

AUDIT REPORT
TRI COUNTY TECH ENDOWMENT FUND, INC.
BARTLESVILLE, OKLAHOMA
FOR THE YEAR ENDED DECEMBER 31, 2023



JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

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TRI COUNTY TECH ENDOWMENT FUND, INC.
BOARD OF TRUSTEES
DECEMBER 31, 2023

BOARD MEMBERS

Chairman	Kevin Potter
Vice-Chairman	Shelley Koster
Member	Kumar Krishnan
Member	Barbara Herren
Member	Stephen O. Colaw
Member	Dr. Lisa Bliss
Member	Karen Leinen
Member	Paul Turcott
Member	Trevor Dorsey
Member	William Pierson
Member	Wayne McClain
Member	Richard Sewell
Member	John Woolman
Treasurer	Kim Smith
Supt/CEO	Dr. Tammie Strobel
Secretary	Champagne Kane



JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

JACK JENKINS, CPA
MICHAEL KEMPER, CPA

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Tri County Tech Endowment Fund, Inc.
6101 SE Nowata Road
Bartlesville, OK 74006-6029

Opinion

We have audited the accompanying financial statements of Tri County Tech Endowment Fund, Inc. (a nonprofit organization), which comprise the statement of net position as of December 31, 2023 and the related statement of activities for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the Tri County Tech Endowment Fund, Inc. as of December 31, 2023, and the changes in its net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Tri County Tech Endowment Fund, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the

aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Entity's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated April 24, 2024, on our consideration of the Entity's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 Entity's internal control over financial reporting and compliance.

Jenkins & Kemper, CPAs P.C.

Jenkins & Kemper
Certified Public Accountants

April 24, 2024



JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

JACK JENKINS, CPA
MICHAEL KEMPER, CPA

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

To the Board of Directors
Tri County Tech Endowment Fund, Inc.
Bartlesville, OK 74006-6029

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Tri County Tech Endowment Fund, Inc. (a non-profit), which comprise the statement of net position as of December 31, 2023, and the related statement of activities, and statement of cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 24, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Entity's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the Entity'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 misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Entity's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests did not disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Jenkins & Kemper, CPAs P.C.

Jenkins & Kemper
Certified Public Accountants, P.C.

April 24, 2024

TRI COUNTY TECH ENDOWMENT FUND, INC.
SCHEDULE OF AUDIT RESULTS
DECEMBER 31, 2023

Current Year Findings

There were no material instances of noncompliance during the 2023 year.

Disposition of Prior Year Findings

There were no material instances of non-compliance during the 2022 year.

TRI COUNTY TECH ENDOWMENT FUND, INC.
STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>2023</u>
<u>ASSETS</u>	
Current assets	
Cash in bank	\$ 7,850
Investments	10,070
Endowment fund	903,267
Total current assets	<u>921,187</u>
 Total Assets	 <u>921,187</u>
 <u>NET POSITION</u>	
Restricted	
Endowment	903,267
Unrestricted	<u>17,920</u>
 Total Net Position	 <u><u>\$ 921,187</u></u>

The accompanying notes are an integral part of the financial statements

TRI COUNTY TECH ENDOWMENT FUND, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Unrestricted	Permanently Restricted	Totals
Revenues			
Contributions	\$ 546,842		546,842
Program and other revenues	2,594		2,594
Subtotal	<u>549,436</u>	<u>-</u>	<u>549,436</u>
Transfers to/from endowment, net	<u>(313,896)</u>	<u>313,896</u>	<u>-</u>
Total revenues	<u>235,540</u>	<u>313,896</u>	<u>549,436</u>
Expenses			
Program	190,986		190,986
General and administrative	63,854	7,464	71,318
Total expenses	<u>254,840</u>	<u>7,464</u>	<u>262,304</u>
Changes in net position from operations	(19,300)	306,432	287,132
Other financing sources/(uses)			
Investment income	26,157	17,314	43,471
Realized gain (loss) on investments		392	392
Unrealized gain (loss) on investments		47,416	47,416
Total other financing sources/(uses)	<u>26,157</u>	<u>65,122</u>	<u>91,279</u>
Changes in net position	6,857	371,554	378,411
Total Net Position, beginning of period	<u>11,063</u>	<u>531,713</u>	<u>542,776</u>
Total Net Position, end of period	<u><u>\$ 17,920</u></u>	<u><u>903,267</u></u>	<u><u>921,187</u></u>

The accompanying notes are an integral part of the financial statement

TRI COUNTY TECH ENDOWMENT FUND, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>2023</u>
Cash flows from operating activities	
Contributions received	\$ 886,805
Other revenues	2,594
Program expenses	(190,236)
General and administrative	(412,031)
Net cash from operating activities	<u>287,132</u>
Cash flows from investing activities	
Investment income	43,471
Realized gain (loss) on investments	392
Unrealized gain (loss) on investments	47,416
Net cash from investing activities	<u>91,279</u>
Net increase/(decrease) in cash	378,411
Cash and equivalents, beginning of year	<u>542,776</u>
Cash and equivalents, end of year	<u><u>\$ 921,187</u></u>
Reconciliation of operating income (loss) to net cash provided by operating activities:	
Change in net position	\$ 287,132
(Increase)/Decrease in Current Assets	
Accounts receivable	-
Net cash flows from operating activities	<u><u>\$ 287,132</u></u>

The accompanying notes are an integral part of the financial statements

TRI COUNTY TECH ENDOWMENT FUND, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 1 - Significant Accounting Policies

Organization and Purpose

The Tri County Tech Endowment Fund, Inc. was created in 1969 as a tax-exempt public charity to receive, manage and distribute gifts from individuals and organizations for the betterment of the Tri County Technology Center and the Bartlesville area. The Foundation provides student scholarships for tuition and financial assistance.

Basis of Accounting

The accrual basis of accounting is followed for all accounts. Revenues are recorded when earned and expenses are recognized when incurred. This policy is in accordance with generally accepted accounting principles.

Cash Equivalents

The Foundation considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. As of December 31, 2023, the Foundation held \$17,920 in cash and equivalents at financial institutions.

Collateral Pledged

It appears that all funds were adequately insured by FDIC or covered by collateral pledged as of December 31, 2023.

Income Taxes

The Foundation is exempt from income taxes under Internal Revenue Code Section 501(c)(3) as a non-profit corporation. Proper informational returns have been filed.

Note 2 – Endowment Fund Agreement

The Tri County Tech Endowment Fund, Inc. entered into an agreement on January 9th, 2008 with the Bartlesville Community Foundation, Inc. to be the custodian of an endowment fund on deposit at Arvest Asset Management. Certain provisions of this agreement are described as follows:

- A. The Bartlesville Community Foundation shall have full and unfettered power to invest and reinvest all property held in the Fund in such a manner the Bartlesville Community Foundation shall in its discretion determine, after considering any written recommendations that may be provided by the Tri County Tech Endowment Fund from time to time.

TRI COUNTY TECH ENDOWMENT FUND, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 2 – Endowment Fund Agreement – cont'd

B. The Bartlesville Community Foundation shall pay five percent (5%) of the market value of the Fund at least annually to the Tri County Tech Endowment Fund or as the Tri County Tech Endowment Fund may direct in writing from time to time for support of the Tri County Tech Endowment Fund programs; provided, that the Tri County Tech Endowment Fund may authorize in writing the Bartlesville Community Foundation accumulate all or any portion of such earning from any one or more years and either add such accumulated earnings to principal, or hold it subject to further direction from Tri County Tech Endowment Fund.

C. It is the intent of the parties that the principal of the Fund shall be preserved in perpetuity. However, distributions from principal of the Fund to or for the benefit of the Bartlesville Regional United Way may be made to the Tri County Tech Endowment Fund by the Bartlesville Community Foundation, from time to time, but only to meet the emergency need of the Tri County Tech Endowment Fund and then only if the distribution has been approved by both a vote of three fourths of all directors or Trustees of the Tri County Tech Endowment Fund then in office and by a vote of three fourths of all members of the Board of Trustees of the Bartlesville Community Foundation then in office.

D. If, at any time and for any reason, the Tri County Foundation Fund shall cease to operate or to exist, then the Bartlesville Community Foundation shall select one or more organizations that are carrying out appropriate purposes reasonably similar to those that had been pursued by the Tri County Foundation Fund and shall substitute those organizations for the Tri County Foundation Fund for all purposes of this agreement. Further, if at any time at or after any substitution referred to in the preceding sentence, the Board of Trustees of the Bartlesville Community Foundation shall determine in its sole judgment that the purposes that have been pursued by the Tri County Foundation Fund have become unnecessary, undesirable, impractical, incapable of fulfillment or inconsistent with the charitable needs of the community, then this Agreement shall terminate and all funds held subject to this Agreement shall be transferred to the general unrestricted funds of the Bartlesville Community Foundation.

E. Upon the value of the fund reaching \$25,000, the Bartlesville Community Foundation as a contribution to its general operation expenses shall be entitled to transfer to its general funds each year from the Fund held hereunder an annual administrative fee equal to six tenths of one percent (.6%) of the total net fair market value of each such Funds on the first business day of each calendar year. Such fees shall be paid at least annually or in equal quarterly installments on or about the first day of each calendar quarter. In addition, the Bartlesville Community Foundation shall be entitled to pay as they accrue,

TRI COUNTY TECH ENDOWMENT FUND, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 2 – Endowment Fund Agreement – cont'd

from the Funds exceeding \$25,000 in value, all direct expenses of accepting, holding, protecting, investing, administering and distributing the Funds. Further, the Bartlesville Community Foundation shall have no duty to incur any debt, expense or other obligation of any kind with respect to the Fund unless such debt, expense or other obligation can and shall be fully paid and satisfied solely from the assets of the Fund.

The balance in the Endowment Fund held by Bartlesville Community Foundation was \$903,267 as of December 31, 2023. During the fiscal year ending December 31, 2023, the Foundation pooled its investments including a share of 4.44% held for the Endowment Fund. The composition of these funds was the following:

	December 31,	
	<u>2023</u>	<u>2022</u>
Equities	\$ 12,943,765	\$ 11,488,815
Fixed Income Securities	6,041,562	5,956,392
Cash Equivalents	<u>1,355,264</u>	<u>1,267,263</u>
Total	<u>20,340,591</u>	<u>18,712,470</u>
Foundation Endowment share	<u>4.4407%</u>	<u>2.8415%</u>
Foundation Endowment valuation	<u>\$ 903,267</u>	<u>\$ 531,713</u>

Note 3 – Permanently Restricted Net Position

The Foundation has an endowment fund held by Bartlesville Community Foundation. The principal of these funds are permanently restricted and can only be contributed to or distributed from in accordance with provisions outlined in the Endowment Fund Agreement in Note 2.

Note 4 – Subsequent Events

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

**TRI COUNTY TECH ENDOWMENT FUND, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 5 – James Quickle Charitable Trust

The James Quickle Trust was established in August 2022 and is administered by the Trustee Arvest Trust Management. The Trust is the legal owner of the funds and the Tri County Tech Endowment Fund, Inc. is the named beneficiary of the Trust. The Trust was established for the benefit of Tri County Tech students and, as beneficiary, Tri County Tech Endowment Fund, Inc. will receive annual income distributions based on the market value of the Charitable Trust.

According to SFAS 136 *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others*, because the Trust document gives variance power to the James Quickle Trust, these funds are not reported as an asset of Tri County Tech Endowment Fund, Inc. The James M Quickle Trust was reported to the Tri Co Tech Endowment Fund, Inc. as having a fair value of \$628,376 at June 30, 2023.