit. Senate passed the bi-partisan infrastructure bill, which will provide broadband internet in rural areas, particularly important to Oklahoma.
    - State:
        - Watching a few interim studies, one of which is the free application for federal student aid, which will place a graduation requirement in order to receive the funds. The other is an application for processing college and university questions based on race and gender.
        - Still working on joint proposal with Rose State and OCCC to expand nursing curriculum.
        - TCC license plate available for purchase after 100 applications.

- Vision Dinner Wrap-up Update
  - Very successful. Raised more than $478,000 with $53,000 raised for scholarships. Kari Shults, President of the Foundation, acknowledged the Foundation Board of Trustees. There were 50 honorees for the event and that attracted new donors. Made about $100,000 over original live-ask goal.
- Stipend will be distributed to employees prior to the winter holiday. Full-time employees will receive $1,000. Those employed in the current fiscal year will receive $500.

FINANCE, RISK AND AUDIT COMMITTEE REPORT

Presented by Regent Cornell

1. Purchase Item Agreements over $50,000

1.1 Professional Services

Authorization was requested to enter an agreement with HoganTaylor, LLP (Tulsa,OK) in the amount of **$160,000** to provide professional services as the interim Chief Human Resources Officer. The services will be funded from general budget.

Comments: Regent Cornell and President Goodson noted that HoganTaylor LLP consultant, Jeff Wilkie, will serve as a resource for the Interim Chief Human Resources Officer, Mary Sirkel and the Human Resources team during the transition.

A **motion** was made by the Finance, Risk & Audit Committee to approve the request to enter into an agreement for professional services. No second was needed. The Chair called for a vote. **Motion carried unanimously by voice vote.**

1.2 Benefit Management Services

Authorization was requested to enter an agreement with Workterra (Employee Benefit Specialists) (Pleasanton, CA) in the amount of **$69,344** to provide retiree benefit management software andservices. The services will be funded from general budget.

A **motion** was made by the Finance, Risk & Audit Committee to approve the request to enter into an agreement for benefit management services. No second was needed. The Chair called for a vote. **Motion carried unanimously by voice vote.**

1.3 Audio Visual Equipment Rental and Related Services

Ratification was requested for an agreement with Integrity Lighting (Tulsa, OK) in the amount of **$64,000** to provide audiovisual equipment rentals and related services for the Vision Dinner. The services were funded from general budget.

A **motion** was made by the Finance, Risk & Audit Committee to approve the ratification to enter into an agreement for audio visual equipment rental and related services. No second was needed. The Chair called for a vote. **Motion carried unanimously by voice vote.**

1.4 Consulting Services

Authorization was requested to enter an agreement with The Spelman and Johnson Group (Easthampton, MA) in the amount of **$60,000** to provide consulting services for the selection of a new Chief Human Resources Officer. The services will be funded from general budget.

A **motion** was made by the Finance, Risk & Audit Committee to approve the request to enter into an agreement for consulting services. No second was needed. The Chair called for a vote. **Motion carried unanimously by voice vote.**

2. Recommendation for Acceptance of the 2020-2021 Audit

The 2020-2021 annual audit, performed by Crowe LLP, pursuant to the authorization granted by the Tulsa Community College Board of Regents, is complete.

Mark McMullen, Chief Financial Officer, introduced Brad Schelle with Crowe, LLP.

Mr. Schelle gave a few highlights:

- Providing an unqualified opinion. The audited financial statements are free of material misstatements.
- Copies provided to the Board are in draft form. The report is 99% completed. Do not anticipate any changes in the numbers contained in the draft.
- No significant new accounting policies this year other than GASB 84, but nothing needed changed or modified as a result.
- Transactions or events in the financial statements that comprised most significant changes included receipt of additional federal grants. In addition, from an expenditure and liability standpoint, significant increases in net pension liability and also in deferred outflows, all related to the OTRS pension

plan and primarily because of a decrease in the discount rate, which increases liability. This is not controlled by the College.

- No compliance finding or internal control issues related to the federal grants. One finding identified as a deficiency around user access of the Banner financial system. Items outlined and discussed with management on ways to improve controls. Mr. McMullen commented that a meeting will be conducted to finalize plans.
- There were a few waived audit adjustments related to last year's audit that had an impact on the current year audit.

The Finance, Risk and Audit Committee recommended acceptance of the audit.

A **motion** was made by the Finance, Risk & Audit Committee to accept the 2020-2021 audit. No second was needed. The Chair called for a vote. **Motion carried unanimously by voice vote.**

3. Monthly Financial Report

3.1 Financial Statements for September 2021

Mr. Mark McMullen, CFO reported on the financial dashboard.

- Revenues: Increase related to draw-down of HEERF funds.
- Expenses: Trending slightly below. Operational spend has increased.
- Cash: Local appropriations flat. Cash is strong. Strategic uses planned.
- HEERF 2 and 3: Shows overall spend and planned spending.

(Attachment: Financials September 2021)
(Handout: Financial Dashboard for September 2021)

The Finance, Risk & Audit Committee recommended approval of the monthly financial report for September 2021 as presented.

A **motion** was made by the Finance, Risk & Audit Committee to approve the monthly financial report for September 2021. No second was needed. The Chair called for a vote. **Motion carried unanimously by voice vote.**

NEW BUSINESS

[Pursuant to Title 25 Oklahoma Statutes, Section 311(A)(9), "…any matter not known about or which could not have been reasonably foreseen prior to the time of posting." 24 hours prior to meeting]

There was none.

PERSONS WHO DESIRE TO COME BEFORE THE BOARD

Any person who desires to come before the Board shall notify the board chair or his or her designee in writing or electronically at least twelve (12) hours before the meeting begins. The notification must advise the chair of the nature and subject matter of their remarks and may be delivered to the president's office. All persons shall be limited to a presentation of not more than two minutes.

There were none.

PRESIDENT'S REPORT

Presented by President Goodson and Nicole Burgin, Media Relations Manager

1. **Overview of President's Highlights**
   (Handout: President's Highlights)

   Ms. Burgin highlighted the following taken from the President's Highlights.

   - Some People Returning to School Instead of the Workplace
   - eCore Showcase

2. **Comments on Previous Agenda Items**

   President Goodson mentioned several noteworthy topics.

   - United Way Day of Caring
   - Hardesty Student Success Center at TCC West Campus Improves Student Experience
   - TCC Regent Appointment
   - President Goodson congratulated Nicole Burgin for being named PR Professional of the Year by The Public Relations Society of America.

EXECUTIVE SESSION

[Proposed vote to go into executive session Pursuant to Title 25 Oklahoma Statutes, Section 307(B)(4), for confidential communications between a public body and its attorneys concerning pending litigation, investigations, claims or actions.]

A **motion** was made by Regent McKamey and seconded by Regent Cornell to recess the regular sessions. **Motion carried unanimously by voice vote.**

1. **Confidential Report by College Legal Counsel Concerning Pending Litigation, Investigations and Claims. No action was anticipated.**

There was no executive session.

ADJOURNMENT

The next meeting of the Tulsa Community College Board of Regents willbe held on Thursday, November 18, 2021 at 3:00 p.m. at the Southeast Campus VanTrease Performing Arts Center for Education, Building 6, Main Stage, 10300 East 81st Street, Tulsa, OK.

The meeting adjourned at 3:45 p.m.

Respectfully submitted,

Leigh B. Goodson
President & CEO

Caron Lawhorn, Chair
Board of Regents

ATTEST:

James Beavers, Secretary
Board of Regents

CURRICULUM INFORMATIONAL ITEMS 2021-2022

Non-substantive changes must be approved by the January meeting to be published in next AY catalog

Request Types:

NC - New Course, **MC** - Modify Course, **DC** - Delete Course, **SC** - Suppress Course, **NP** - New Program, **MP** - Modify Program, **DP** - Delete Program, **SP** - Suspend Program, **NPO** - New Program Option, **MPO** - Modify Program Option, **DPO** - Delete Program Option **RSC** - Reactivate Suppressed Course **RP -** Reactivate Program

September 2021 MEETING					
CI-21-22--001			Pharmacy Technology	DP	Trend in enrollment has continued to decline over the past two years. There is not a requirement for this certification to sit for the certification or to work in this field. Also, this certification is offered though continuing education department.
CI-21-22-012			Veterinary Technology AAS	MP	Reduced credit hours to 5 courses and suppressed one course. VETT 2382 is now required. **Credit hours reduced to 70 from 76-77**
CI-21-22-015			Biotechnology AS	SP	A number of factors have contributed to the request to suspend this program. 1. Over the past five years, the Biotechnology program has lost two of its foundational faculty members and a grant funded outreach coordinator and has thus seen a dramatic reduction in recruitment events.2.The lack of Biotechnology companies in the greater Tulsa area, dedicated support at the program coordinator level, complicated transfer pathways leading to loss of credits, time, and money, and lack of enrollments in the Biotechnology gateway course justify the suspension of the AS Biotechnology Program. Program will be suspended for three years then be revaluated.
CI-21-22-016			Geology AS	SP	With no full-time geology faculty, this program does not have the advocacy nor adjunct faculty capacity to make it viable, attract students, and meet minimum graduation requirements by the state. In addition, there are no current articulation agreements, the number of geology majors has continually declined, and the geology faculty position was reappropriated into another science area with greater instructional need. There is currently no intention of hiring a new Geology faculty member, so the Physical Science faculty voted (4-22-2021) to suspend this program and offer the courses within this program as general education electives towards meeting the science requirements for an AS-AA degree. The program will be suspended for three years then be revaluated.
CI-21-22-017			Human Resources CER	SP	Human Resources learners in the community can best be served by training provided through Continuing Education. The program will be suspended for three years then be revaluated.
CI-21-22-018			Business, Human Resources Option AAS	SP	Students furthering their education in Human Resources will be best served through the Business Administration transfer pathway which will facilitate transfer to a Bachelor’s degree program thus providing them with the industry-standard of education for beginning practitioners in the field.
CI-21-22-019			Mathematics AS	MP	Under Gen. Ed. Requirements, Communications hours would be changed from 9 to 6, COMM 1113 removed from the list, and Gen. Ed. Recommended electives changed from 3 to 6 hours. Credit hours will remain the same.

ADDENDUM FOR PERSONNEL CONSENT ITEMS:

Items listed under Personnel Consent Items will be approved by one motion without discussion. If discussion on an item is desired, the item will be removed from the "Consent Agenda" and considered separately at the request of aBoard member.

APPOINTMENT:

Colleen Mansur, Development Officer — Salary: $65,000
External Affairs
Conference Center
October 11, 2021

> Colleen earned her Bachelor of Arts in Communication from Indiana University Southeast in New Albany, Indiana. Ms. Mansur has over three years of experience with Camp Fire Green Country as their Development Coordinator and then becoming their Development Manager.

RETIREMENT:

None.

SEPARATIONS:

Tracy Ballinger, Director Testing Services — October 29, 2021
Student Assessment & Testing
Northeast Campus

James (Jim) Clennan, Director Facilities Planning & Construction Management — October 15, 2021
Facilities
Metro Campus

Sarah Wyatt, Project Coordinator — October 15, 2021
President & CEO
Conference Center

Recommendation for Approval of Full-Time Faculty Reclassification

The following full-time faculty are qualified for reclassification under Board policy for the 2021-2022 academic year. It is the recommendation of the administration that the Tulsa Community College Board of Regents approve these reclassifications to a new salary figure as indicated.

Name and Area Of Instruction	**Present Employment Classification**	**Reclassification**	**Qualification**
Coker-Boyd, Tina Assistant Professor Nursing	Salary Range I - $62,000	Salary Range III - $66,960	Master's + 24 hours
France, Kathleen Associate Professor English	Salary Range III - $60,716.42	Salary Range IV - $63,145.08	Masters + 36 hours
Goodwin, James Assistant Professor Journalism and Mass Communications	Salary Range I - $63,034.24	Salary Range IV - $70,598.35	Masters + 36 hours

Name and Area Of Instruction	**Present Employment Classification**	**Reclassification**	**Qualification**
Green, Beverly Assistant Professor Nursing	Salary Range II - $65,141.08	Salary Range IV - $70,352.37	Master’s + 36 hours
Jones, Lauri Associate Professor Nursing	Salary Range V - $77,000	Salary Range VI - $80,080	Earned Doctorate
Michie, Stacey Assistant Professor Mathematics	Salary Range I - $50,677.94	Salary Range III - $54,732.18	Master’s + 24 hours
Monson, Brian Assistant Professor Phlebotomy	Salary Range B - $58,853.67	Salary Range I - $61,207.82	Earned Master’s
Sullivan, Rhiannon Associate Professor Nursing	Salary Range IV - $73,404.95	Salary Range VI - $79,277.35	Earned Doctorate
Urie, Jeanne Associate Professor English	Salary Range I - $59,735.24	Salary Range II - $62,124.65	Master’s + 12 hours

TULSA COMMUNITY COLLEGE

FINANCIAL REPORT

MONTH ENDING SEPTEMBER 2021

TULSA COMMUNITY COLLEGE
STATEMENT OF REVENUE AND EXPENDITURES COMPARISON
FOR THE PERIOD ENDING SEPTEMBER 30, 2021 AND SEPTEMBER 30, 2020

	SEPTEMBER FY22			SEPTEMBER FY21				
	Budget	Year to date	Percent of Budget	Budget	Year to date	Percent of Budget	$ Change	Percent Change
Revenue								
Education & General								
State Appropriations	$ 31,022,199	$ 9,469,854	30.5%	$ 29,708,507	$ 6,796,938	22.9%	$ 2,672,916	39.3%
Revolving Fund	2,939,191	637,082	21.7%	2,675,650	530,188	19.8%	106,893	20.2%
Resident Tuition	28,016,104	12,645,040	45.1%	29,071,159	14,571,061	50.1%	(1,926,021)	-13.2%
Non-Resident Tuition	2,206,417	1,021,574	46.3%	2,182,170	1,237,458	56.7%	(215,884)	-17.4%
Student Fees	7,531,057	3,011,851	40.0%	5,645,108	3,616,643	64.1%	(604,792)	-16.7%
Local Appropriations	47,025,000	12,000,000	25.5%	44,000,000	11,500,000	26.1%	500,000.00	4.3%
Federal Stimulus Funds - CARES	-	-	0%	8,371,556	3,506,500	41.9%	(3,506,500)	-100.0%
Federal Student Grants - HEERF	18,500,000	8,049,590	43.5%	-	-	0.0%	8,049,590	100.0%
Federal Institutional Aid - HEERF	31,000,000	8,221,497	26.5%	-	-	0.0%	8,221,497	100.0%
Total	$ 168,239,968	$ 55,056,488	32.7%	$ 121,654,150	$ 41,758,788	34.3%	$ 13,297,699	31.8%
Auxiliary Enterprises								
Campus Store	$ 400,000	$ 672	0.2%	$ 550,000	$ 59,968	10.9%	$ (59,297)	(0.99)
Student Activities	2,000,000	879,174	44.0%	2,200,000	1,036,252	47.1%	(157,078)	-15.2%
Other Auxiliary Enterprises	4,000,000	1,203,921	30.1%	4,260,000	1,363,397	32.0%	(159,476)	-11.7%
Total	$ 6,400,000	$ 2,083,767	32.6%	$ 7,010,000	$ 2,459,618	35.1%	$ (375,851)	-15.3%
Restricted								
Institutional Grants	$ 4,125,000	$ 753,842	18.3%	$ 4,630,000	$ 772,156	16.7%	$ (18,314)	-2.4%
State Student Grants	4,020,320	79,075	2.0%	5,200,000	613,845	11.8%	(534,770)	-87.1%
Total	$ 8,145,320	$ 832,917	10.2%	$ 9,830,000	$ 1,386,001	14.1%	$ (553,084)	-39.9%
Capital								
Construction - State (295)	$ 2,000,000	$ 1,716,400	85.8%	$ 1,400,000	$ 329,583	23.5%	$ 1,386,817	420.8%
Construction - Non State (483)	3,000,000	430,558	14.4%	6,000,000	798,200.61	13.3%	(367,643)	-46.1%
Total	$ 5,000,000	$ 2,146,958	42.9%	$ 7,400,000	$ 1,127,784	15.2%	$ 1,019,174	90.4%
TOTAL REVENUE	$ 187,785,288	$ 60,120,129	32.0%	$ 145,894,150	$ 46,732,191	32.0%	$ 13,387,939	28.6%
Expenditures								
Education & General								
Instruction	$ 48,117,230	9,061,140	20.2%	$ 47,151,755	8,390,471	17.8%	$ 670,669	8.0%
Public Service	1,022,515	131,426	8.7%	662,320	30,871	4.7%	100,556	325.7%
Academic Support	18,617,965	3,718,103	18.8%	18,253,728	3,533,219	19.4%	184,884	5.2%
Student Services	10,581,398	1,972,818	16.6%	12,106,048	2,435,704	20.1%	(462,885)	-19.0%
Institutional Support	14,254,489	5,187,649	35.8%	12,839,085	4,302,442	33.5%	885,206	20.6%
Operation/ Maintenance of Plant	17,489,757	3,734,103	20.9%	16,843,165	3,722,858	22.1%	11,245	0.3%
Tuition Waivers	4,600,000	2,072,524	45.1%	4,400,000	671,626	15.3%	1,400,898	208.6%
Scholarships	5,800,000	2,227,125	38.4%	10,381,410	5,600,833	54.0%	(3,373,708)	-60.2%
Federal Student Grants - CARES	-	-	0.0%	-	-	0%	-	0%
Federal Student Grants - HEERF	18,500,000	8,063,990	0.0%	-	-	0%	8,063,990	0%
Federal Institutional Aid - HEERF	31,000,000	5,174,161	0.0%	-	-	0%	5,174,161	0%
Total	$ 169,983,353	$ 41,343,040	24.3%	$ 122,637,510	$ 28,688,024	23.4%	$ 12,655,016	44.1%
Auxiliary Enterprises								
Campus Store	$ 130,500	$ 43,544	33.4%	$ 130,500	$ 43,524	33.4%	$ 20	0.0%
Student Activities	3,000,000	269,174	9.0%	3,875,000	508,036	13.1%	(238,862)	-47.0%
Other Auxiliary Enterprises	7,938,500	518,564	6.5%	7,004,500	491,537	7.0%	27,027	5.5%
Total	$ 11,069,000	$ 831,282	7.5%	$ 11,010,000	$ 1,043,097	9.5%	$ (211,815)	-20.3%
Restricted								
Institutional Grants	$ 4,125,000	$ 753,842	18.3%	$ 4,630,000	$ 773,281	16.7%	$ (19,439)	-2.5%
State Student Grants	4,020,320	1,378,783	34.3%	5,200,000	1,259,448	24.2%	119,335	9.5%
Total	$ 8,145,320	$ 2,132,625	26.2%	$ 9,830,000	$ 2,032,729	20.7%	$ 99,896	4.9%
Capital								
Construction - State (295)	$ 2,000,000	$ 113,924	5.7%	$ 1,400,000	$ 421,135	30.1%	$ (307,211)	-72.9%
Construction - Non State (483)	3,000,000	409,559	13.7%	6,000,000	818,758	13.6%	(409,199)	-50.0%
Total	$ 5,000,000	$ 523,483	10.5%	$ 7,400,000	$ 1,239,893	16.8%	$ (716,410)	-57.8%
TOTAL EXPENDITURES	$ 194,197,673	$ 44,830,430	23.1%	$ 150,877,510	$ 33,003,743	21.9%	$ 11,826,687	35.8%

TULSA COMMUNITY COLLEGE
EXPENDITURE SUMMARY BY CATEGORY
FOR THE PERIOD ENDING SEPTEMBER 30, 2021 AND SEPTEMBER 30, 2020

	SEPTEMBER FY22			SEPTEMBER FY21				
	Budget	Year to date	Percent of Budget	Budget	Year to date	Percent of Budget	$ Change	Percent Change
EDUCATION AND GENERAL								
Salaries & Wages								
Faculty	$ 19,432,417	$ 3,114,856	16.0%	$ 19,272,076	$ 3,213,155	16.7%	$ (98,299)	-3.1%
Adjunct Faculty	10,500,000	2,798,117	26.6%	10,100,000	2,234,463	22.1%	563,654	25.2%
Professional	11,923,617	2,903,036	24.3%	12,533,836	2,998,856	23.9%	(95,819)	-3.2%
Classified Exempt	3,801,000	562,275	14.8%	3,258,316	706,665	21.7%	(144,390)	-20.4%
Classified Hourly	17,564,728	2,833,629	16.1%	16,551,705	2,998,932	18.1%	(165,303)	-5.5%
TOTAL	$ 63,221,762	$ 12,211,913	19.3%	$ 61,715,933	$ 12,152,070	19.7%	$ 59,843	0.5%
Staff Benefits	$ 24,333,149	$ 5,146,147	21.1%	$ 24,187,667	$ 5,304,802	21.9%	(158,655)	-3.0%
Professional Services	3,620,310	722,171	19.9%	2,474,350	649,502	26.2%	72,670	11.2%
Operating Services	15,809,902	4,486,916	28.4%	15,830,539	3,557,494	22.5%	929,422	26.1%
Travel	544,843	24,121	4.4%	567,950	4,332	0.8%	19,789	456.8%
Utilities	1,500,000	385,823	25.7%	1,700,000	258,694	15.2%	127,128	49.1%
Tuition Waivers	4,600,000	2,072,524	45.1%	4,400,000	671,626	15.3%	1,400,898	208.6%
Scholarships	5,800,000	2,227,125	38.4%	10,381,410	5,600,833	54.0%	(3,373,708)	-60.2%
Federal Student Grants - CARES	-	-	0%	-	-	0.0%	-	0.0%
Federal Student Grants - HEERF	18,500,000	8,063,990	43.6%	-	-	0.0%	8,063,990	100.0%
Federal Institutional Aid - HEERF	31,000,000	5,174,161	16.7%	-	-	0.0%	5,174,161.37	100.0%
Furniture & Equipment	1,053,387	828,150	78.6%	1,379,660	488,671	35.4%	339,478	69.5%
TOTAL	$ 169,983,353	$ 41,343,040	24.3%	$ 122,637,510	$ 28,688,024	23.4%	$ 12,655,016	44.1%
CAMPUS STORE								
Bond Principal and Expense	130,500	43,544	33.4%	131,000	43,524	33.2%	20	0.0%
TOTAL	$ 130,500	$ 43,544	33.4%	$ 131,000	$ 43,524	33.2%	$ 20	0.0%
STUDENT ACTIVITIES								
Salaries & Wages								
Professional	$ 216,000	$ 17,116	7.9%	$ 280,000	$ 69,267	24.7%	$ (52,151)	-75.3%
Classified Hourly	850,000	121,051	14.2%	1,100,000	172,381	15.7%	(51,330)	-29.8%
Total Salaries & Wages	$ 1,066,000	$ 138,167	13.0%	$ 1,380,000	$ 241,649	17.5%	$ (103,481)	-42.8%
Staff Benefits	$ 445,000	$ 58,008	13.0%	$ 575,000	$ 108,443	18.9%	$ (50,436)	-46.5%
Professional Services	116,000	-	0.0%	150,000	79,215	52.8%	(79,215)	-100.0%
Operating Services	410,000	72,999	17.8%	525,000	72,779	13.9%	220	0.3%
Travel	38,000	-	0.0%	50,000	-	0.0%	-	0.0%
Furniture & Equipment	925,000	-	0.0%	1,195,000	5,950	0.5%	(5,950)	-100.0%
Items for Resale	-	-	0.0%	-	-	0.0%	-	0.0%
TOTAL	$ 3,000,000	$ 269,174	9.0%	$ 3,875,000	$ 508,036	13.1%	$ (238,862)	-47.0%
OTHER AUXILIARY ENTERPRISES								
Salaries & Wages								
Professional	$ 141,000	$ 30,677	21.8%	$ 125,000	$ 30,577	24.5%	$ 100	0.3%
Adjunct Faculty	340,000	52,609	15.5%	300,000	24,991	8.3%	27,619	110.5%
Classified Hourly	312,000	2,927	0.9%	275,000	8,801	3.2%	(5,874)	-66.7%
Total Salaries & Wages	$ 793,000	$ 86,213	10.9%	$ 700,000	$ 64,368	9.2%	$ 21,844	33.9%
Staff Benefits	$ 142,000	$ 21,212	14.9%	$ 125,000	$ 20,196	16.2%	$ 1,016	5.0%
Professional Services	625,000	40,523	6.5%	550,000	22,062	4.0%	18,461	83.7%
Operating Services	2,600,000	172,991	6.7%	2,300,000	231,906	10.1%	(58,916)	-25.4%
Travel	68,000	3,915	5.8%	60,000	170	0.3%	3,745	2202.7%
Utilities	737,000	150,042	20.4%	650,000	106,807	16.4%	43,235	40.5%
Scholarship & Refunds	45,000	125	0.3%	40,000	506	1.3%	(381)	-75.3%
Bond Principal and Expense	1,253,500	43,544	3.5%	969,000	43,524	4.5%	20	0.0%
Furniture & Equipment	1,675,000	-	0.0%	1,479,500	1,998	0.1%	(1,998)	-100.0%
Items for Resale	-	-	0.0%	-	-	0.0%	-	0.0%
TOTAL	$ 7,938,500	$ 518,564	6.5%	$ 6,873,500	$ 491,537	7.2%	$ 27,027	5.5%
CAPITAL								
Construction - State (295)	$ 2,000,000	$ 113,924	5.7%	$ 1,400,000	$ 421,135	30.1%	$ (307,211)	-72.9%
Construction - Non State (483)	3,000,000	409,559	13.7%	6,000,000	818,758	13.6%	(409,199)	-50.0%
TOTAL	$ 5,000,000	$ 523,483	10.5%	$ 7,400,000	$ 1,239,893	16.8%	$ (716,410)	-57.8%

Facilities and Safety Committee Projects Dashboard

TULSA COMMUNITY COLLEGE

Campus Growth

20% Progress

Metro Success Center
Budget: $2,900,000
Status: Green
Estimated Completion: Spring 2022
12% paid

15% Progress

NEC Success Center
Budget: $3,350,000
Status: Green
Estimated Completion: Fall 2022
3% paid

0% Progress

NEC Fab Lab
Budget: $250,000
Status: Green
Estimated Completion: Spring 2022
0% paid

HEERF

10% Progress

Campus Wide Air Handlers
Budget: $7,211,000
Status: Green
Estimated Completion: TBD
0% paid

5% Progress

MC, NE and SE Exterior Doors and Access Controls
Budget: $2,600,000
Status: Green
Estimated Completion: TBD
0% paid

5% Progress

MC Ductwork, VAV, VFD, Supply and Exhaust Air Fans
Budget: $1,510,000
Status: Green
Estimated Completion: TBD
0% paid

10% Progress

Campus Wide Drinking Fountains
Budget: $171,000
Status: Green
Estimated Completion: TBD
0% paid

Deferred Maintenance

15% Progress

MC Heat Exchanger
Budget: $137,951
Status: Green
Estimated Completion: Nov 2021
0% paid

15% Progress

NE SE and WC Parking Lots
Budget: $1,581,978
Status: Green
Estimated Completion: Mar 2022
0% paid

0% Progress

MC Waterproofing
Budget: $200,000
Status: Green
Estimated Completion: TBD
0% paid

0% Progress

MC C4C Chiller
Budget: $250,000
Status: Yellow
Estimated Completion: TBD
0% paid

0% Progress

SE Hot Water Pumps
Budget: $150,000
Status: Yellow
Estimated Completion: TBD
0% paid

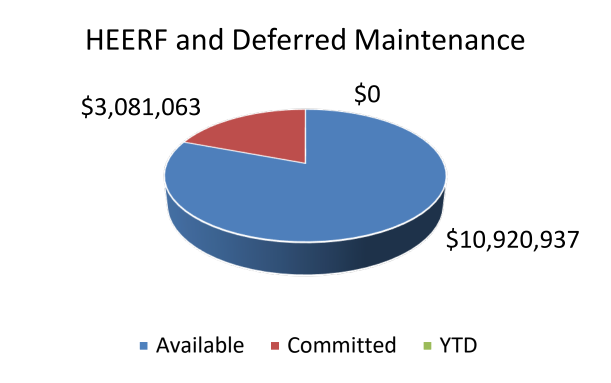
Safety

5% Progress

MC Fire Panel
Budget: $65,000
Status: Green
Estimated Completion: TBD
0% paid

0% Progress

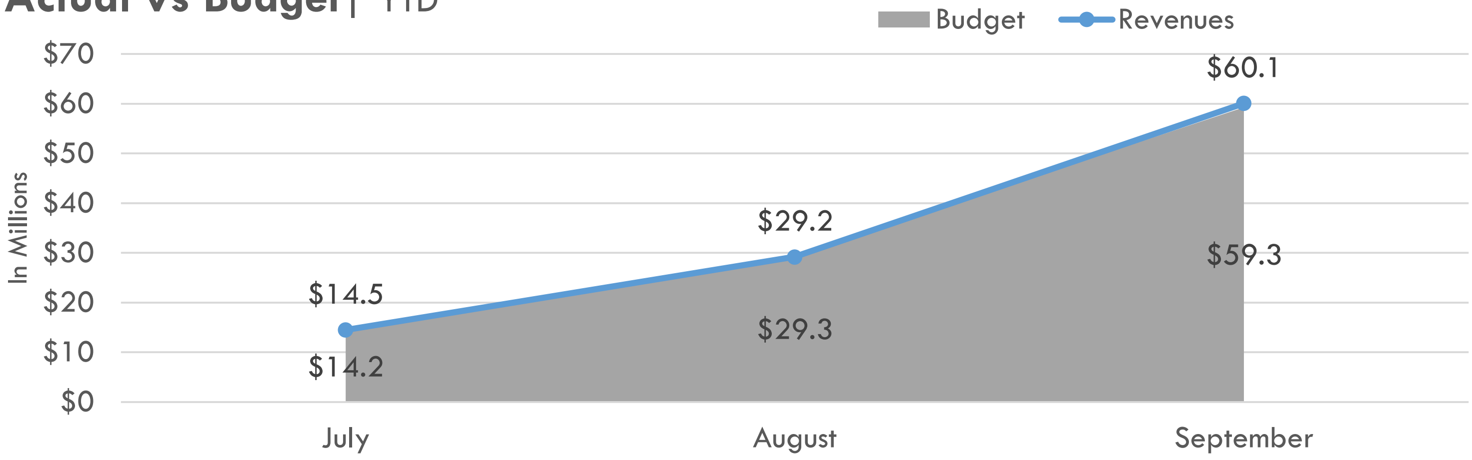
MC/NE Cameras
Budget: $1,000,000
Status: Yellow
Estimated Completion: TBD
0% paid



Deferred Maintenance, Years 1-3: $73.4 million
Deferred Maintenance, Years 4-10: $75.8 million

REVENUE DASHBOARD SEPTEMBER 2021

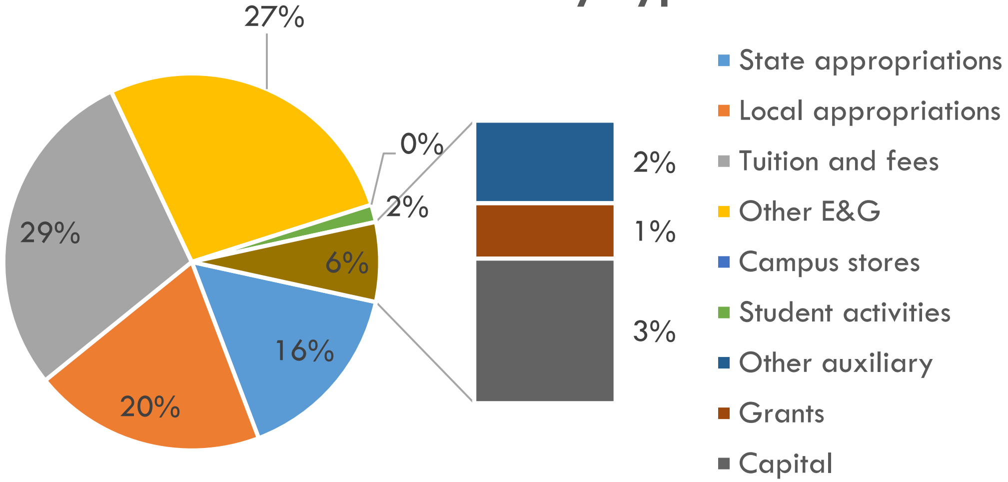
Actual vs Budget | YTD



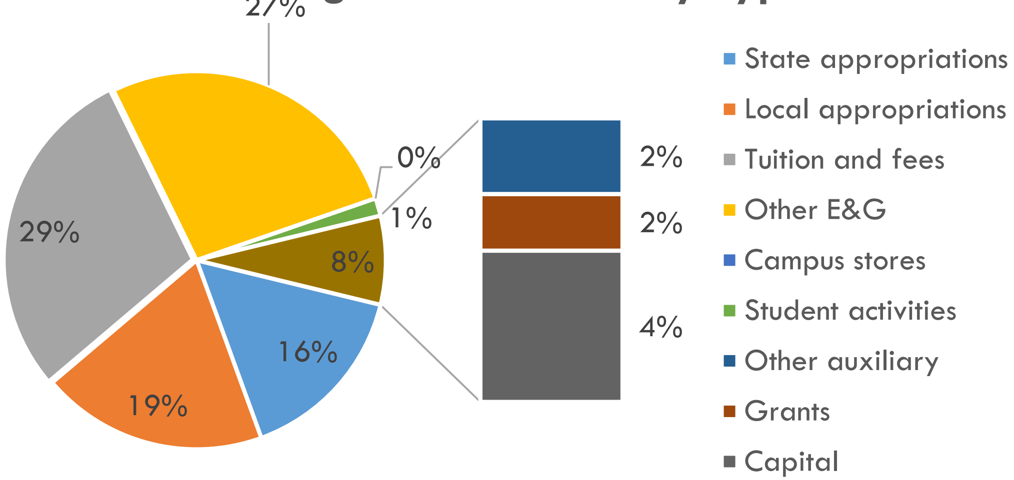
Revenues | Monthly Activity

	Actual	Budget	Variance
Revenues			
E&G	$ 29.2	$ 28.2	$ 1.0
Auxiliary	1.1	1.1	-
Restricted	0.4	0.4	-
Capital	0.3	0.3	-
	$ 31.0	**$ 30.0**	**$ 1.0**

YTD Revenues by Type

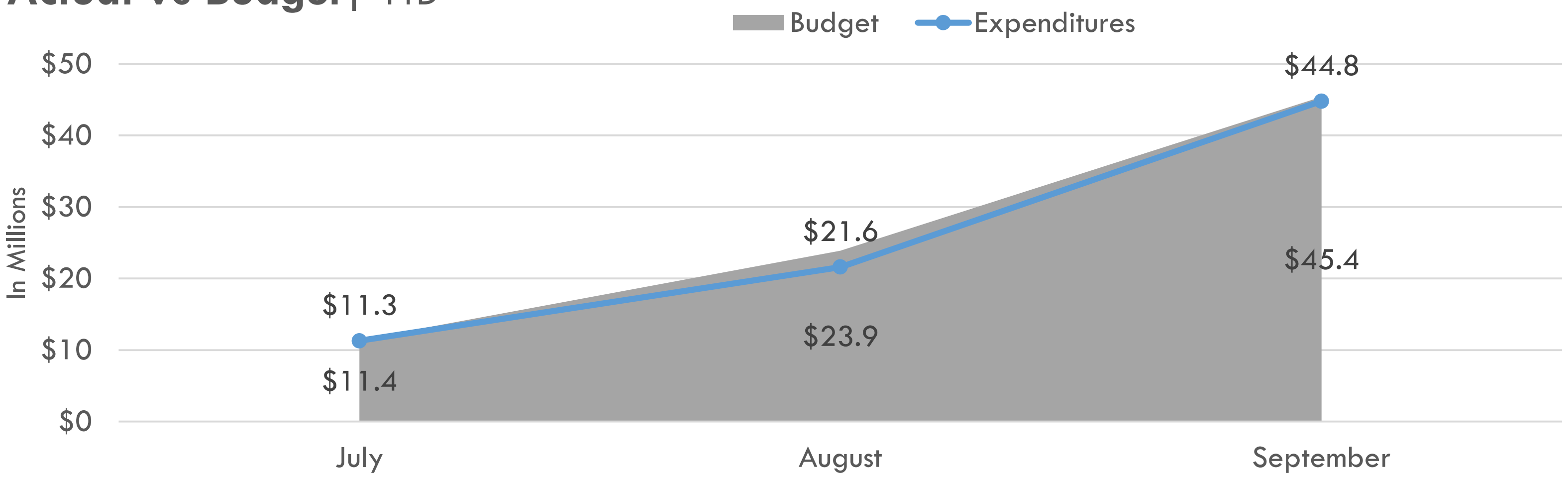


YTD Budgeted Revenues by Type



EXPENSE DASHBOARD SEPTEMBER 2021

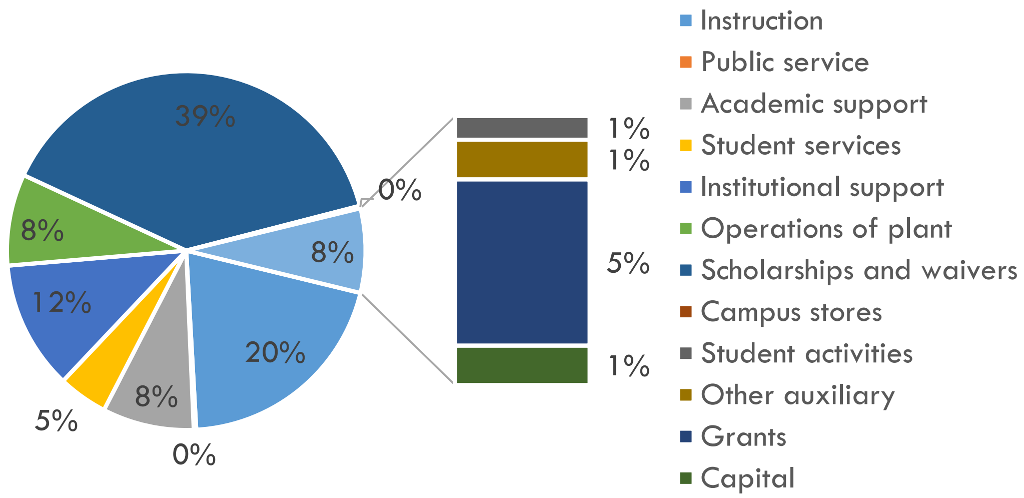
Actual vs Budget | YTD



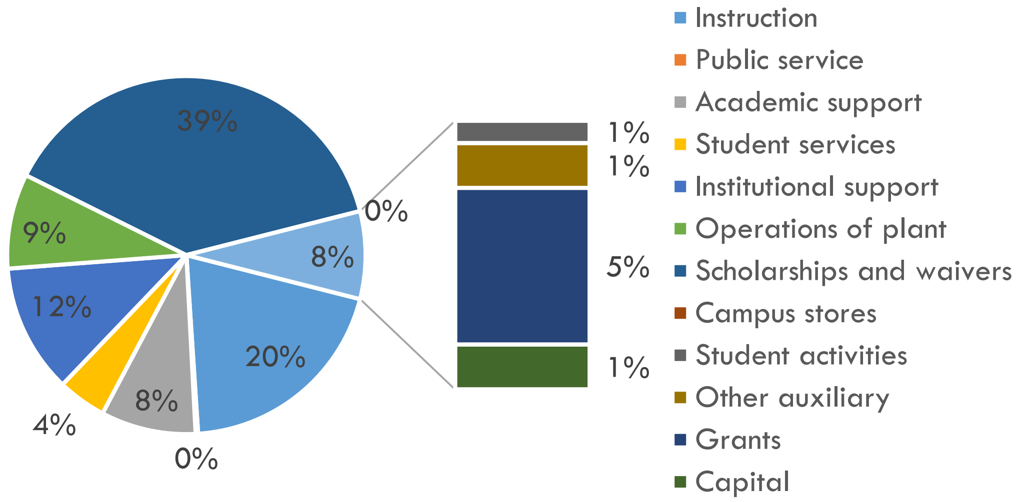
Expenditures | Monthly Activity

	Actual	Budget	Variance
Expenditures			
E&G	$ 20.7	$19.3	$ 1.4
Auxiliary	0.3	0.2	0.1
Restricted	1.7	1.6	0.1
Capital	0.5	0.3	0.2
	$ 23.2	**$ 21.4**	**$ 1.7**

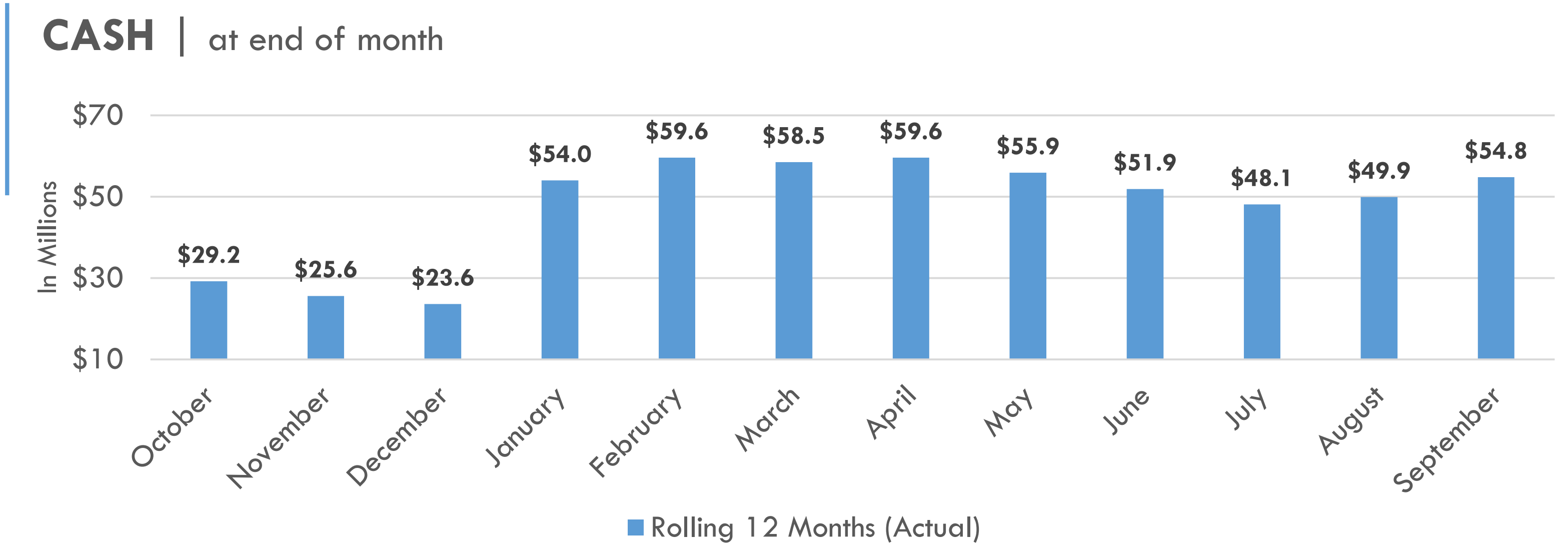
YTD Expenditures by Function



YTD Budgeted Expenditures by Function



CASH MANAGEMENT & AR DASHBOARD SEPTEMBER 2021

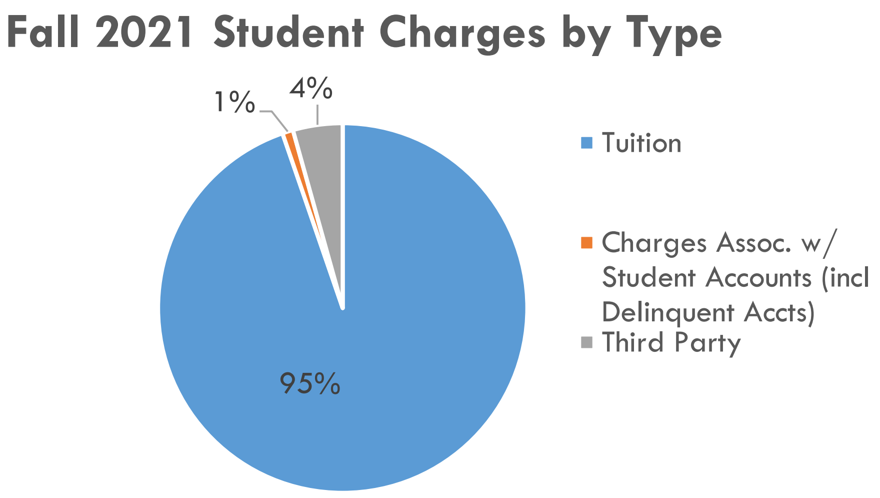


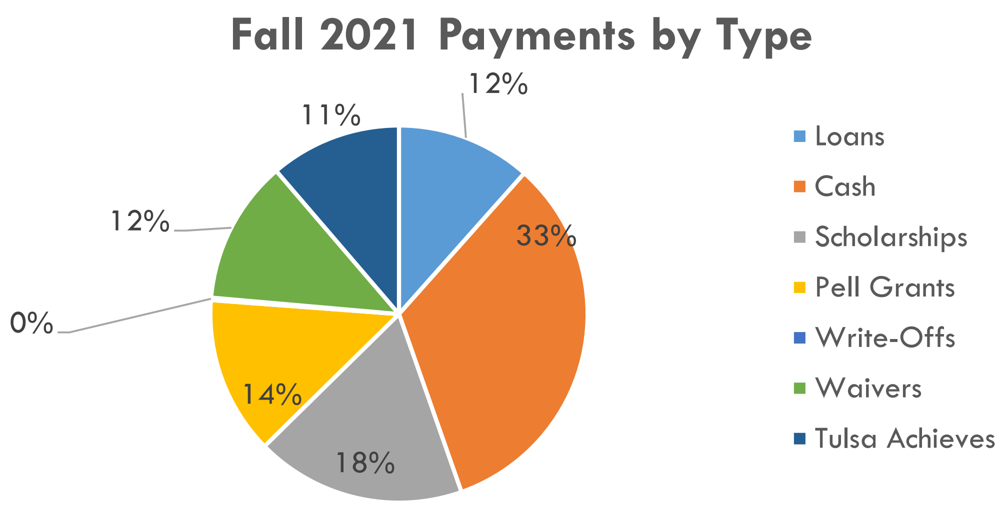
CASH BALANCE

E&G (290)	$	802,790
Construction (295)	$	2,099,159
Restricted (430)	$	191,007
Construction (483 & 475)	$	245,109
COVID Funds (490)	$	7,123,270
Auxiliary (706)	$	6,613,086
Clearing (750)	$	6,936,009
Local	$	27,555,130
Payroll (789)	$	3,202,378
	$	**54,767,937**

Cash Forecast 12/31/2021 **$34,000,000**

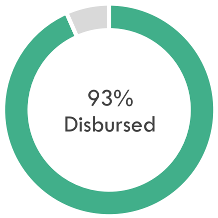
Local Forecast 12/31/2021 **$23,000,000**





HIGHER EDUCATION EMERGENCY RELIEF FUND – (HEERF 2 & HEERF 3)

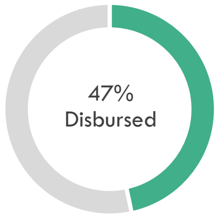
Student Grants (HEERF 2)



Budget: $4,400,000

Disbursed: $4,109,240

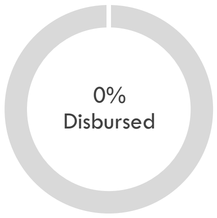
Student Grants (HEERF 3)



Budget: $16,500,000

Disbursed: $7,713,300

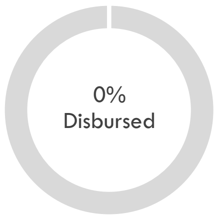
Safety & Security (Facilities)



Budget: $11,500,000

Disbursed: $0

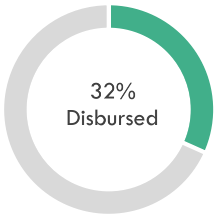
Student Technology



Budget: $3,500,000

Disbursed: $0

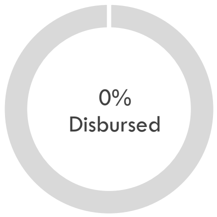
Workforce Technology



Budget: $3,000,000

Disbursed: $951,077

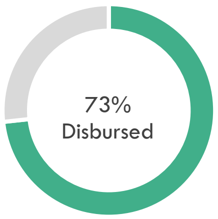
Student Supplies



Budget: $1,500,000

Disbursed: $0

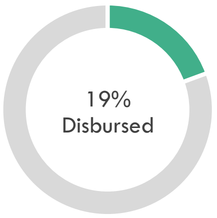
Equipment / Software



Budget: $450,000

Disbursed: $329,753

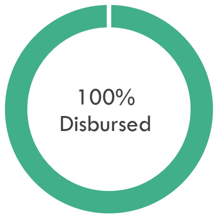
Financial Aid Consulting



Budget: $100,000

Disbursed: $20,248

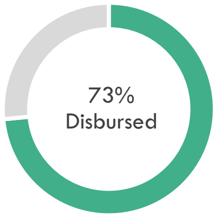
Student Debt Forgiveness



Estimated: $4,182,954

Disbursed: $4,182,954

Lost Revenue Claims



Estimated: $4,433,000

Disbursed: $3,256,741

TOTAL HEERF

Student Grants	$	20,900,000
Safety & Security	$	11,500,000
Student Technology	$	3,500,000
Workforce Technology	$	3,000,000
Student Supplies	$	1,500,000
Equipment / Software	$	450,000
Financial Aid Consulting	$	100,000
Student Debt Forgiveness	$	4,182,954
Lost Revenue Claims	$	4,433,000
	$	**49,565,954**
Disbursed in FY21	**$**	**4,068,421**
Disbursed in FY22	**$**	**16,494,892**
Remaining	**$**	**29,002,641**

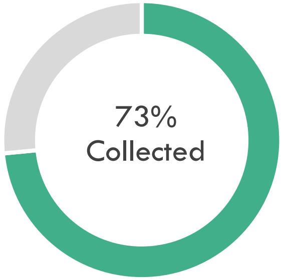
HIGHER EDUCATION EMERGENCY RELIEF FUND – LOST REVENUE SPENDING

Student Debt Forgiveness

Estimated: $4,182,954

Collected: $4,182,954

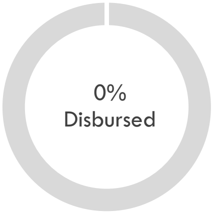
Lost Revenue Claims



Estimated: $4,433,000

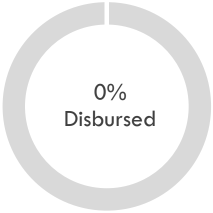
Collected: $3,256,741

NEC Student Success Center



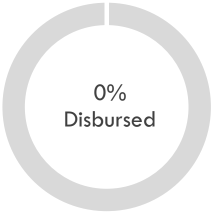
Total Project Estimate: $3,350,000
HEERF Funding: $1,830,000
Other Funding: $1,520,000
Disbursed (HEERF): $0

Metro Student Success Center



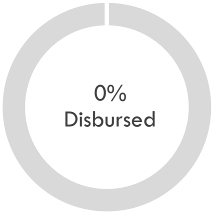
Total Project Estimate: $2,900,000
HEERF Funding: $720,000
Other Funding: $2,180,000
Disbursed (HEERF): $0

PACE Lighting + Equipment



Total Project Estimate: $279,817
HEERF Funding: $279,817
Other Funding: $0
Disbursed (HEERF): $0

NEC Fab Lab



Total Project Estimate: $250,000
HEERF Funding: $250,000
Other Funding: $0
Disbursed (HEERF): $0

Student Debt + Lost Revenue Spending Allocation

NEC Student Success Center	$	1,830,000
Metro Student Success Center	$	720,000
PACE Lighting + Equipment	$	279,817
FAB Lab Remodel	$	250,000
Allocated	**$**	**3,079,817**
Funds Remaining	$	5,536,137
Total	**$**	**8,615,954**

PRESIDENT'S HIGHLIGHTS

October 2021

TCC Foundation Sets Record; Raises More Than $475K Including $50K for Scholarships

Featured by KOTV and Journal Record

The 2021 Vision Dinner hit a historic goal, raising more than $475,000 for the Tulsa Community College Foundation. The evening celebrated the College's 50th anniversary and recognized the 50 Notable Alumni. With the help of donors and alumni, $50,000 will be used to support students next fall with one-time scholarships.

Some People Returning to School Instead of the Workplace

Featured by KJRH

In trying to examine why there appears to be a worker shortage, KJRH asked where did they go? The story featured a woman with a bachelor's degree who returned to college to make a career change. Lily Robistow is in TCC's Respiratory Care program after leaving her career as a teacher. Adding to the story, Pete Selden, vice president of workforce development shared how the pandemic has some reassessing their long-term career plans and seeking better wages.

Acclaimed Send Silence Packing Exhibit at TCC Southeast Campus

Featured by FOX23, KOTV, and Tulsa World

In connection with Suicide Prevention Month, Wellness Services hosted the 2021 Active Minds Send Silence Packing exhibit. Roughly 1,000 backpacks were spread out on the ground at the Southeast Campus. Each one carried a different story of an individual lost to suicide. The powerful exhibit aims to raise awareness about the impact of suicide and mental health resources. TCC shared with the community information about resources we offer students and it was supported by TCC's Mental Health Awareness Training Grant from the Substance Abuse and Mental Health Services Administration.

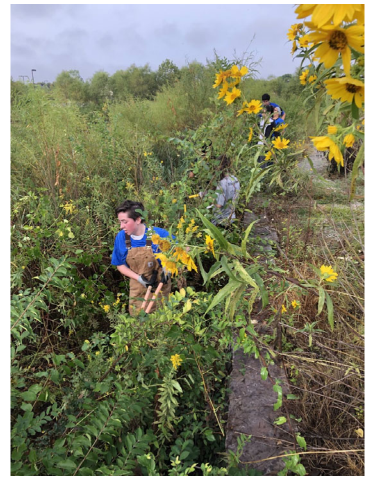
Normalcy and a Return to In-Person Concerts for Signature Symphony

Featured by KJRH, KTUL, KWGS, Tahlequah Daily Press, and Tulsa World

The first two concerts of the 2021-2022 Signature Symphony season have been well received by the community as a sense of normalcy returns to the professional orchestra. KJRH came out to the first concert and featured a story about the concert. The guest artist featured in the second concert, Jerod Impichchaachaaha' Tate, did interviews with KTUL and Studio Tulsa on KWGS.

PRESIDENT'S HIGHLIGHTS October 2021

United Way Day of Caring
Featured by KOTV



More than 110 volunteers including employees and students spanned out across our community in this year's Day of Caring. A few of the projects for the employees included career exploration for City Year, mock interviews for Goodwill and work at the Girl Scouts' Camp Tallchief. KOTV featured a story about volunteers from TCC as well as TD Williamson and Prosperity Bank who worked on projects for Meals on Wheels clients. Students also got involved with a project to clean up the pond at Southeast Campus and they hosted a donation drive and collected items for the fuel pantries.

TCC United Way Campaign
This week, the College also launched its annual United Way Campaign full of activities such as bingo, a Tetris tournament and silent auction.

Child Development Scholarship Luncheon

As an incentive to help boost Fall enrollment for Child Development Scholarships, ten students were chosen from those who turned in their fall schedule for a meet and greet luncheon. This event connected the scholarship students with professors, advisors and administrators and provided a chance to learn more about the opportunities within the program. The students heard from those in their field of study and received mentoring, advice, tips, support, and ideas from education professionals.

eCore Showcase
The design teams who have been working to develop eCore courses at TCC recently shared courses in Biology, Communication, Math with departments and leadership. These are online courses developed by a team including faculty in the subject area, a librarian, a technology specialist, and an instructional designer. The faculty make decisions on what should be taught and how it should be assessed using the course's learning outcomes. The courses are designed using Open Educational Resources (OERs) to keep the cost down for students. The design and navigation of eCore courses are consistent and fluid allowing students to focus their attention on the course content and to master course outcomes.

PRESIDENT’S HIGHLIGHTS October 2021

Hardesty Student Success Center at TCC West Campus Improves Student Experience

The new Hardesty Student Success Center on the TCC West Campus celebrated its opening and formal dedication. Funded with a $1 million gift from the Hardesty Family Foundation, the new facility revolutionizes the student experience and removes barriers. Students are already seeing the benefit with a clearly identified starting point and check in area instead of rows of counters and offices for multiple departments, each with its own line.

TCC Grad Named Sand Springs Fire Chief

Featured by Sand Springs Leader

Justin Hall was recently named Sand Springs Fire Chief after holding the interim position and he is the city’s emergency management director. Hall holds an associate of arts degree from Rogers State University and an associate of science degree in fire and emergency services from Tulsa Community College.

TCC Grad Featured in Court Reporter Story

Featured by Enid News & Eagle

Mary Kirkhart, who took online classes for court reporting through Tulsa Community College, was featured in an article about court reporters and the critical shortage in the state.

TCC Regent Appointment

Featured by Cherokee Phoenix and Greater Tulsa Reporter

News of the addition of Regent Mitch Adwon to the TCC Board of Regents was recently included in two publications after he took the oath of office at the August meeting.

TULSA COMMUNITY COLLEGE
FINANCIAL STATEMENTS
(A Component Unit of the State of Oklahoma)
June 30, 2021

TULSA COMMUNITY COLLEGE
(A Component Unit of the State of Oklahoma)
FINANCIAL STATEMENTS
June 30, 2021

CONTENTS

INDEPENDENT AUDITOR'S REPORT

Board of Regents
Tulsa Community College
Tulsa, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of Tulsa Community College (the College), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the College's 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

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Tulsa Community College Foundation, a discretely presented component unit, were not audited in accordance with *Government Auditing Standards.*

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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

(Continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the College, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension and OPEB 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 Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The schedule of expenditures of federal awards 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 the other information, such as the introductory section are presented for purposes of additional analysis and are 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 and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

(Continued)

Other Reporting Required by *Government Auditing Standards*

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

Crowe LLP

Indianapolis, Indiana
<>, 2021

Overview of the Financial Statements and Financial Analysis

The following management's discussion and analysis of the financial performance of Tulsa Community College (the College) provides an overview of the College's financial activities for the fiscal year ended June 30, 2021. This analysis is intended to provide a summary of significant financial activities and information and should be read in conjunction with the College's financial statements.

The objective of the management's discussion and analysis is to help readers of the College's financial statements better understand the financial position and operating activities for the fiscal year ended June 30, 2021. Management has prepared the financial statements and the related footnote disclosures along with this discussion and analysis. Comparative information for the year ended June 30, 2020 has also been provided in this discussion.

Statement of Net Position

The statement of net position presents the assets (current and noncurrent), deferred outflows of resources, liabilities (current and noncurrent), deferred inflows of resources, and net position (assets and deferred outflows of resources minus liabilities and deferred inflows of resources) as of the end of the fiscal year. The purpose of the statement of net position is to present to the readers of the financial statements a fiscal snapshot of the College. The difference between current and noncurrent assets is discussed in the notes to financial statements. These statements include all assets and liabilities using the accrual basis of accounting, which is consistent with the accounting method used by private-sector institutions.

Net Position – The difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources is one way to measure the College's financial health or position. Over time, changes in the College's net position are an indicator of its overall financial health. Nonfinancial factors are also important to consider, including student recruitment, enrollment, and retention and the condition of campus facilities.

Net position is divided into three major categories. The first category, net investment in capital assets, provides the College's equity in property, plant, and equipment, net of related debt. The next category, restricted net position, provides the College's assets that must be spent for purposes as determined by donors and/or external entities. Unrestricted net position is available to the College for any lawful purpose of the institution.

The College's financial position, as a whole, decreased during the fiscal year ended June 30, 2021. Net position decreased $0.5 million from June 30, 2020 to June 30, 2021.

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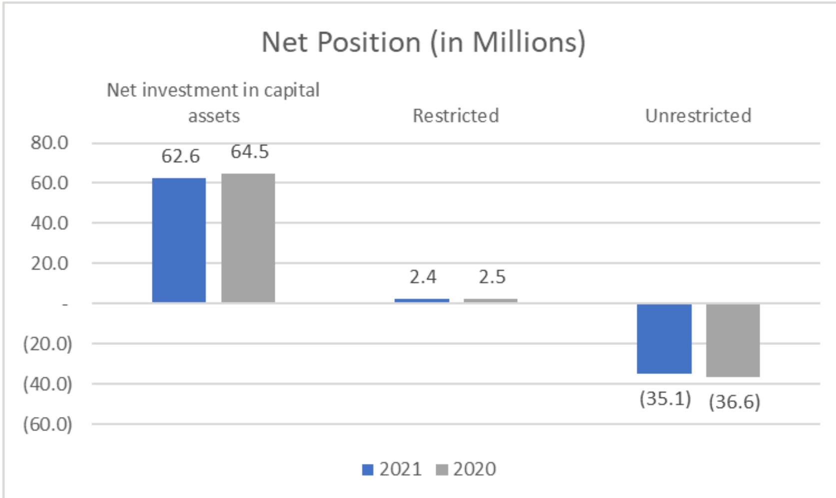

The following table summarizes the College's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of June 30, 2021 (in millions):

	2021	2020	$ Change from 2020
Assets			
Current assets	$ 60.1	$ 45.2	$ 14.9
Capital assets, net	87.7	92.2	(4.5)
Other	9.1	8.0	1.1
Total assets	156.9	145.4	11.5
Deferred Outflows of Resources	45.4	20.2	25.2
Liabilities			
Current liabilities	15.1	13.2	1.9
Noncurrent liabilities	145.7	104.1	41.6
Total liabilities	160.8	117.3	43.5
Deferred Inflows of Resources	11.6	17.9	(6.3)
Net Position			
Net investment in capital assets	62.6	64.5	(1.9)
Restricted	2.4	2.5	(0.1)
Unrestricted	(35.1)	(36.6)	1.5
Total net position	$ 29.9	$ 30.4	$ (0.5)

Total assets of the College increased $11.5 million from June 30, 2020. The College's unrestricted cash and cash equivalents at June 30, 2021, totaled $44.6 million compared to $33.5 million at June 30, 2020. *Note 2* of the financial statements provides additional information regarding cash and cash equivalents asset activities and balances.

Total liabilities of the College increased $43.5 million from June 30, 2020, while net pension liability increased $41.2 million from July 1, 2020 to June 30, 2021. This change in the net pension liability also contributed to the $25.2 million increase in deferred outflows of resources and the $6.3 million decrease in deferred inflows of resources. *Note 6* of the financial statements provides additional information regarding the OTRS pension plan.

(Continued)

Statement of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position is used to display the sources and uses of funds of the College during the fiscal year. This information must be viewed over a period of time to determine if the goals of the institution are being met. Public institutions will normally not have an excess of operating revenues over operating expenses as state appropriations are considered nonoperating revenues under generally accepted accounting principles.

	2021	2020	$ Change from 2020
Operating revenues	$ 38.2	$ 39.6	$ (1.4)
Operating expenses	160.1	148.1	12.0
Operating loss	(121.9)	(108.5)	(13.4)
Nonoperating revenues and expenses	119.1	102.1	17.0
Income (loss) before other appropriations	(2.8)	(6.4)	3.6
Other appropriations	2.3	4.4	(2.1)
Increase (decrease) in net position	(0.5)	(2.0)	1.5

Statement of Revenues

The following table and chart illustrate the revenue streams for the College. To highlight the major sources: 18% is comprised of state appropriations; 30% is ad valorem property taxes; 25% is nonoperating federal and state grants and contracts; and 24% is operating revenue including tuition and fees, auxiliary enterprises, and operating federal and state grants and contracts for the year ended June 30, 2021. The College continues to make revenue diversification an ongoing priority, along with cost containment. This is necessary as the College continues to face financial pressure with uncertain state budget projections, uncertain enrollment projections, and increased compensation and benefit costs.

	2021	2020	$ Change from 2020
Operating revenues			
Tuition and fees, net	$ 21.0	$ 20.9	$ 0.1
Grants and contracts	9.9	10.7	(0.8)
Auxiliary enterprises	4.6	4.5	0.1
Other operating revenue	2.7	3.5	(0.8)
Total operating revenues	38.2	39.6	(1.4)
Nonoperating revenues			
State appropriations	28.3	29.0	(0.7)
On-behalf contributions for OTRS	4.2	4.1	0.1
Ad valorem property taxes	47.2	44.8	2.4
Federal and state grants	40.1	24.8	15.3
Investment income, net	0.2	0.5	(0.3)
Total nonoperating revenues	120.0	103.2	16.8
Total revenues	158.2	142.8	15.4

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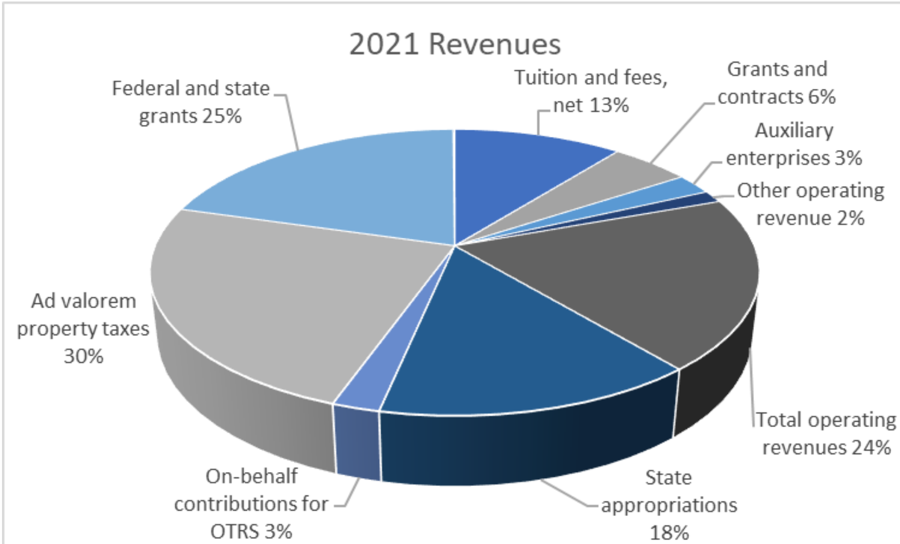

Statement of Expenses

A summary of the College's expenses for the years ended June 30, 2021, can be viewed below. Compensation and employee benefits accounted for approximately 67% of total expenses compared to 63% of total expenses for the prior year.

	2021	2020	$ Change from 2020
Operating expenses			
Compensation and employee Benefits	$ 107.2	$ 93.9	$ 13.6
Contractual services	3.3	5.6	(2.3)
Supplies and materials	3.0	5.6	(2.6)
Cost of goods sold	-	0.1	(0.1)
Depreciation	7.3	7.0	0.3
Rental expenses	2.7	1.9	0.8
Utilities	1.7	2.0	(0.3)
Repairs and maintenance	5.7	6.7	(1.0)
Student aid	25.8	21.0	(1.3)
Other operating expenses	3.4	4.3	(1.2)
Total operating expenses	160.1	148.1	5.9
Nonoperating expenses			
Interest on capital-related debt	1.0	1.1	(0.1)
Total expenses	161.1	149.2	5.8

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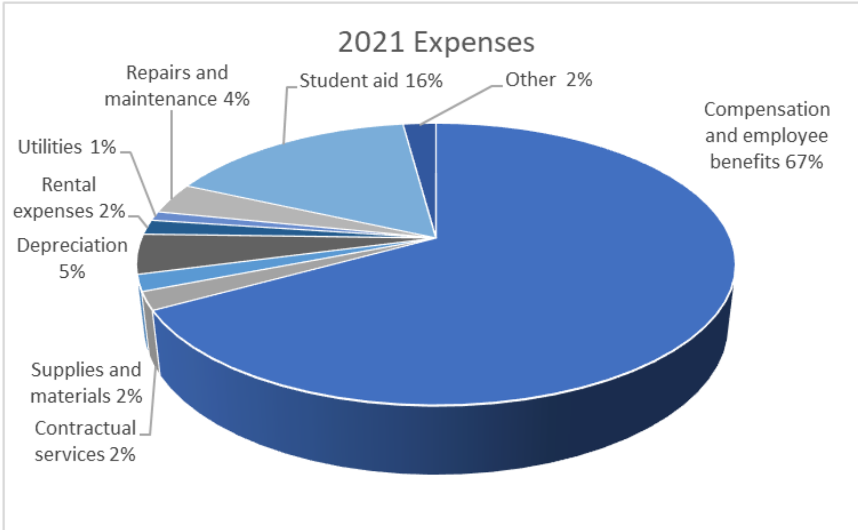

Statement of Cash Flows

The primary purpose of the statement of cash flows is to provide information about the cash receipts and disbursements of the College during the year. It also aids in the assessment of the College's ability to generate future net cash flows, ability to meet obligations as they come due, and needs for external financing.

The College's overall liquidity decreased during the current year, with a net increase to cash and cash equivalents of $11.7 million. The increase is related to an increase in cash provided by operating activities compared to the prior year.

The following table summarizes the College's cash flows for the years ended June 30, 2021 and 2020:

	2021	2020	$ Change from 2020
Net Cash Provided by (Used in)			
Operating activities	$ (91.8)	$ (98.5)	$ 6.7
Noncapital financing activities	106.9	99.5	7.4
Capital and related financing activities	(4.0)	(10.1)	6.1
Investing activities	0.6	0.3	0.3
Increase (Decrease) in Cash and Cash Equivalents	11.7	(8.8)	20.5
Cash and Cash Equivalents, Beginning of Year	33.9	42.7	(8.8)
Cash and Cash Equivalents, End of Year	45.6	33.9	11.7

Cash used in operating activities during fiscal year 2021 of $91.8 million decreased $6.7 million (6.8%) when compared to the prior year ($98.5 million). Major sources of operating funds were tuition and fees ($24.9 million), grants and contracts ($10.3 million), and auxiliary enterprises ($4.6 million), which were offset by payments for compensation and benefits ($88.6 million) and payments to suppliers and other operating payments ($39.5 million).

(Continued)

Cash provided by noncapital financing activities during fiscal year 2021 of $106.9 million increased by $7.4 million compared to the prior year ($99.5 million). Major sources of noncapital financing activities were state appropriations ($28.3 million), ad valorem property taxes received ($47.0 million), and federal and state grants ($31.5 million).

Cash used in capital and related financing activities during fiscal year 2021 of $4.0 million decreased by $6.1 million when compared to the prior year ($10.1 million). Major sources of capital and related financing activities were capital appropriations received ($1.4 million) and capital contributions ($0.6 million), which were offset by purchases of capital assets ($2.8 million) and principal and interest payments on capital debt and leases ($4.1 million).

Cash provided by (used in) investing activities during fiscal year 2021 of $0.6 million increased by $0.3 million when compared to the prior year ($0.3 million).

Capital Assets

Capital assets, net decreased $4.5 million during the year ended June 30, 2021. This is mostly related to depreciation expense of $7.3 million, combined with additions. Major additions include the West Campus Student Success Center, HVAC and boiler installations at both the Metro and Southeast campuses, and new computer equipment.

Long-Term Debt Activity

During the year ended June 30, 2021, the ODFA Master Lease Bonds 2011A was refunded. New lease agreements were entered into with ODFA and the State Regents for Higher Education Master Lease Revenue Bond Series 2020D. The new agreements were entered into to reduce overall cash flows.

COVID-19

As a result of the COVID-19 pandemic, the College moved all spring 2020 and summer 2020 in-person classes to online learning. The College transitioned back to in person and blended learning in fall 2020. The College was awarded $61.2 million of funds through the Higher Education Emergency Relief Fund (HEERF) for emergency grants to students and to cover institutional costs associated with significant changes to the delivery of instruction due to COVID-19. Of those funds, $21.1 million had been utilized as of June 30, 2021.

Economic Outlook

Management believes the College has a solid financial foundation by which to continue accomplishing its mission of improving the community through intellectual achievement, creative energy, and responsible citizenship of its students, faculty, and staff by their engagement in teaching, learning and service opportunities that transform and enrich lives. The College's financial foundation permits the College to further its commitment to providing innovative, flexible, and affordable public higher education that responds to a dynamic global environment. The College is not without its challenges; in the past several years, there has been a significant shift in economic conditions, which has caused changes in the revenue streams the College uses as operational funding sources. The College has sustained enrollment declines due largely to the improved economy, as the College's enrollment is countercyclical to the local economy. However, in light of these challenges, management believes the College is well positioned to continue its focus through strategic investments that continue to improve student success in the form of better retention and graduation rates.

(Continued)

Acknowledgements

The College's financial statements are the responsibility of management. The preparation of the College's financial statements was made possible by the dedicated service of the Controller's Office personnel and others who have management's sincere appreciation.

(Continued)

	2021
ASSETS	
Current assets	
Cash and cash equivalents (Note 2)	$ 44,622,993
Cash and cash equivalents – restricted (Note 2)	936,399
Investments – restricted (Note 2)	816,765
Accounts receivable, net (Note 3)	2,152,228
Property tax receivable	634,840
Federal and state grants receivable	9,641,099
Prepaid expenses	1,310,599
Total current assets	60,114,923
Noncurrent assets	
Investments (Note 2)	6,951,329
Investments – restricted (Note 2)	766,611
Property tax receivable	1,307,385
Net pension asset SRP (Note 6)	4,554
Net OPEB asset – OTRS (Note 7)	125,961
Nondepreciable capital assets (Note 4)	6,174,934
Depreciable capital assets, net	81,466,945
Total noncurrent assets	96,797,719
Total assets	156,912,642
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows – OTRS Pension (Note 6)	44,753,778
Deferred outflows – OTRS OPEB (Note 7)	547,640
Deferred outflows – Retiree Health OPEB	89,997
Total deferred outflows of resources	45,391,415
Total assets and deferred outflows of resources	$ 202,304,057

(Continued)

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	
Current liabilities	
Accounts payable	$ 1,774,098
Accrued liabilities	3,648,391
Accrued compensated absences	2,300,998
Interest payable	21,756
Unearned revenues	4,493,809
Long-term liabilities – current portion (Note 5)	2,627,030
Deposits held in custody for others	257,273
Total current liabilities	15,123,355
Noncurrent liabilities	
ODFA bonds (Note 5)	13,462,776
Revenue bonds (Note 5)	605,000
OCIA capital lease obligation (Note 5)	8,157,755
Equipment capital lease obligation (Note 5)	430,570
Net pension liability – OTRS (Note 6)	120,664,596
Total OPEB liability – Retiree Health (Note 7)	2,377,318
Total noncurrent liabilities	145,698,015
Total liabilities	160,821,370
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows – OTRS Pension (Note 6)	$ 11,252,955
Deferred inflows – OTRS OPEB (Note 7)	343,924
Total deferred inflows of resources	11,596,879
NET POSITION	
Net investment in capital assets	62,573,673
Restricted for:	
Expendable	2,430,811
Unrestricted	(35,118,676)
Total net position	29,885,808
Total liabilities, deferred inflows and net position	$ 202,304,057

See accompanying notes to financial statements

TULSA COMMUNITY COLLEGE
TULSA COMMUNITY COLLEGE FOUNDATION
STATEMENT OF FINANCIAL POSITION
June 30, 2021

	2021
ASSETS	
Cash and cash equivalents	$ 11,656,843
Investments	17,070,850
Contributions receivable, net	143,053
Total assets	$ 28,870,746
LIABILITIES AND NET ASSETS	
Liabilities	
Accounts payable and accrued expenses	$ 162,102
Total liabilities	162,102
Net assets	
Without donor restrictions	518,261
With donor restrictions	28,190,383
Total net assets	28,708,644
Total liabilities and net assets	$ 28,870,746

See accompanying notes to financial statements

TULSA COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Year ended June 30, 2021

	2021
Operating revenues	
Tuition and fees, net (Note 1)	$ 20,986,073
Federal grants and contracts	4,239,661
State and private grants and contracts	5,672,036
Sales and services of auxiliary enterprises	4,585,006
Other operating revenues	2,688,801
Total operating revenues	38,171,577
Operating expenses	
Compensation and employee benefits (Note 6)	107,155,130
Contractual services	3,278,724
Supplies and materials	3,017,646
Depreciation (Note 4)	7,302,286
Rental expenses	2,705,113
Utilities	1,734,251
Repairs and maintenance	5,694,218
Student aid	25,836,507
Other operating expenses	3,350,051
Total operating expenses	160,073,926
Operating loss	(121,902,349)
Nonoperating revenues (expenses)	
State appropriations	28,306,725
State appropriations – in-kind OTRS pension contributions (Note 6)	4,203,710
Ad valorem property taxes (Note 10)	47,209,749
Federal and state grants	40,075,040
Investment income, net	244,466
Interest on capital-related debt	(959,321)
Loss on sale of assets	(5,751)
Net nonoperating revenues (expenses)	119,074,618
Loss before other revenues, expenses, gains, and losses	(2,827,731)
Other revenues, expenses, gains, and losses	
State appropriations restricted for capital purposes (Note 11)	1,354,297
OCIA on-behalf state appropriations	388,540
Capital contributions	613,025
Change in net position	(471,869)
Net position, beginning of year	30,357,677
Net position, end of year	$ 29,885,808

See accompanying notes to financial statements

TULSA COMMUNITY COLLEGE
TULSA COMMUNITY COLLEGE FOUNDATION
STATEMENT OF ACTIVITIES
Year ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support			
Contributions			
Without donor restrictions	$ 370,267	$ -	$ 370,267
Purpose and time restrictions	-	4,100,523	4,100,523
Contributions in-kind	9,541	13,480	23,021
Interest and dividends, net	74,923	155,738	230,661
Net realized and unrealized gains on investments	-	3,478,129	3,478,129
Net assets released from restrictions			
Purpose and time restrictions	3,754,092	(3,754,092)	-
Total revenues and support	4,208,823	3,993,778	8,202,601
Expenses			
Program services			
College support	3,838,571	-	3,838,571
Support services			
Management and general	167,513	-	167,513
Fundraising	59,218	-	59,218
Total support services	226,731	-	226,731
Total expenses	4,065,302	-	4,065,302
Change in net assets	143,521	3,993,778	4,137,299
Net assets, beginning of year	374,740	24,196,605	24,571,345
Net assets, end of year	$ 518,261	$ 28,190,383	$ 28,708,644

TULSA COMMUNITY COLLEGE
TULSA COMMUNITY COLLEGE FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2021

	College Support	Management and General	Fundraising	Total
2021				
Grants	$ 3,513,927	$ -	$ -	$ 3,513,927
Community relations	-	19,674	-	19,674
Salaries and benefits	-	91,645	-	91,645
Scholarships	171,633	-	-	171,633
Signature Symphony	153,011	-	38,847	191,858
Other	-	56,194	20,371	76,565
	$ 3,838,571	$ 167,513	$ 59,218	$ 4,065,303

See accompanying notes to financial statements

	2021
Cash flows from operating activities	
Tuition and fees	$ 24,873,955
Grants and contracts	10,327,417
Payments to suppliers and other operating payments	(42,278,875)
Payments to employees	(88,630,188)
Auxiliary enterprises sales and services	4,585,006
Other operating revenue	2,688,801
Other operating payments	(3,350,051)
Net cash used in operating activities	(91,783,935)
Cash flows from noncapital financing activities	
State appropriations	28,306,725
Ad valorem property taxes received	47,091,471
Federal and state grants	31,455,349
Deposits held in custody for others	31,447
Net cash provided by noncapital financing activities	106,884,992
Cash flows from capital and related financing activities	
Purchases of capital assets	(2,777,725)
Proceeds from sale of assets	7,800
Capital contributions	613,025
Capital appropriations received	1,354,297
Proceeds from debt issuance	925,000
Principal paid on capital leases and bonds	(3,555,291)
Interest paid on capital leases and bonds	(581,506)
Net cash used in capital and related financing activities	(4,014,400)
Cash flows from investing activities	
Proceeds from sales of investments	1,147,068
Purchases of investments	(816,724)
Interest received on investments	244,466
Net cash provided by (used in) investing activities	574,810
Increase (decrease) in cash and cash equivalents	11,661,467
Cash and cash equivalents, beginning of year	33,897,925
Cash and cash equivalents, end of year	$ 45,559,392

(Continued)

	2021
Reconciliation of operating loss to net cash used in operating activities	
Operating loss	$ (121,902,349)
Adjustment to reconcile operating loss to net cash used in operating activities	
Depreciation	7,302,286
Changes in operating assets and liabilities	
Receivables, net	3,651,557
Prepaid expenses	(598,136)
Prepaid pension and other assets	736,171
Accounts payable and accrued liabilities	827,785
Accrued compensated absences	870,446
Unearned revenues	236,325
Deferred outflows – OTRS and OPEB	(25,204,485)
Deferred inflows – OTRS and OPEB	(6,374,121)
Net pension liability	48,254,866
Federal and state grants receivable	415,720
Net cash used in operating activities	$ (91,783,935)
Noncash investing and financing activities	
OTRS contributions paid by state agency on behalf of the College	$ 4,203,710
Principal and interest on capital debt paid by state agency on behalf of the College	388,540
Reconciliation of cash and cash equivalents to the statement of net position	
Current assets	
Cash and cash equivalents	$ 44,622,993
Cash and cash equivalents – restricted	936,399
	$ 45,559,392

See accompanying notes to the financial statements.

TULSA COMMUNITY COLLEGE
TULSA COMMUNITY COLLEGE FOUNDATION
STATEMENT OF CASH FLOWS
Year ended June 30, 2021

		2021
Cash flows from operating activities		
Change in net assets	$	4,137,299
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Net realized and unrealized gains on investments		(3,478,129)
Investments received as contributions		(859,059)
Changes in operating assets and liabilities		
Contributions receivable		70,429
Accounts payable and accrued expenses		(700,006)
Net cash provided by operating activities		(829,466)
Cash flows from investing activities		
Proceeds from sales of investments		5,170,303
Purchases of investments		(5,288,141)
Net cash used in investing activities		(117,838)
Cash flows from financing activities		
Proceeds from contributions restricted for endowment		537,234
Net cash provided by financing activities		537,234
Increase in cash and cash equivalents		(410,070)
Cash and cash equivalents, beginning of year		12,066,913
Cash and cash equivalents, end of year	$	11,656,843
Noncash Investing Activities		
Gift of investments	$	859,060

See accompanying notes to the financial statements.

NOTE 1 - NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations: Tulsa Community College (the College) is a two-year college operating under the jurisdiction of the Board of Regents and the Oklahoma State Regents for Higher Education (the State Regents). Under Oklahoma statutes, the College is the only state-supported institution of higher education that can offer lower division undergraduate courses in Tulsa County.

Reporting Entity: The financial reporting entity, as defined by the Governmental Accounting Standards Board (GASB), 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 financial statements to be misleading or incomplete. The College is a member of the Oklahoma State System of Higher Education, a component unit of the State of Oklahoma, and is included in the general purpose financial statements of the State as part of the higher education component unit.

The accompanying financial statements include the accounts of the College and the Tulsa Community College Technology Center School District (the School District), which are agencies of the State of Oklahoma. The School District has been presented as a blended component unit because the School District's governing body is substantially the same as the governing body of the College, and the School District provides services almost entirely to the College, which is the primary government. Separate financial statements of the School District have been prepared and can be obtained by contacting the College's Controller and Chief Financial Officer.

The Tulsa Community College Foundation (the Foundation) is an Oklahoma not-for-profit organization organized for the purpose of receiving and administering gifts intended for the benefit of the College as a whole, including both the College and the School District. While the resources received and held by the Foundation are entirely or almost entirely held for the benefit of the College, the Foundation's Board of Trustees are not appointed by the College. Due to the College's belief that it would be misleading to exclude, the Foundation is presented as a discretely presented component unit in the financial statements of the College. The Foundation is reported under Financial Accounting Standards Board (FASB) Accounting Standards Codifications (ASC), including FASB ASC 958, Not-for-Profit Entities. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial report for these differences. Separate financial statements are issued for the Foundation and requests for additional financial information related to the Foundation should be addressed to the Chief Financial Officer, Tulsa Community College, 6111 E. Skelly Drive, Tulsa, Oklahoma 74135.

Basis of Accounting: For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

Income Taxes: The College, as a political subdivision of the State of Oklahoma, is exempt from all federal income taxes under Section 115(1) of the Internal Revenue Code, as amended, and a similar provision of Oklahoma statutes. However, the College may be subject to federal income taxes on any unrelated business income under Internal Revenue Code Section 511(a)(2)(B).

(Continued)

NOTE 1 - NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents: For the purposes of preparing the accompanying statements of cash flows, the College considers all liquid investments with an original maturity of three months or less from the date of purchase to be cash equivalents, excluding balances held with trustees for bond issuances. Funds invested through the State Treasurer's Cash Management Program are also considered cash equivalents.

Investments: The College accounts for its investments in certificates of deposit at amortized cost. The remaining investments are in money market funds, which are carried at fair value. Fair value is determined using quoted market prices.

Investment income includes dividends and interest income, realized gains and losses on investments carried at other than fair value, and the net change for the year in the fair value of investments carried at fair value.

Restricted Cash and Investments: Cash and investments that are externally restricted to make debt service payments, to maintain sinking or reserve funds, or to purchase capital or other noncurrent assets are classified as restricted assets in the accompanying statements of net position.

Accounts Receivable: Accounts receivable consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff, the majority of each residing in the State of Oklahoma.

Student accounts receivable are carried at the unpaid balance of the original amount billed to students. The receivable is less an allowance made for doubtful accounts based on a review of all outstanding amounts. Management determines the allowance for doubtful accounts by identifying troubled accounts, using historical experience applied to an aging of accounts, and considering the general economy and the industry as a whole. Student accounts receivable are written off when deemed uncollectible. Recoveries of student accounts receivable previously written off are credited to the allowance for doubtful accounts.

A student account receivable is considered past due if any portion of the receivable balance is outstanding after the end of the respective semester to which it relates. Late fees are assessed one month after the end of the semester on any unpaid accounts. Interest may also be charged on unpaid accounts at an annual rate of 18%. Late charges and interest are included in other operating income and accounts receivable.

Federal and State Grants Receivable: Federal and state grants receivable include amounts due from the federal, state, and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the College's grants and contracts.

Capital Assets: Capital assets are recorded at cost at the date of acquisition or acquisition value at the date of donation. For equipment, the College's capitalization policy includes all items with a unit cost of $2,500 or more and an estimated useful life greater than one year.

Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Buildings	40 years
Renovations, infrastructure, and land improvements	10–25 years
Furniture, fixtures, and equipment	3–20 years

(Continued)

NOTE 1 - NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of Long-Lived Assets: In accordance with GAAP, the College reviews its capital assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. No impairment loss has been recognized for the year ended June 30, 2021.

Compensated Absences: Employee vacation pay is accrued at year-end for financial statement purposes. The liability and expense incurred are recorded as accrued compensated absences in the accompanying statements of net position and as a component of compensation and employee benefits expense in the accompanying statements of revenues, expenses, and changes in net position as vacation benefits are earned whether the employee is expected to realize the benefit as time off or in cash.

Accumulated Sick Leave: Sick leave benefits are not recognized as liabilities of the College. The College's policy is to record sick leave as an operating expenditure or expense in the period taken, since such benefits do not vest nor is payment probable.

Compensated absence liabilities are computed using the regular pay and termination pay rates in effect at the statement of net position date plus an additional amount for compensation-related payments, such as Social Security and Medicare taxes, computed using rates in effect at that date.

Unearned Revenues: Unearned revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period. Unearned revenues also include amounts received from grant and contract sponsors that have not yet been earned.

Cost-Sharing Defined Benefit Pension Plan: For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oklahoma Teachers' Retirement System (OTRS) and additions to/deductions from OTRS' fiduciary net position have been determined on the same basis as they are reported by OTRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows of Resources: The College reports the consumption of net position that is applicable to a future reporting period as deferred outflows of resources in a separate section of its statements of net position.

Deferred Inflows of Resources: The College reports an acquisition of net position that is applicable to a future reporting period as deferred inflows of resources in a separate section of its statements of net position.

Noncurrent Liabilities: Noncurrent liabilities include 1) principal amounts of revenue bonds payable, ODFA bonds payable, and capital lease obligations with contractual maturities greater than one year and premiums associated with such obligations and 2) other liabilities that will not be paid within the next fiscal year.

(Continued)

NOTE 1 - NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position: GASB requires the classification of net position into three components – net investment in capital assets, restricted, and unrestricted. These net position classifications are defined as follows:

Net Investment in Capital Assets – This represents the College's total investment in capital assets, net of outstanding debt obligations, including plant fund payables, related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

Restricted Net Position – Expendable – Restricted expendable net position includes resources in which the College is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

Unrestricted Net Position – Unrestricted net position represents resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College and may be used at the discretion of the governing board to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty, and staff. As of June 30, 2021, the College's unrestricted net position is in a deficit position as a direct result of the unfunded net pension liability, OTRS.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the College's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

Ad Valorem Property Taxes: Annually, an Estimate of Needs report is submitted to the County Excise Board by the School District to determine the ad valorem tax levy. The county assessor is required to file a tax roll report on or before October 1 of each year with the county treasurer indicating the net assessed valuation of all real, personal, and public service property (public service property assessed valuations are determined by the Oklahoma Tax Commission). Ad valorem tax is levied each October 1 on the assessed valuation of nonexempt real property located in the School District as of the preceding January 1, the assessment date. Ad valorem taxes are due and become a legally enforceable lien on November 1 following the levy date, although they may be paid in two equal installments (if the first installment is paid prior to January 1, the second installment is not delinquent until April 1). Ad valorem taxes are collected by the county treasurer of Tulsa County, Oklahoma, and are remitted to the School District. Ad valorem taxes include interest earned on tax receipts held by the county prior to transfer to the School District.

Additionally, the School District levies an annual two mills general fund tax on all taxable property within the School District. The proceeds of the general fund levy are transferred to the State Treasurer for deposit into a fund constituting the educational and operating budget of the College. The receipts of the current two mills general fund levy are to be used for the purposes of supplementing post-secondary vocational and technical or adult education programs offered by the College.

In February 1994, the voters of Tulsa County approved a five mills local tax incentive levy, which became effective July 1, 1994, in addition to all other school tax levies on the assessed valuation of all taxable property within the School District. This special levy, which is for the general operations of the School District, is now a permanent levy until it is repealed by a majority of the voters.

(Continued)

NOTE 1 - NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification of Revenues and Expenses: The College has classified its revenues and expenses as either operating or nonoperating. Certain significant revenue streams relied upon for operations are recorded as nonoperating revenues, as defined by GASB, including state appropriations, local property taxes, and investment income. Revenues and expenses are classified according to the following criteria:

Operating Revenues and Expenses – Operating revenues and expenses include activities that have the characteristics of exchange transactions, such as 1) student tuition and fees, net of scholarship discounts and allowances; 2) most federal, state, and local grants and contracts; and 3) sales and services of auxiliary enterprises. All expenses are considered operating expenses, except for interest expense on capital-related debt.

Nonoperating Revenues and Expenses – Nonoperating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, Pell grants, and other revenue sources that are defined as nonoperating revenues by GASB Statement No. 9, Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that Use Proprietary Fund Accounting, and GASB Statement No. 34, such as state appropriations and investment income. Interest expense on capital- related debt is the only nonoperating expense.

Scholarship Discounts and Allowances: Student tuition and fee revenues and certain other revenues from students are reported net of scholarship discounts and allowances in the accompanying statements of revenues, expenses, and changes in net position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the College and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other federal, state, or nongovernmental programs are recorded as either operating or nonoperating revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the College has recorded a scholarship discount and allowance, which totaled $20,960,896 for the year ended June 30, 2021.

Joint Venture: In November 1993, the College became a participant in a joint venture with Tulsa County Technology Center School District (Tulsa Vo-Tech) (formerly Tulsa County Area Vocational Technical Center School District No. 18). The joint venture was created to administer and operate the building for which both parties purchased an undivided one-half interest. The operating committee is composed of six members, three selected by the College and three selected by Tulsa Vo-Tech. The operating committee has the authority to make decisions with respect to the day-to- day operations of the property. All operating expenses are shared on a 50-50 basis. Tulsa Vo-Tech is responsible for the payment of maintenance and operating costs and the receipt of revenue generated from property leases or other income. Tulsa Vo-Tech bills the College for 50% of the net of these revenues and expenses on a quarterly basis. The College is responsible for the security functions and bills Tulsa Vo-Tech quarterly for 50% of these expenses. During the year ended June 30, 2021, the College expended approximately $174,662 to Tulsa Vo-Tech for maintenance and operating costs, net of revenues. Tulsa Vo- Tech paid the College $62,482 for security expenses for the year ended June 30, 2021. The College is responsible for continuing to pay 50% of the operating costs of the building until it sells or transfers its interest in the building pursuant to the contract provisions. The joint venture does not issue a stand-alone report or financial statements.

New Accounting Pronouncement Adopted in Fiscal Year 2021: Accounting statements adopted by the College during the fiscal year ending June 30, 2021, as required by the GASB, are described below:

(Continued)

NOTE 1 - NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Statement No. 84, Fiduciary Activities - This statement establishes criteria for identifying and reporting fiduciary activities of all state and local governments including public universities. In general, if the College controls the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists, then the activity should be presented in a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to this requirement is provided for a business-type activity that expects to hold assets in a custodial fund for three months or less. The implementation had no material impact on the College's financial statements.

Statement 90, Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61. This statement requires majority equity interests in legally separate organizations, which meet the definition of an investment, to be measured at fair value using the equity method of accounting. The College has determined that it does not have any such investments.

Statement 92, Omnibus 2020 - This statement addresses the application of various previously issued statements and implementation guides. It is effective for periods beginning after June 15, 2021. Certain provisions are effective immediately and the College has implemented those provisions with no material impact to its financial statements. The College will implement the remainder of the provisions during its fiscal year ending June 30, 2022.

Statement 93, Replacement of Interbank Offered Rates. This statement addresses accounting and financial reporting implications that result from the replacement of an interbank offered rate, such as the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates. The College has implemented this standard with no material impact to its financial statements.

Statement 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code (IRC) Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. This statement requires that Section 457 plans be classified as pension or other employee benefit plans and clarifies that the provisions of *GASB Statement 84* should be applied to IRC Section 457 plans to determine whether those arrangements should be reported as fiduciary activities. This statement is effective for periods beginning after June 15, 2021. The College will implement this statement during its fiscal year ending June 30, 2022.

Implementation Guide – 2019–1, Implementation Guidance Update – 2019. This guide addresses the application of various previously issued statements and implementation guides. The College has implemented the provisions of this implementation guide with no material impact to its financial statements.

Implementation Guide – 2019–2, Fiduciary Activities. This guide provides clarification of certain requirements included in *GASB Statement 84, Fiduciary Activities*. The College has implemented the requirements of this guidance as part of adoption of *GASB Statement 84, Fiduciary Activities*.

<u>Recent Accounting Pronouncement</u>: As of June 30, 2021, the GASB has issued the following statements which the College has not yet implemented:

Statement 87, Leases. This statement revises the recognition criteria for leases and, generally, requires recognition of lease assets and liabilities for most leases that were previously classified as operating leases. It is effective for periods beginning after June 15, 2021. The College will implement this statement during its fiscal year ending June 30, 2022.

(Continued)

NOTE 1 - NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Statement 89, Accounting for Interest Cost Incurred Before the End of a Construction Period. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred. Interest incurred after implementation of this standard will no longer be capitalized as part of the cost of the related asset. This statement is effective for periods beginning after December 15, 2020. The College will implement this statement during its fiscal year ending June 30, 2022.

Statement 91, Conduit Debt Obligations. This statement requires a single method of reporting conduit debt obligations by issuers. It is effective for periods beginning after December 15, 2021. The College will implement this statement during its fiscal year ending June 30, 2023.

Statement 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. This statement specifies accounting and reporting requirements, including revenue recognition, related to public-private and public-public partnerships, including service concession arrangements. It is effective for periods beginning after June 15, 2022. The College will implement this statement during its fiscal year ending June 30, 2023.

Statement 96, Subscription-Based Information Technology Arrangements. This statement requires the recognition of an intangible asset and corresponding liability, as well as note disclosures for arrangements that meet the definition of a subscription-based information technology arrangement (SBITA). It also requires capitalization for outlays other than subscription payments, including implementation costs of a SBITA. This statement is effective for periods beginning after June 15, 2022. The College will implement this statement during its fiscal year ending June 30, 2023.

Implementation Guide – 2019–3, Leases. This guide provides clarification of certain requirements included in *GASB Statement 87, Leases*. It is effective for periods beginning after June 15, 2021. The College will implement the requirements of this guide for its fiscal year ending June 30, 2022.

Implementation Guide – 2020–1, Implementation Guidance Update - 2020. This guide addresses the application of various previously issued statements and implementation guides. It is effective for periods beginning after June 15, 2021 and December 15, 2021. The College will implement the provisions in this guide for its fiscal years ending June 30, 2022 and June 30, 2023, as applicable.

The College's management has not yet determined the effect these statements will have on the College's financial statements.

NOTE 2 - DEPOSITS AND INVESTMENTS

Cash, cash equivalents, and investments included in the accompanying statements of net position consist of the following:

	2021
Cash and cash equivalents	
Current	$ 44,622,993
Current, restricted	936,399
	$ 45,559,392
Investments	
Current	$ -
Noncurrent	6,951,329
Current, restricted	816,765
Noncurrent, restricted	766,611
	$ 8,534,705

Interest Rate Risk: The College's management does not believe that it has significant exposure to fair value losses arising from increasing interest rates.

Credit Risk: All U.S. government obligations are held by the Federal Reserve Bank in the name of the College. Title 70, Section 4306, of the Oklahoma statutes directs, authorizes, and empowers the College's Board of Regents to hold, invest, or sell donor-restricted endowments in a manner that is consistent with the terms of the gift as stipulated by the donor and with the provision of any applicable laws.

The Board has authorized short-term funds to be invested in any security currently available through the Oklahoma State Treasurer's Office. Generally, these include direct obligations of the U.S. government and its agencies, certificates of deposit, and demand deposits.

Concentration of Credit Risk: There is no limit on the amount the College may invest in any one issuer. However, all investments are in money market funds and non-negotiable certificates of deposit.

Custodial Credit Risk – Deposits: Custodial credit risk is the risk that in the event of a bank failure the government's deposits may not be returned. The College's deposit policy for custodial credit risk is described as follows:

Oklahoma statutes require the State Treasurer to ensure that all state funds either be insured by the Federal Deposit Insurance Corporation (FDIC), collateralized by securities held by the cognizant Federal Reserve Bank, or invested in U.S. government obligations. The College's deposits with the State Treasurer are pooled with the funds of other state agencies and then, in accordance with statutory limitations, placed in financial institutions or invested as the State Treasurer may determine, in the State's name.

The College requires that balances on deposit with financial institutions, including trustees related to the College's bond indentures, be insured by the FDIC, collateralized by securities held by the cognizant Federal Reserve Bank, or invested in U.S. government obligations, in the College's name.

(Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

At June 30, 2021, the carrying amounts of the College's deposits with the State Treasurer and other financial institutions are as follows:

	2021
Deposits with the State Treasurer	$ 7,840,389
Deposits with the State Treasurer – *OK INVEST*	5,768,488
U.S. financial institutions	31,950,515
	$ 45,559,392

At June 30, 2021, the related bank balances of the College's deposits totaled $47,235,748 of which $15,285,235 were held with the State Treasurer.

The College's deposits with the State Treasurer are pooled with the funds of other state agencies and then, in accordance with statutory limitations, placed in banks or invested as the State Treasurer may determine in the State's name. Agencies and funds that are considered to be part of the State's reporting entity in the State's Comprehensive Annual Financial Report are allowed to participate in *OK INVEST* and some deposits with the State Treasurer are placed in *OK INVEST*.

Oklahoma statutes and the State Treasurer establish the primary objectives and guidelines governing the investment of funds in *OK INVEST*. Preservation, liquidity, and return on investment are the objectives that establish the framework for the day-to-day *OK INVEST* management with an emphasis on preservation of the capital and the probable income to be derived and meeting the State and its funds and agencies' daily cash flow requirements. Guidelines in the Investment Policy address credit quality requirements and diversification percentages and specify the types and maturities of allowable investments; the specifics regarding these policies can be found on the State Treasurer's website at http://www.treasurer.state.ok.us/. The State Treasurer, at his discretion, may further limit or restrict such investments on a day-to-day basis.

OK INVEST includes a substantial investment in securities with an overnight maturity as well as in U.S. government securities with a maturity of up to three years. *OK INVEST* maintains an overall weighted-average maturity of less than 270 days. Participants in *OK INVEST* maintain an interest in its underlying investments and, accordingly, may be exposed to certain risks. As stated in the State Treasurer information statement, the main risks are interest rate risk, credit/default risk, liquidity risk, and U.S. government securities risk. Interest rate risk is the risk that during periods of rising interest rates, the yield and market value of the securities will tend to be lower than prevailing market rates; in periods of falling interest rates, the yield will tend to be higher.

Credit/default risk is the risk that an issuer or guarantor of a security, or a bank or other financial institution that has entered into a repurchase agreement, may default on its payment obligations. Liquidity risk is the risk that *OK INVEST* will be unable to pay redemption proceeds within the stated time period because of unusual market conditions, an unusually high volume of redemption requests, or other reasons. U.S. government securities risk is the risk that the U.S. government will not provide financial support to U.S. government agencies, instrumentalities, or sponsored enterprises if it is not obligated to do so by law. Various investment restrictions and limitations are enumerated in the State Treasurer's Investment Policy to mitigate those risks; however, any interest in *OK INVEST* is not insured or guaranteed by the State, the FDIC, or any other government agency.

(Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

The deposits with the State Treasurer invested in *OK INVEST* are part of an investment pool that values the assets at amortized cost and for financial reporting purposes are classified as cash equivalents. The distribution of deposits in *OK INVEST* is as follows:

	2021
U.S. agency securities	$ 2,308,124
Certificates of deposit	39,023
Money market mutual funds	253,988
Mortgage-backed agency securities	1,671,233
Foreign bonds	40,458
Municipal bonds	8,092
U.S. Treasury obligations	1,447,570
	$ 5,768,488

Fair Value: If applicable, the College categorizes its fair value measurements within the fair vsalue hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value (NAV) per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy. As of June 30, 2021, there were no financial instruments required to be leveled.

The College had money market funds of $1,583,376 at June 30, 2021, which are carried at NAV, and non-negotiable CDs of $6,951,328 at June 30, 2021, which are valued at amortized cost.

NOTE 3 - ACCOUNTS RECEIVABLE, NET

Accounts receivable, net consisted of the following at June 30:

	2021
Student tuition and fees	$ 11,577,860
Auxiliary enterprises and other operating activities	3,088,788
	14,666,648
Less allowance for doubtful accounts	(12,514,420)
Accounts receivable, net	$ 2,152,228

NOTE 4 - CAPITAL ASSETS

Following are the changes in capital assets for the year ended June 30:

	Balance, July 1, 2020	Additions	Transfers	Balance, June 30, 2021
Nondepreciable				
Land	$ 5,834,408	$ -	$ -	$ 5,834,408
Collections	200,000	-	-	200,000
Construction in progress	7,525,515	1,474,349	(8,859,338)	140,526
	13,559,923	1,474,349	(8,859,338)	6,174,934
Depreciable				
Buildings and improvements	209,491,585	212,767	6,014,950	215,719,302
Land/infrastructure improvement	9,265,638	-	-	9,265,638
Furniture, fixtures, and equipment	25,513,494	879,909	2,844,388	29,237,791
	244,270,717	1,092,676	8,859,338	254,222,731
Less accumulated depreciation				
Buildings and improvements	(140,234,749)	(5,555,577)	-	(145,790,326)
Land/infrastructure improvement	(5,076,553)	(277,192)	-	(5,353,745)
Furniture, fixtures, and equipment	(20,339,347)	(1,272,368)	-	(21,611,715)
Total accumulated depreciation	(165,650,649)	(7,105,137)	-	(172,755,786)
Capital assets, net	$ 92,179,991	$ (4,538,112)	$ -	$ 87,641,879

(Continued)

NOTE 5 - NONCURRENT LIABILITIES

Long-term liability activity for the year ended June 30 is as follows:

	Balance, July 1, 2020	Additions	Reductions	Balance, June 30, 2021	Amounts Due Within One Year
Revenue bonds, Series 2012	$ 2,180,000	$ -	$ 780,000	$ 1,400,000	$ 795,000
Total revenue bonds	2,180,000	-	780,000	1,400,000	795,000
ODFA, Series 2011A	912,667	-	(912,667)	-	-
ODFA, Series 2014A	2,177,083	-	(131,500)	2,045,583	137,500
ODFA, Series 2014E	906,083	-	(215,833)	690,250	226,000
ODFA, Series 2015B	4,996,417	-	(259,417)	4,737,000	265,000
ODFA, Series 2019A	254,833	-	(62,083)	192,750	63,250
ODFA, Series 2019A	4,874,583	-	(422,751)	4,451,832	441,584
ODFA, Series 2020A	942,000	-	(189,083)	752,917	181,583
ODFA, Series 2020D	-	925,000	(69,583)	855,417	91,167
	15,063,666	925,000	(2,262,917)	13,725,749	1,406,084
Premium and discounts	1,234,114	-	(91,004)	1,143,110	-
Total ODFA bonds	16,297,780	925,000	(2,353,921)	14,868,860	1,406,084
OCIA, Series 2014A	8,157,755	-	-	8,157,755	-
Total OCIA bonds	8,157,755	-	-	8,157,755	-
Equipment capital lease obligation	1,277,887	-	(421,371)	856,516	425,946
Total long-term liabilities	$ 27,913,422	$ 925,000	$ (3,555,292)	$ 25,283,131	$ 2,627,030

Revenue Bonds Payable: The Board of Regents authorized the College to issue Revenue Bonds, Series 2012 (the Series 2012 Bonds) dated January 1, 2012, in the amount of $7,665,000, which mature on July 1 of each year beginning July 1, 2012 through July 1, 2022, in annual amounts ranging from $405,000 to $795,000, interest rates ranging from 2.00% to 3.25%. The Series 2012 Bonds are payable from pledged revenues derived from a student center fee, a student activity fee, and the net revenues from the operation of the student center system. The Series 2012 Bonds are subject to mandatory redemption prior to maturity, on 30 days' notice at any time in inverse order of maturity, out of required payments to the principal account at the principal amount thereof plus accrued interest to the date for fixed redemption. At June 30, 2021, $1,400,000 remained outstanding. The College paid $780,000 in principal, and $54,238 in related interest, on these bonds during 2021.

Future principal and interest payments required to be made in accordance with all of the revenue bond agreements at June 30, 2021, are as follows:

Years Ending June 30,	Principal	Interest	Total
2022	$ 795,000	$ 31,588	$ 826,588
2023	605,000	9,831	614,831
Total	$ 1,400,000	$ 41,419	$ 1,441,419

For 2021, revenues of $3,293,592 were pledged as security on the revenue bonds.

(Continued)

NOTE 5 - NONCURRENT LIABILITIES (Continued)

Oklahoma Development Finance Authority (ODFA) Master Lease Bonds

Bond Series 2011A – In July 2011, the College entered into a 19-year lease agreement with ODFA and the State Regents for Higher Education Master Lease Revenue Bond Series 2011A. The College received a net amount of $1,493,000 of the proceeds for energy efficiency modifications at all campus locations. Monthly payments are payable through the maturity of the lease in May 2030. In September 2020, the bonds were refunded through proceeds from the issuance of the Series 2020D bonds. At June 30, 2021, the outstanding balance was $0.

Bond Series 2014A – In February 2014, the College entered into a 20-year lease agreement with ODFA and the State Regents for Higher Education Master Lease Revenue Bond Series 2014A. The College received a net amount of $3,016,237 of the proceeds for renovation of the aviation center facility. Monthly payments are payable through the maturity of the lease in June 2033. At June 30, 2021, the outstanding balance was $2,045,583.

Bond Series 2014E – In October 2014, the College entered into a 10-year lease agreement with ODFA and the State Regents for Higher Education Master Lease Revenue Bond Series 2014E.The College received a net amount of $2,261,559 of the proceeds for renovation of the student union facility at the southeast campus. Monthly payments are payable through the maturity of the lease in June 2024. At June 30, 2021, the outstanding balance was $690,250.

Bond Series 2015B – In July 2015, the College entered into a 20-year lease agreement with ODFA and the State Regents for Higher Education Master Lease Revenue Bond Series 2015B. The College received a net amount of $6,279,975 of the proceeds for energy and conservation improvements campus-wide. Monthly payments are payable through the maturity of the lease in June 2035. At June 30, 2021, the outstanding balance was $4,737,000.

Bond Series 2019A – In May 2019, the College entered into a 5-year lease agreement with ODFA and the State Regents for Higher Education Master Lease Revenue Bond Series 2019A. The College received a net amount of $341,984 of the proceeds for the refunding of Bond Series 2009C. Monthly payments are payable through the maturity of the lease in June 2024. At June 30, 2021, the outstanding balance was $192,750.

Bond Series 2019A – In December 2019, the College entered into a 10-year lease agreement with ODFA and the State Regents for Higher Education Master Lease Revenue Bond Series 2019A. The College used the proceeds for the refunding of Bond Series 2009B. Monthly payments are payable through the maturity of the lease in November 2029. At June 30, 2021, the outstanding balance was $4,451,832.

Bond Series 2020A – In June 2020, the College entered into a 5-year lease agreement with ODFA and the State Regents for Higher Education Master Lease Revenue Bond Series 2020A. The College used the proceeds for the refunding of Bond Series 2010A. Monthly payments are payable through the maturity of the lease in May 2025. At June 30, 2021, the outstanding balance was $752,917.

Bond Series 2020D – In September 2020, the College entered into a 5-year lease agreement with ODFA and the State Regents for Higher Education Master Lease Revenue Bond Series 2020D. The College used the proceeds for the refunding of Bond Series 2011A. Monthly payments are payable through the maturity of the lease in August 2030. At June 30, 2021, the outstanding balance was $855,417.

(Continued)

NOTE 5 - NONCURRENT LIABILITIES (Continued)

Future principal and interest payments to be made in accordance with the Master Lease Bond agreements at June 30, 2021, are as follows:

Years Ending June 30,	Principal	Interest	Total
2022	$ 1,406,084	$ 548,549	$1,954,633
2023	1,466,667	492,599	1,959,266
2024	1,501,500	429,117	1,930,617
2025	1,246,917	364,183	1,611,100
2026	1,101,583	312,966	1,414,549
2027–2031	5,031,417	897,382	5,928,799
2032–2035	1,971,581	172,112	2,143,693
Total	$ 13,725,749	$ 3,216,908	$ 16,942,657

Oklahoma Capital Improvement Authority (OCIA) Capital Leases

Series 2014A – In September 2014, the College's 2005 Series F lease agreement with OCIA was restructured through a partial refunding of the remaining OCIA's 2005F bond debt. OCIA issued one new bond, Series 2014A. In June 2014, the College's 2004 Series A lease agreement with OCIA was restructured through a refunding of OCIA's 2004A bond debt. The College's lease agreement with OCIA secure the OCIA bond debt and any future debt that might be issued to refund earlier bond issues.

During the year ended June 30, 2021, OCIA made lease principal and interest payments totaling $388,540, on behalf of the College for all outstanding OCIA Bond Issues. These on-behalf payments have been recorded as OCIA on-behalf state appropriations in the accompanying statements of revenues, expenses, and changes in net position.

The scheduled principal and interest payments related to the OCIA capital lease obligations at June 30, 2021, are as follows:

Years Ending June 30,	Principal	Interest	Total
2022	$ -	$ 388,540	$ 388,540
2023	760,446	388,540	1,148,986
2024	799,100	351,900	1,151,000
2025	819,666	312,956	1,132,622
2026	854,355	278,336	1,132,691
2027–2031	4,924,188	738,668	5,662,856
Total	$ 8,157,755	$ 2,458,940	$ 10,616,695

Equipment Capital Lease Obligation: The College has entered into a lease agreement for various equipment that extends through 2023. The total capitalized cost of the equipment was $1,713,132 and accumulated depreciation was $856,566 as of June 30, 2021. Total principal and interest payments in 2021 totaled $421,371. The remaining obligation at June 30, 2021, was $856,516.

(Continued)

NOTE 6 - RETIREMENT PLANS

The College's academic and nonacademic personnel are covered by various retirement plans. The plans available to college personnel include the Oklahoma Teachers' Retirement System (the OTRS), which is a State of Oklahoma public employees' retirement system, and a 403(b) annuity plan, which is a privately administered plan. The College does not maintain the accounting records, hold the investments for, or administer these plans. If the previously mentioned plans do not provide a computed minimum benefit amount, the College provides the difference under a Supplemental Retirement Plan, a privately administered plan, for those employees meeting certain eligibility requirements. This plan is no longer open to new employees but is still available to employees hired before the plan was frozen.

Oklahoma Teachers' Retirement System

Plan Description: The College contributes to the OTRS, a cost-sharing multiple-employer defined benefit pension plan sponsored by the State of Oklahoma. The OTRS provides defined retirement benefits based on members' final compensation, age, and term of service. In addition, the retirement program provides for benefits upon disability and to survivors upon the death of eligible members. The benefit provisions are established and may be amended by the legislature of the State of Oklahoma. Title 70 of the Oklahoma statutes, Sections 17-101 through 17-116.9, as amended, assigns the authority for management and operation of the plan to the Board of Trustees of the OTRS. The OTRS does not provide for a cost-of-living adjustment. The OTRS issues a publicly available financial report that includes financial statements and supplementary information for the OTRS. That report may be obtained by writing to the Teacher's Retirement System of Oklahoma, P.O. Box 53524, Oklahoma City, Oklahoma 73152, or by calling 405.521.2387, or at the OTRS website at www.trs.state.ok.us.

Benefits Provided: Prior to July 1, 1995, contributions under this system were based on pay up to a maximum dollar amount. Members could choose between $40,000 maximum and a $25,000 maximum. The member's Final Average Compensation was limited by the same maximum, so the member's election affected both benefits and contributions. The maximum was removed for most members effective July 1, 1995. It no longer applies in determining the required member and employee contributions; however, it does still have an impact. Benefits based on service earned before July 1, 1995, are limited by the $40,000 or $25,000 maximum that was elected. This cap may be modified for members in the Education Employees Service Incentive Plan (EESIP). In addition, the cap on salary continued to apply after June 30, 1995, to members employed by one of the comprehensive universities who entered the system before July 1, 1995. The cap on salary for contribution purposes is shown below. All caps were removed effective July 1, 2007.

Contributions: The authority to define or amend employer contribution rates is given to the Board of Trustees of the OTRS by Oklahoma statute, Title 70, Section 17-106; all other contribution rates are defined or amended by the Oklahoma legislature. OTRS members are required to contribute 7% of their regular annual compensation, not to exceed the member's maximum compensation level. The College is required to contribute a fixed percentage of annual compensation on behalf of active members. The employer contribution rate for 2021 was 9.5% and is applied to annual compensation and is determined by state statute.

Employees' contributions are also determined by state statute. For all employees, the contribution rate was 7% of covered salaries and fringe benefits in 2021. The College's contributions to the OTRS for the year ended June 30, 2021 were $6,286,217, which are equal to the required contributions for the year paid directly by the College.

(Continued)

NOTE 6 - RETIREMENT PLANS (Continued)

The State of Oklahoma is also required to contribute to the OTRS on behalf of the participating employers. For 2021, the State of Oklahoma contributed 5% of state revenues from sales and use taxes and individual income taxes to the OTRS on behalf of participating employers. The College has estimated the amounts contributed to the OTRS by the State of Oklahoma on its behalf by multiplying the ratio of its covered salaries to total covered salaries for the OTRS for the year by the applicable percentage of taxes collected during the year. For the year ended June 30, 2021, the total amount contributed to the OTRS by the State of Oklahoma on behalf of the College was $4,203,710, respectively. For the year ended June 30, 2021, the State of Oklahoma contributed 5% of sales and use tax. These on-behalf payments have been recorded as state appropriations – in-kind OTRS pension contributions revenues in the accompanying statements of revenues, expenses, and changes in net position.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The amount recognized by the College as its proportionate share of the net pension liability was $120,664,596 at June 30, 2021.

The net pension liability at June 30, 2021 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 June 30, 2020. The College's proportion of the net pension liability was based on the College's share of contributions to the pension plan relative to the contributions of all participating employers. At June 30, 2021, the College's proportion was 1.27%. This represents a slight increase from the College's proportionate share at June 30, 2020, which was 1.19%.

For the year ended June 30, 2021, the College recognized pension expense of $21,716,379 and revenue of $4,203,710 for support provided by the State of Oklahoma.

At June 30, 2021, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between expected and actual experience	$ 5,874,185	$ 2,043,680
Change in assumptions	14,797,995	1,743,308
Net difference between projected and actual investment earnings on pension plan investments	10,401,332	-
Changes in proportion and differences between OTRS contributions and proportionate share of contributions	7,394,049	7,465,967
Contributions subsequent to the measurement date	6,286,217	-
Total	$ 44,753,778	$ 11,252,955

(Continued)

NOTE 6 - RETIREMENT PLANS (Continued)

At June 30, 2021, the College reported $6,286,217 as deferred outflows of resources related to pensions resulting from the College's contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the following fiscal year. Deferred outflows and inflows of resources at June 30, 2021, related to pensions will be recognized in pension expense as follows:

2022	$ 3,077,155
2023	6,054,993
2024	9,037,033
2025	7,622,597
2026	1,422,828
Total	$ 27,214,606

Actuarial Assumptions: The total pension liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Cost of Living Increases	None
Salary Increases	2.25% wage inflation, including 0.75% productivity increase rate, plus step-rate promotional increase for members with less than 25 years of service.
Investment Rate of Return:	7.00%
Retirement Age:	Experience-based table of rates based on age, service, and gender. Adopted by the 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: 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.

Changes Since Prior Year Measurement Date: The OTRS Board of Trustees adopted new assumptions in July 2020 impacting the June 30, 2020 valuation. The discount rate was decreased from 7.50% to 7.00%, inflation rate was decreased from 2.50% to 2.25%, salary increases assumption decreased from 3.25% to 2.25%, retirement age assumptions were updated with five-year experience student ending June 30, 2019, and mortality tables for retirees and active members were updated.

Changes Since Measurement Date: There were no changes between the measurement date of the collective net pension liability and the College's reporting date that are expected to have a significant effect on the College's proportionate share of the collective net pension liability.

NOTE 6 - RETIREMENT PLANS (Continued)

The long-term expected return on plan assets was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing 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 class as of June 30, 2021, are summarized in the following table:

	Target Allocation	Long-Term Nominal Rate of Return
Asset class		
Domestic equity	43.50%	7.50%
International equity	19.00%	8.50%
Fixed income	22.00%	2.50%
Real estate	9.00%	4.50%
Alternative assets	6.50%	6.20%
Total	100.00%	

Discount Rate: The discount rate used to measure the total pension liability was 7.00% for 2021. The discount rate was based solely on the expected rate of return on pension plan investments of 7.00%. Based on the stated assumptions and the projection of cash flows, the pension plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Sensitivity of the College's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following table presents the net pension liability of the College, calculated using the discount rate of 7.00%, as well as what the College's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the collective net pension liability	$ 161,046,254	$ 120,664,596	$ 87,234,869

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued OTRS financial report.

(Continued)

NOTE 6 - RETIREMENT PLANS (Continued)

403(b) Annuity Plan

All eligible employees of the College can elect to participate in a 403(b) tax-deferred annuity plan (the 403(b) Plan), a defined contribution pension plan administered by an independent fiduciary. Pension expense is recorded for the amount of the College's required contributions, determined in accordance with the terms of the 403(b) Plan. Eligible employees who elect to participate are required to make a minimum contribution to the 403(b) Plan in an amount equal to 1% of total annual compensation, as defined by the 403(b) Plan. The 403(b) Plan provides retirement benefits to participating employees and their beneficiaries. Benefit provisions and contribution requirements are contained in the plan document and were established and can be amended by action of the College's Board of Regents. The College's contribution rate for the year ended June 30, 2021 was 3% of an eligible employee's annual base salary, as defined in the plan document. Contributions made by the College and participants during fiscal years 2021 totaled $896,245.

Supplemental Retirement Plan

The College's Supplemental Retirement Plan (the SRP) is a single-employer, defined-benefit pension plan administered by an administrative committee appointed by the College's Board of Regents. The SRP was established by the College's Board of Regents to provide supplemental retirement and death benefits to the College's employees who meet certain eligibility requirements (i.e., were hired prior to July 1, 1987), or to those eligible employees' beneficiaries. The authority to amend the SRP's benefit provisions rests with the College's Board of Regents. The SRP is a closed plan. The SRP does not issue a standalone financial report nor is it included in the financial report of another entity. Management deemed the SRP to not be material to the overall financial statements of the College and elected not to disclose GASB Statement No. 68-related information in the notes or required supplemental information as it relates to the SRP. The College has a net pension asset of $4,554 for this plan as of June 30, 2021.

NOTE 7 – OTHER POST-EMPLOYMENT BENEFIT PLAN (OPEB)

Retiree Health Insurance

Plan Description: The College established and administers a retiree health insurance plan through the Plan's bylaws which provides postemployment benefits to eligible employees upon retirement. Retirees are offered medical coverage through a single-employer defined benefit plan. The plan benefit formula is based on years of service and retirees can choose from a PPO or an HMO plan. All employees meeting the following requirements below are eligible for retiree health benefits:

- Age 55 with 5 years of service hired before October 31, 2011
- Age 60 with 5 years of service hired on or after November 1, 2011 and before November 1, 2017
- Age 60 with 7 years of service hired on or after November 1, 2017
- Any age with 30 years of service hired before October 31, 2011, or
- "Rule of" defined by OTRS:
  - Rule of 80 (age plus service equals or exceeds 80) for employees hired prior to July 1, 1992
  - Rule of 90 for employees hired on or after July 1, 1992 and before November 1, 2011
  - Rule of 90 and age 60 for employees hired on or after November 1, 2011 and before November 1, 2017
  - Rule of 90 and age 60 with 7 years of service for employees hired on or after November 1, 2017

The plan does not issue a separate financial report.

NOTE 7 – OTHER POST-EMPLOYMENT BENEFIT PLAN (OPEB) (Continued)

Funding Policy: The contribution requirements and benefits provided by the College are established and may be amended by the College through the plan bylaws. Benefits are paid on a pay-as-you-go basis. The College made employer contributions of $229,176 for the year ended June 30, 2020 to cover benefit payments.

As of June 30, 2020 actuarial valuation, the following employees were covered by the benefit terms:

Active participants	873
Retiree participants	39
Total participants	912

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: The amount recognized by the College as the net OPEB liability was $2,377,318 at June 30, 2021. For the year ended June 30, 2021, the College recognized OPEB expense of $2,287,321.

At June 30, 2021, the College 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
Net difference between projected and actual investment earnings on OPEB investments	$ -	$ -
Change in assumptions	89,997	-
Differences between expected and actual experience	-	-
Contributions subsequent to the measurement date	-	-
Total	$ 89,997	$ -

Deferred outflows and inflows of resources at June 30, 2021, related to OPEB will be recognized in OPEB expense as follows:

2022	$ 14,999
2023	14,999
2024	14,999
2025	14,999
2026	14,999
Thereafter	15,002
Total	$ 89,997

(Continued)

NOTE 7 – OTHER POST-EMPLOYMENT BENEFIT PLAN (OPEB) (Continued)

Actuarial Assumptions: The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method:	Entry Age Normal Level of % Salary
Discount:	2.66%, based on S&P Municipal Bond 20-Year High Grade Rate Index
Inflation:	3.25% per year
Salary Increases:	Salary increases are based on the Oklahoma Teachers Retirement System's actuarial valuation as of June 30, 2019. The rates are 3.25% plus the rates shown in the table below:

YOS	Rates
0	8.00%
5	1.00%
10	1.00%
15	0.75%
20	0.50%
25+	0.00%

Retirement Age:	Experience-based table of rates based on age, service, and gender.
Mortality Rates:	Member: SOA Pub-2010 Teacher Headcount-Weighted Mortality Table fully generational using Scale MP-2019
	Surviving Spouses and beneficiaries: SOA Pub-2010 Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2019
Health Care Trend Rates:	8.0% for 2021, decreasing 0.5% per year to 4.5% by 2028.

Changes Since Prior Year Measurement Date: The discount rate decreased from 3.51% to 2.66%.

Changes Since Measurement Date: There were no changes between the measurement date of the total OPEB liability and the College's reporting date that are expected to have a significant effect on the College's total OPEB liability.

NOTE 7 – OTHER POST-EMPLOYMENT BENEFIT PLAN (OPEB) (Continued)

Changes in the Total OPEB Liability

Balance at June 30, 2019	$ 2,301,034
Service cost	119,491
Interest	80,973
Changes in assumptions	104,996
Benefit payments	(229,176)
Net changes	76,284
Balance at June 30, 2020	$ 2,377,318

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following table presents the total OPEB liability of the College, calculated using the current healthcare cost trend rate, as well as what the College's net OPEB liability would be if it were calculated using a rate that is 1-percentage-point lower (1.66%) or 1-percentage-point higher (3.66%) than the current rate:

	1% Decrease (1.66%)	Current Discount Rate (2.66%)	1% Increase (3.66%)
Total OPEB liability	$ 2,503,034	$ 2,377,318	$ 2,254,069

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate: The following table presents the net OPEB liability of the College, calculated using the discount rate of 2.66%, as well as what the College's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.66%) or 1-percentage-point higher (3.66%) than the current rate:

	1% Decrease	Current Trend Rates	1% Increase
Total OPEB liability	$ 2,173,401	$ 2,377,318	$ 2,616,419

OTRS OPEB Plan

Plan Description: The College contributes to the OTRS Retiree Medical Benefit Fund, a cost-sharing multiple-employer OPEB plan sponsored by the State of Oklahoma. The OTRS OPEB plan provides supplemental medical insurance benefits based on members' final compensation, age, and term of service. The benefit provisions are established and may be amended by the legislature of the State of Oklahoma. Title 70 of the Oklahoma statutes, Sections 17-101 through 17-116.9, as amended, assigns the authority for management and operation of the plan to the Board of Trustees of the OTRS. The OTRS issues a publicly available financial report that includes financial statements and supplementary information for the OTRS. That report may be obtained by writing to the Teacher's Retirement System of Oklahoma, P.O. Box 53524, Oklahoma City, Oklahoma 73152, or by calling 405.521.2387, or at the OTRS website at www.trs.state.ok.us.

As of June 30, 2021, the College has reported a net OPEB asset of $125,961, deferred outflows of resources of $547,640, and deferred inflows of resources of $343,924 related to the OTRS OPEB plan.

(Continued)

NOTE 8 - RELATED-PARTY TRANSACTIONS

The Foundation has an agreement with the College whereby the Foundation has agreed to forego its rights to independently acquire office space, hire support personnel, and otherwise provide for independent support services for its activities, so those monies may instead be used for scholarships or other forms of support for the College. In addition, the financial records of the Foundation are administered by individuals who are employees of the College. In consideration of the College providing the staff and clerical support and other services to be performed by the College pursuant to this agreement, the Foundation has agreed to pay the College $24,000 per year plus a portion of certain college employees' salaries and benefits. For the year ended June 30, 2021, the Foundation paid the College $91,645 as a result of this agreement. For the year ended June 30, 2021, the Foundation also awarded scholarships totaling $171,633 to students of the College and contributed $3,666,938 as other college support, which included such items as capital projects, expenses relating to the Signature Symphony orchestra, academic support, and campaign-related activities.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

The College conducts certain programs pursuant to various grants and contracts that are subject to financial and compliance audits by the grantors, their representatives, or federal and state agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. The amount for expenditures that may be disallowed by the granting agencies cannot be determined at this time, although it is believed by the College that the amount, if any, would not be significant.

During the ordinary course of business, the College may be subjected to various lawsuits and civil action claims. There were no pending lawsuits or claims against the College at June 30, 2021, that management believes would result in a material loss to the College in the event of an adverse outcome. The College is a defendant in various lawsuits and is vigorously defending those lawsuits. Although the outcome of these lawsuits is not presently determinable, the College's management believes the resolution of these matters will not have a material impact on the financial statements of the College.

As a result of the COVID-19 pandemic, economic uncertainties have arisen that may negatively affect the financial position, results of operations, and cash flows of the College. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

Noncancelable operating leases for certain vehicles, building space rental, aircraft rental and access to airport facilities, and certain software expire in various years through 2032. Rent expense under these leases was $758,367 during the year ended June 30, 2021. Future minimum lease payments under agreements are:

2022	$ 475,409
2023	203,061
2024	181,768
2025	187,768
2026	97,761
Thereafter	211,620
Total	$ 1,351,387

NOTE 10 - RISK MANAGEMENT

The College is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, life, and accident benefits. The College pays an annual premium to the Risk Management Division of the State of Oklahoma Department of Central Services for its tort liability, vehicle liability, property loss, and general liability insurance coverage. Commercial insurance coverage is purchased for claims arising from such matters other than torts, property, and workers' compensation. The College, as a state agency, participates in the Oklahoma State and Education Employee's Group Insurance Board (the Plan), a public entity risk pool. The College pays an annual premium to the Plan through member premiums. The College carries insurance with the State Insurance Fund for other risks of loss including workers' compensation and employee accident and health insurance. The College has purchased commercial medical malpractice insurance, which covers substantially all faculty and students participating in the College's medical services curriculum. Settled claims have not exceeded this commercial insurance coverage in any of the three preceding years. During fiscal year 2021, there were no significant reductions in insurance coverage from the previous years.

NOTE 11 - AD VALOREM PROPERTY TAXES

The voters of Tulsa County have approved a local tax levy (in addition to all other school tax levies) on the assessed valuation of all taxable property within the School District. This tax levy, which is for the general operations of the College through the School District, is a permanent levy until such time as it is repealed by a majority of the voters of Tulsa County. Ad valorem property tax revenue for general operations for the year ended June 30, 2021 totaled $47,209,749. There was a receivable of $1,942,225 related to unpaid taxes at June 30, 2021.

For the year ended June 30, 2021, the College did not have any abated property taxes. Based on abatement agreements currently in place, the total abated taxes for the College will be approximately $141,000 over the next six years. The terms of each abatement vary based on the agreements with each entity.

NOTE 12- SECTION 13 OFFSET PROGRAM

The State Regents allocate funds to institutions who are not beneficiaries of the Section 13 and New College Trust Funds under the Section 13 Offset Program. These funds are to be used by an institution for projects that are on the approved campus master plan.

The College has been allotted funds under this program to use for capital repairs or expansions. The College was allotted and expended $1,354,297 under this program for the year ended June 30, 2021.

NOTE 13 - DEPOSITS WITH OKLAHOMA STATE REGENTS

In connection with the State Regents' Endowment Program (the Endowment Program), the State of Oklahoma has matched contributions received under the Endowment Program. The State match amounts, plus any retained accumulated earnings, totaled approximately $4,854,000 at June 30, 2021 and are invested by the State Regents on behalf of the College. The College is entitled to receive an annual distribution of 5% of the fair value at year-end on these funds. As legal title of the State Regents' matching endowment funds is retained by the State Regents, the funds are available for distribution.

(Continued)

NOTE 14 - CONDENSED COMBINING INFORMATION

GASB Statement No. 61 requires that combining information be presented for business-type activities that included a blended component unit within a single column on the basic financial statements.

The following summarizes the combining information for the statements of net position as of June 30, 2021:

	College	School District	Combined
June 30, 2021			
Current assets	$ 27,529,568	$ 32,585,355	$ 60,114,923
Capital assets	87,641,879	-	87,641,879
Other noncurrent assets	897,126	8,258,714	9,155,840
Total assets	116,068,573	40,844,069	156,912,642
Deferred outflows of resources	45,391,415	-	45,391,415
Total assets and deferred outflows of resources	161,459,988	40,844,069	202,304,057
Current liabilities	15,123,355	-	15,123,355
Long-term liabilities	145,698,015	-	145,698,015
Total liabilities	160,821,370	-	160,821,370
Deferred inflows of resources	11,596,879	-	11,596,879
Net investment in capital assets	62,573,673	-	62,573,673
Restricted for expendable	2,430,811	-	2,430,811
Unrestricted	(75,962,745)	40,844,069	(35,118,676)
Total net position	$ (10,958,261)	$ 40,844,069	$ 29,885,808

(Continued)

NOTE 14 - CONDENSED COMBINING INFORMATION (Continued)

The following summarizes the combining information for the statements of revenues, expenses, and changes in net position for the year ended June 30:

	College	School District	Combined
June 30, 2021			
Operating revenues			
Tuition and fees, net	$ 20,986,073	$ -	$ 20,986,073
Grants and contracts	9,911,697	-	9,911,697
Sales and services of auxiliary enterprises	4,585,006	-	4,585,006
Other operating revenues	2,688,801	-	2,688,801
Total operating revenues	38,171,577	-	38,171,577
Operating expenses			
Depreciation	7,302,286	-	7,302,286
Other operating expenses	152,771,640	-	152,771,640
Total operating expenses	160,073,926	-	160,073,926
Operating loss	(121,902,349)	-	(121,902,349)
Nonoperating revenues (expenses)			
State appropriations	$ 28,306,725	$ -	$ 28,306,725
Ad valorem property taxes	-	47,209,749	47,209,749
Federal and state grants	40,075,040	-	40,075,040
Other nonoperating revenues (expenses)	46,652,137	(43,169,033)	3,483,104
Total nonoperating revenues (expenses)	115,033,902	4,040,716	119,074,618
Loss before other appropriations	(6,868,447)	4,040,716	(2,827,731)
Capital appropriations and contributions	2,355,862	-	2,355,862
Increase (decrease) in net position	(4,512,585)	4,040,716	(471,869)
Net position, beginning of year	(6,445,676)	36,803,353	30,357,677
Net position, end of year	$ (10,958,261)	$ 40,844,069	$ 29,885,808

(Continued)

NOTE 14 - CONDENSED COMBINING INFORMATION (Continued)

The following summarizes the combining information for the statements of cash flows for the years ended June 30:

	College	School District	Combined
June 30, 2021			
Net cash provided by (used in)			
Operating activities	$ (91,783,935)	$ -	$ (91,783,935)
Noncapital financing activities	102,672,680	4,212,312	106,884,992
Capital and related financing activities	(3,488,160)	(526,240)	(4,014,000)
Investing activities	8,388	566,422	574,810
Change in cash and cash equivalents	7,408,973	4,252,494	11,661,467
Cash and cash equivalents, beginning of year	6,199,904	27,698,021	33,897,925
Cash and cash equivalents, end of year	$ 13,608,877	$ 31,950,515	$ 45,559,392

NOTE 15 - TULSA COMMUNITY COLLEGE FOUNDATION – ACCOUNTING POLICIES AND DISCLOSURES

Nature of Operations: The Foundation is a public nonprofit institution established for the benefit of the College. The Foundation awards scholarships to students of the College and provides other support to the College, including funds for textbooks for qualified students, college and community activities and events, capital projects, recognized academic programs, and the concert series and educational classes of the College's Signature Symphony orchestra.

The Board of Trustees, which governs the Foundation, is separate and distinct from the Board of Regents, the governing body of the College.

Disclosures About Fair Value of Assets and Liabilities: Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. The hierarchy comprises three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 - Unobservable inputs supported by little or no market activity and significant to the fair value of the assets or liabilities

(Continued)

NOTE 15 - TULSA COMMUNITY COLLEGE FOUNDATION – ACCOUNTING POLICIES AND DISCLOSURES (Continued)

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The reported fair value of money market funds, mutual funds, and marketable alternative investments is based on quoted prices in active markets as of the measurement date (Level 1 inputs).

The following is a summary of investments at June 30:

	2021
Money market funds	$ 835,100
Mutual funds	
Equity securities	11,680,997
Debt securities	2,837,058
Marketable alternative investments	
Registered investment companies	1,717,695
	$ 17,070,850

As of June 30, 2021, all investments were considered Level 1 investments to include quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

NOTE 15 - TULSA COMMUNITY COLLEGE FOUNDATION – ACCOUNTING POLICIES AND DISCLOSURES (Continued)

Net Assets: Net assets with donor restrictions as of June 30 are for the following purposes:

	2021
Subject to expenditure for specified purpose	
Signature Symphony	$ 133,509
Sam S. Miller Student Emergency Fund	36,711
Clearing the Pathway Multi-Year Campaign	8,118,031
Nursing and Allied Health Services	138,443
Other	2,692,840
	11,119,534
Endowments	
Subject to appropriation and expenditure when a specified event occurs	
Endowed chairs	4,036,824
Scholarships	2,791,119
Lectureships	149,069
TCC Textbook Trust	643,401
Nursing and Allied Health Services	138,443
	7,933,394
Subject to endowment spending policy and appropriation	
Endowed chairs	2,645,093
Scholarships	5,101,425
Lectureships	300,000
TCC Textbook Trust	500,000
Nursing and Allied Health Services	340,938
Professorships	250,000
	9,137,456
Total endowments	17,070,850
	$ 28,190,383

Net assets without donor restrictions as of June 30 are as follows:

	2021
Undesignated	$ 518,261

NOTE 16 - COVID-19 IMPACT

In March 2020, the World Health Organization declared COVID-19 a global pandemic and recommended containment and mitigation measures. The U.S. also declared COVID-19 a national emergency. In response, the College made significant changes to operations, including the transition of all in-person classes to online learning in March 2020 through the Summer 2020 term. Beginning in the Fall of 2020, classes were a mix of online, face-to-face, and hybrid.

The College received grants through the Higher Education Emergency Relief Fund (HEERF) for emergency grants to students and to cover institutional costs associated with significant changes to the delivery of instruction due to COVID-19. The College was awarded approximately $61.2 million in COVID relief funding through the Coronavirus Aid, Relief and Economic Security (CARES) Act, Coronavirus and Supplemental Appropriations (CRRSA) Act, and the American Rescue Plan (ARP) Act. During fiscal year 2021, $6,122,397 in student emergency grants were awarded to students and $12,516,543 in institutional funds were used. Approximately $40.1 million remained available as of June 30, 2021 including a minimum of $16.8 million for student emergency grants expected to be expended during fiscal year 2022.

NOTE 17 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through <>, 2021, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

TULSA COMMUNITY COLLEGE
SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY - OTRS
(In Thousands)
Years ended June 30, 2015 through 2021

	2021	2020	2019	2018	2017	2016	2015
College's proportion of the net pension liability	1.27%	1.19%	1.26%	1.18%	1.39%	1.45%	1.34%
College's proportionate share of the net pension liability	$120,665	$ 78,793	$ 76,233	$ 77,943	$115,770	$ 88,130	$ 72,076
College's covered payroll	$ 63,268	$ 61,858	$ 56,259	$ 54,830	$ 55,406	$ 58,775	$ 59,988
College's proportionate share of the net pension liability as a percentage of its covered payroll	190.72%	127.38%	135.50%	142.15%	208.95%	149.94%	120.15%
Plan fiduciary net position as a percentage of the total pension liability	63.47%	71.56%	72.74%	69.32%	62.24%	70.31%	72.43%

Notes:

- The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

- This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

- There have been no changes in benefit terms.

Changes in Assumptions:

- For the year ended June 30, 2021, the OTRS Board of Trustees adopted new assumptions in July 2020 impacting the June 30, 2020 valuation. The discount rate was decreased from 7.50% to 7.00%, inflation rate was decreased from 2.50% to 2.25%, salary increases assumption decreased from 3.25% to 2.25%, retirement age assumptions were updated with five-year experience student ending June 30, 2019, and mortality tables for retirees and active members were updated.

- Beginning with the year ended June 30, 2018, an actuarially determined portion of the employers' contributions (0.07% of pay for FY 2018 and 0.16% of pay for FY 2017) is allocated to the OPEB Subaccount and reported under GASB 74. As a result, these contributions are not included in either the actual or actuarially determined contributions.

TULSA COMMUNITY COLLEGE
SCHEDULE OF THE COLLEGE'S PENSION CONTRIBUTIONS - OTRS
(In Thousands)
Years ended June 30, 2015 through 2021

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 6,286	$ 6,158	$ 5,678	$ 5,529	$ 5,598	$ 5,893	$ 6,059
Contributions in relation to the contractually required contribution	(6,286)	(6,158)	(5,678)	(5,529)	(5,598)	(5,893)	(6,059)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
College's covered payroll	$ 63,268	$ 61,858	$ 56,259	$ 54,830	$ 55,406	$ 58,775	$ 59,998
Contributions as a percentage of covered payroll	9.94%	9.96%	10.09%	10.08%	10.10%	10.03%	10.10%

Notes:

- This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

TULSA COMMUNITY COLLEGE
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS – RETIREE HEALTH
(In Thousands)
Year ended June 30, 2021

		2021
Total OPEB liability		
Service cost	$	119,491
Interest cost		80,973
Changes of benefit terms		0
Differences between expected and actual experience		0
Assumption changes		104,996
Benefit payments		(229,176)
Net change in total OPEB liability		76,284
Total OPEB liability - beginning of year		2,301,034
Total OPEB liability - ending of year	$	2,377,318
Covered payroll		49,123,643
Total OPEB liability as a percentage of covered payroll		4.84%

Notes:

- The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.
- This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.
- Fiscal year 2021 is the first year that the total OPEB liability was calculated and reported, therefore no information for previous years is available.
- There are no assets accumulated in a trust to pay related benefits.
- There have been no changes in benefit terms or actuarial assumptions.

SUPPLEMENTARY INFORMATION

TULSA COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2021

Federal Grantor/Pass-Through Grantor Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Justice			
Office of Violence Against Women	16.525	n/a	$ 42,799
Research & Development Programs Cluster			
U.S. Department of Transportation			
Air Transportation Centers of Excellence	20.109	n/a	28,984
National Service Foundation			
Education and Human Resources	47.076	n/a	86,512
U.S. Department of Health and Human Services			
Passed through Oklahoma University Health Sciences Center			
Biomedical Research and Research Training	93.859	RS20181585-03	130,704
Total Research & Development Programs Cluster			246,200
National Aeronautics and Space Administration			
Office of Stem Engagement	43.008	n/a	2,500
National Endowment for Humanities			
Promotion of the Humanities Teaching and Learning Resources and Curriculum Development	45.162	n/a	2,995
Passed through Oklahoma Humanities			
Promotion of the Humanities Federal/State Partnership	45.129	No. Y20.081	1,375
Total National Endowment for Humanities			4,370
U.S. Department of Education			
Student Financial Assistance Cluster			
Federal Supplemental Educational Opportunity Grants	84.007	n/a	736,775
Federal Work-Study Program	84.033	n/a	248,758
Federal Pell Grant Program	84.063	n/a	19,535,826
Federal Direct Student Loans	84.268	n/a	17,314,596
Total Student Financial Assistance Cluster			37,835,955
COVID-19 – Education Stabilization Fund			
Student Aid Portion	84.425E	n/a	6,122,397
Institutional Portion	84.425F	n/a	12,334,880
Strengthening Institutions Program	84.425M	n/a	181,663
Total Education Stabilization Fund			18,638,940
TRIO Cluster			
Student Support Services	84.042A	n/a	294,203
Educational Opportunity Centers	84.066A	n/a	262,809
Total TRIO Cluster			557,012

See accompanying notes to schedule of federal awards.

Federal Grantor/Pass-Through Grantor Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education (Continued)			
Passed through Oklahoma Department of Career and Technology Education			
Carl Perkins	84.048	CP-PS-1074	333,696
Total U.S. Department of Education			57,365,603
U.S. Department of Health and Human Services			
Passed through Oklahoma State Regents for Higher Education			
Child Care and Development Block Grant	93.575	n/a	149,148
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	n/a	116,663
Total U.S. Department of Health and Human Services			265,811
Total Expenditures of Federal Awards			$ 57,927,283

See accompanying notes to schedule of federal awards.

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the College 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 U.S. *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 the College, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the College.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. The College has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 2 - FEDERAL LOAN PROGRAMS

The College also participates in the Federal Direct Student Loan Programs, including Federal Direct Loans and Federal PLUS Loans (PLUS). The dollar amounts are listed in the Schedule although the College is not the recipient of the funds. Such programs are considered a component of the student financial assistance cluster. Loans processed by the College under these loan programs for the year ended June 30, 2021, included:

Federal Direct Student Loan Programs Stafford	
Subsidized	$ 7,540,850
Unsubsidized	9,624,575
PLUS	43,395
Alternative Loans	105,776
	$ 17,312,596

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*

Members of the Board of Regents
Tulsa Community College
Tulsa, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business type activities and discretely presented component unit of Tulsa Community College (the College), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the College's basic financial statements and have issued our report thereon dated <>, 2021. The financial statements of Tulsa Community College Foundation (Foundation), the discretely presented component unit, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Foundation.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency (Finding 2021-001).

(Continued)

Compliance and Other Matters

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

The College's Response to the Finding

The College's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

[redacted]

Indianapolis, Indiana
<>, 2021

Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance

Members of the Board of Regents
Tulsa Community College
Tulsa, Oklahoma

Report on Compliance for Each Major Federal Program

We have audited the Tulsa Community College’s (the College) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2021. The College'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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and the Audit Requirements for Federal Award* (Uniform Guidance). Those standards and the Uniform Guidance require that we 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 federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the College 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.

(Continued)

Report on Internal Control over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College'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 the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College'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.

Our 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. We did not identify any deficiencies in internal control over compliance that we consider 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 our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Indianapolis, Indiana
<>, 2021

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the Financial statements audited were prepared In accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	______ Yes ___X___ No
Significant deficiencies identified not considered to be material weaknesses?	___X___ Yes _______ None Reported
Noncompliance material to financial statements noted?	_______ Yes ___X___ No

Federal Awards

Internal Control over major programs:	
Material weakness(es) identified?	______ Yes ___X___ No
Significant deficiencies identified not considered to be material weaknesses?	_______ Yes ___X___ None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_______ Yes ___X___ No

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster
	Student Financial Assistance Cluster
84.007	Federal Supplemental Educational Opportunity Grants
84.033	Federal Work-Study Program
84.063	Federal Pell Grant Program
84.268	Federal Direct Student Loans
84.425	COVID-19 - Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs: $1,737,818

Auditee qualified as low-risk auditee? _______ Yes ___X___ No

(Continued)

Section II – Financial Statement Findings

Finding 2021-001 – Information System Controls (Significant Deficiency)

Criteria: Internal controls over information systems are a key component of an organization's control environment. Entities should have internal controls including policies and procedures regarding user access and change management.

Condition: During our testing of information technology (IT) user access and change management controls, we noted the following internal control deficiencies, which in aggregate, rise to the level of a significant deficiency in internal controls.

Context: We evaluated system access and change management controls surrounding the College's financial reporting system, Banner, and noted the following internal control deficiencies:

- Multiple users within the Controller's Office have the ability to both prepare and post journal entries to the accounting system.
- The IT department has multiple users that share the same account to perform administrative functions with the system.
- There is no formal, regularly scheduled review of user access levels to verify if user access rights are commensurate with a user's job title and function.
- Administrative users within the IT system have the ability to modify source code and possess access to the production environment.

During the testing of journal entry controls, it was noted management has implemented a monthly, detective control outside of the Banner system to review journal entries prepared and posted by the same user and manually document a secondary review of these entries, however, this does not completely mitigate the risks identified.

Effect: Improper segregation of duties within the automated controls surrounding the journal entry process could result in authorized transactions being recorded to the financial reporting system where management would not be able to detect such activity timely. Without separate administrative user accounts and change management policies in place, changes to source code could be placed into production without appropriate review or approval.

Cause: Due to system constraints, management is unable to quickly adjust user access levels within the system for personnel in the Controller's office and IT department. Additionally, formal review processes have not been adequately established as it relates to user access level review and the production environment.

Recommendation: We recommend that management revise their IT policies and procedures to include a formal, annual review of user access levels and institute a change management policy to formalize the change management approval process. We recommend each administrative user within the system have their own unique account to be able to monitor and trace activity for each user and establish segregation of duties between the development and production environments to ensure system changes are properly tested and approved by a secondary user before being placed into production. We recommend, to the extent possible by the system, that the access or prepare and post journal entries be restricted so that personnel can only do one or the other, but not both.

Views of responsible officials and planned corrective action plan: Management agrees with this finding. (Add corrective action plan)

Section III – Federal Award Findings and Questioned Costs

None noted.