



Audit of the Department of Career and Technology Education

July 1, 2006 through June 30, 2007



Office of the Oklahoma State Auditor and Inspector
Jeff A. McMahan, CFE

**Audit Report of the
Department of Career
and Technology Education**

**For the Period
July 1, 2006 through June 30, 2007**



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

Jeff A. McMahan
State Auditor and Inspector

December 3, 2007

**TO THE EXECUTIVE DIRECTOR OF THE DEPARTMENT
CAREER AND TECHNOLOGY EDUCATION**

Pursuant to 74 O.S. § 212, transmitted herewith is the audit report for the Department of Career and Technology Education for the period July 1, 2006 through June 30, 2007. The Office of the State Auditor and Inspector is committed to serving the public interest by providing independent oversight and by issuing reports that serve as a management tool to the State. Our goal is to ensure a government that is accountable to the people of the State of Oklahoma.

We wish to take this opportunity to express our appreciation to the agency's staff for the assistance and cooperation extended to our office during the course of our engagement.

Sincerely,

A handwritten signature in blue ink that reads "Jeff A. McMahan".

JEFF A. McMAHAN
State Auditor and Inspector

Mission Statement

To prepare Oklahomans to succeed in the workplace, in education, and in life.

Board Members

Sandy Garrett.....State Superintendent of Public Instruction and Chairperson of the Board
Phil Berkenbile, Ed.D.....State Director of Career and Technology Education – ex officio
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Key Staff

Phil Berkenbile, Ed.D.....Executive Director
Norman Filtz.....Finance Manager (through 6-30-07)
Lisa Batchelder.....Finance Manager (after 6-30-07)
Dwight Stoddard.....Audit Manager (through 6-30-07)
Lisa Eden.....Audit Manager (after 6-30-07)



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

Jeff A. McMahan
State Auditor and Inspector

**TO THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF
CAREER AND TECHNOLOGY EDUCATION**

We have audited the Department of Career and Technology Education (Agency) for the period July 1, 2006 through June 30, 2007. The objectives of this audit were to determine if:

- Receipts, including those related to Fund 730 (Conference Account) were accurately recorded, safeguarded, and timely deposited in accordance with 62 O.S. § 7.1;
- Disbursements were properly supported, approved, and accurately recorded;
- Salaries were properly supported, approved, and did not exceed statutory limitations;
- The addition of new employees was properly approved and that terminated employees were removed from the payroll records;
- Employee leave taken was properly documented and approved;
- Capital assets were properly safeguarded and accounted for;
- Materials and office supplies inventory were properly safeguarded, accounted for, and valued where applicable;
- Receivables directly related to inventory sales were timely collected;
- The agency was in compliance with the applicable provisions of the Oklahoma Department of Corrections FY 2007 Cooperative Agreement;
- The Indirect Cost Rate Proposal's indirect cost pool includes only allowable costs in accordance with OMB Circular A-87;
- The agency's has corrected the FY 2006 Single Audit reportable finding for CFDA #84.048.

As part of our audit we obtained an understanding of internal controls significant to the audit objectives and considered whether the specific controls have been properly designed and placed in operation. We also performed tests of certain controls to obtain evidence regarding the effectiveness of the design and operation of the controls. However, providing an opinion on internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We also obtained an understanding of the laws and regulations significant to the audit objectives and assessed the risk that illegal acts, including fraud, violation of contracts, grant agreements, or other legal provisions could occur. Based on this risk assessment, we designed and performed procedures to provide reasonable assurance of detecting significant instances of noncompliance with the laws and regulations. However, providing an opinion on compliance with these laws and regulations was not an objective of our audit and accordingly, we do not express such an opinion.

The Agency's Schedule of Expenditures of Federal Awards has been included in this report for the information and use of Agency management. This schedule was not audited or reviewed by us and, accordingly, we do not express an opinion or any other form of assurance on it.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances.

This report is a public document pursuant to the Oklahoma Open Records Act (51 O.S. § 24A.1 et seq.), and shall be open to any person for inspection and copying.

JEFF A. McMAHAN
State Auditor and Inspector

November 28, 2007

Background

The Department of Career and Technology Education (Agency) provides leadership and resources, and assures standards of excellence for a comprehensive statewide system of career and technology education. That system offers programs and services in 29 technology center districts operating on 56 campuses, 398 comprehensive school districts, 25 skill centers and three juvenile facilities across the state. The Agency's operations are governed by 70 O.S. § 14-101 through 14-112 as well as Title 780 of the Oklahoma Administrative Code. Oversight of the Agency is provided by a nine-member board comprised of the State Superintendent of Public Instruction who serves as the chairperson, two members of the State Board of Education, a representative from each congressional district, one member at large, and the State Director of Career and Technology Education who serves as an ex-officio, non-voting member.

The Agency pays for its operations through seven funds. They are:

- General Revenue – State appropriated dollars which include monthly allocation to the 29 technology centers and a quarterly allocation to numerous high schools;
- State Career-Technology Fund – Tuition fees received from instruction and training provided in vocational and technical education courses are deposited into the fund. The fund may be used to pay expenses incurred by the Agency in operating and maintaining such courses;
- Oklahoma Telecommunications Technology Training Fund – Each local telecommunications service provider annually contributes seventy-five cents per retail local exchange access line to the fund until the amount contributed by all providers equals \$7,000,000. The funds are used to provide statewide training of teachers and school administrators in telecommunications and distance learning technology;
- ODCTE Agriculture Fund – Twenty dollars from the sale of each Future Farmers of America license plate is deposited into the fund. The funds may be expended for funding programs and services encouraging students to consider agriculture as a career choice;
- Agency Relationship Fund – Federal dollars received from grants;
- CMIA Programs Disbursing Fund – Federal dollars received from the Carl Perkins federal grant are deposited into the fund. The funds are expended based on reimbursement requests from the local technology centers, high schools, and other post secondary education entities.
- Vo-Tech Conference Fund – Funds received in connection with all Agency sponsored conferences, workshops, meetings, etc. for which a registration fee is collected.

Table 1 summarizes the Agency's sources and uses of funds for fiscal year 2007.

Table 1-Sources and Uses of Funds for FY 2007

Sources:	
State Appropriations	\$146,619,968
Federal Grants	23,898,115
Charge for Service	423,317
Printing Including Sale of Publications	3,490,594
Other	<u>3,059,021</u>
Total Sources	<u>\$174,431,994</u>
Uses:	
Personnel Services	\$25,371,059
Professional Services	1,899,065
Travel	1,044,055
Maintenance and Repair	833,020
Office Furniture and Equipment	502,057
Payments to Local Governments	140,097,367
Assistance Payments to Local Agencies	1,788,823
Other	<u>4,886,499</u>
Total Uses	<u>\$176,421,945</u>

Source: Oklahoma CORE Accounting System.

NOTE: With the exception of Intra-agency transfers which have been eliminated, any other intra-agency transactions have not been eliminated from this table.

Objective 1 – To determine if receipts, including those related to Fund 730 (Conference Account) were accurately recorded, safeguarded, and deposited timely in accordance with 62 O.S. § 7.1.

Conclusion

Based on the procedures performed, it appears receipts, including those related to Fund 730, were accurately recorded, safeguarded, and deposited timely in accordance with 62 O.S. § 7.1.

Methodology

To accomplish our objective, we performed the following:

- Reviewed 62 O.S. § 7.1;
- Reviewed Agency policies and procedures;
- Documented internal controls related to the receipting process;
- Tested controls for a selection of 32 deposits. Twenty of the deposits were randomly selected from Fund 799 while 12 Fund 730 deposits were judgmentally selected. The deposits were tested to ensure:
 1. The deposit slip date was within one working day of the CORE accounting system date;
 2. The deposit was adequately supported;
 3. If the deposit was \$100 or more, the deposit was made on the same banking day as received;
 4. If the deposit was less than \$100, the funds were deposited on the next business day when the accumulated funds exceeded \$100 or 5 business days, whichever occurred first;
 5. The fund type agreed with the CAFR fund type listing.

All funds are initially deposited into Fund 799. Funds related to 17 of the deposits were subsequently transferred to Fund 730. For these deposits, we also ensured division personnel (Fund 730 deposits are received at the division level) had supporting receipts for the funds received as well as the receipt issued to them by the Finance Division when the funds were delivered to Finance for deposit.

- Agreed five judgmentally-selected interagency transfers recorded in the CORE accounting system to supporting documentation (invoice which initiated the payment). When funds are wired from another state agency, the funds automatically post to the receiving agency's clearing account.

Observations

An effective internal control system provides prompt recording of accounting transactions.

During procedures performed related to receipts, we noted the following:

- One deposit was not posted into the CORE accounting system in a timely manner. The deposit slip date was June 18, 2007 yet it was not posted into PeopleSoft until June 27, 2007. In the CORE system, the cash is not available until the journal entry is made and added to the agency's cash balance;

Recommendation: We recommend management post their accounting entries into the CORE system immediately upon deposit as well as exercise diligence when posting entries into CORE.

View of Responsible Officials: We concur with this finding.

Objective 2 – To determine if disbursements were properly supported, approved, and accurately recorded.

Conclusion

Based on the procedures performed, it appears disbursements were properly supported, approved, and accurately recorded.

Methodology

To accomplish our objective, we performed the following:

- Reviewed Agency policies and procedures;
- Documented internal controls related to the expenditure process;
- Tested controls for a random selection of 60 expenditures from funds 19X, 200, 430, and 730. The expenditures were tested to ensure:
 1. The voucher amount and payee agree with the invoice amount and payee;
 2. The voucher amount and payee agree with the CORE system;
 3. The nature of the purchase appeared consistent with the OSF account code description;
 4. The claim was properly authorized.
- Tested controls for a judgmental selection of 25 expenditures from fund 340. These disbursements are based on reimbursement requests from the technology centers, high schools, and other post-secondary education entities and are mainly related to the Carl Perkins Vocational Education federal grant. The expenditures were tested to ensure:
 1. The reimbursement request was approved by the appropriate official;
 2. The reimbursement request total agreed to the Oklahoma Cost Accounting System (OCAS) report total;
 3. The invoices supporting the reimbursement amount were attached and agreed to the request amount.

Objective 3 – To determine if salaries were properly supported, approved, and did not exceed statutory limitations.

Objective 4 – To determine if the addition of new employees was properly approved and terminated employees were removed from the payroll records.

Objective 5 – To determine if employee leave was properly documented and approved.

Conclusion

Based on the procedures performed, it appears salaries were properly supported, approved, and did not exceed statutory limits. The addition of new employees was properly approved, terminated employees were removed from payroll records, and employee leave was properly documented and approved.

Methodology

To accomplish our objective, we performed the following:

- Reviewed 2006 O.S.L 1, HB 1013 which establishes the maximum salary of the Director;
- Reviewed Agency policies and procedures;
- Documented internal controls related to the payroll process;
- Tested controls for a selection of new hires, terminated employees, employees who received raises, and employees on the June 2007 payroll. We performed procedures on two of the 22 newly hired employees, four of the 35 terminated employees, one of the eight employees who received a non-legislative mandated raise, and 20 of the 364 employees on the June 2007 payroll. All selections were judgmental.

Observations

The State of Oklahoma's Information Security Policy, Information and Guidelines states in part: "...The confidentiality of all information created or hosted by a State Agency is the responsibility of that State Agency...The objective of the owning State Agency is to protect the information from inadvertent or intentional damage, unauthorized disclosure or use..." This policy includes "any data or knowledge collected, processed, stored, managed, transferred or disseminated by any method." Based on conversation with management and observation, it appears filing cabinets maintaining employees' personnel records are unlocked during business hours. The personnel records contain social security numbers and other personal information. We found no evidence to suggest sensitive information had been compromised; however, the lack of safeguarding the information makes it a risk.

Recommendation: We recommend the Agency ensure the filing cabinets maintaining employees' personnel records are locked at all times.

View of Responsible Officials: We concur with this finding. The Human Resources Division has purchased locking file cabinets. Employees' records will be maintained in the locked file cabinets at all times.

Objective 6 – To determine capital assets were properly safeguarded and accounted for.

Conclusion

Based on the procedures performed, it appears capital assets were properly safeguarded and accounted for.

Methodology

To accomplish our objective, we performed the following:

- Reviewed Agency policies and procedures;
- Documented internal controls related to capital assets;
- Reviewed the Agency's capital asset listing as of June 18, 2007;
- Tested controls for a judgmental selection of 10 capital assets from the listing to the floor to ensure:
 1. The asset existed and was identified as property of the State of Oklahoma;
 2. The identification number agreed;
 3. The asset appeared to be in use.
- Tested controls for a judgmental selection of 10 capital assets from the floor to the capital asset listing to ensure:
 1. The asset was identified on the listing and was identified as property of the State of Oklahoma.
 2. The identification number agreed.
 3. The asset appeared to be in use.

Objective 7 – To determine materials and office supplies inventory were properly safeguarded, accounted for, and valued where applicable.

Conclusion

Based on the procedures performed, it appears materials and office supplies inventory were properly safeguarded, accounted for, and valued where applicable.

Methodology

To accomplish our objective, we performed the following:

- Documented internal controls related to materials (Curriculum Instructional Material Center – CIMC, Multi-state Academic and Vocational Curriculum Consortium – MAVCC, and Printing Services) and office supplies inventory;
- Compared prior period inventory balances to current period inventory balances;
- Inspected the physical location of inventory to ensure it was properly safeguarded;
- Determined proper cut-off procedures were in place;
- Observed a portion of the CIMC, MAVCC, Print Services, and office supplies inventory counts;
- Tested controls for a judgmental selection of 12 CIMC items from the list to the floor, 12 from the floor to the list, and determined if the valuation of these items appeared reasonable;
- Tested controls for a judgmental selection of eight MAVCC/Printing Services items from the list to the floor, eight from the floor to the list, and determined if the valuation of the items appeared reasonable;
- Tested controls for a judgmental selection of 10 office supply items from the list to the floor and 10 items from the floor to the list.

Objective 8 – To determine receivables directly related to inventory sales were timely collected.

Conclusion

Based on the procedures performed, it appears receivables directly related to inventory sales were collected in a timely manner.

Methodology

To accomplish our objective, we performed the following:

- Judgmentally selected 10 finished goods inventory sales to different customers in July 2006 and determined the payments were received and deposited within 120 days.

Observations

Agency policy “Procedures of Making CCS & MAVCC Deposits” requires all cash and checks to be deposited by 3:00 pm following the day of receipt. During our procedures, we noted two of ten inventory sales were deposited two days after receipt of payment.

Recommendation: We recommend the Agency exercise diligence in ensuring compliance with their internal policy.

View of Responsible Officials: We concur with this finding. Upon review, it was noted that 8/20/06 was a Sunday. It appears the staff misread the calendar and the date of deposit should have posted as 8/21/06. With that, the deposits were made within the agency policy. The Finance Manager will review the current policy “Procedures of Making CCS and MAVCC Deposits” and make changes to reflect current requirements from Office of State Finance. Internal Audit will conduct training sessions with CCS, MAVCC and Finance staff regarding the new policy.

Objective 9 – To determine the Agency was in compliance with the applicable provisions of the Oklahoma Department of Corrections FY 2007 Cooperative Agreement.

Conclusion

Based on the procedures performed, it appears the Agency is in compliance with the applicable provisions of the Oklahoma Department of Corrections (DOC) FY 2007 Cooperative Agreement.

Methodology

To accomplish our objective, we performed the following:

- Reviewed the FY 2007 DOC cooperative agreement;
- Determined applicable provisions of the cooperative agreement, which are to:
 - ensure the Agency employs a licensed trade instructor to work in support of the OCI house project at the Lexington Correctional Center;
 - ensure the Agency employs an academic instructor to work in support of the Lexington Skills Center Licensed Trades Academy;
 - ensure the Agency employs a licensed trades instructor to train female offenders to work in support of the Facility Maintenance Department at the Mabel Bassett Correctional Center;
- Interviewed management responsible for billing DOC for the services provided in connection with the cooperative agreement;
- Ensured the employees working at the DOC facilities had approved timesheets for each month of the period, had leave requests approved by their immediate site supervisor for each month of the period (if applicable), and were identified on the Agency’s main payroll for each month of the period;
- Ensured the Agency has received quarterly payments (not to exceed \$50,000 annually for each employee) from DOC in connection with this agreement. It should be noted the Agency has not received the June 2007 quarterly payment related to their employee at the Mabel Bassett Correctional Center. The Agency sent a second invoice to DOC on July 17, 2007.

Objective 10 – To determine if the Agency’s indirect cost rate proposal’s indirect cost pool includes only allowable costs in accordance with OMB Circular A-87.

Conclusion

Based on the procedures performed, it appears the costs included in the indirect cost pool met the basic allowability guidelines set fourth in OMB Circular A-87 with the exception of the items noted under “observations” below.

Methodology

To accomplish our objective, we performed the following:

- Reviewed applicable sections of OMB Circular A-87;
- Reviewed the FY 2008 indirect cost rate proposal (IDCRP) to determine the types of cost included in the indirect cost pool (NOTE: The FY 2008 IDCRP is based on FY 2006 actual costs). Based on this review and review of the Agency’s internal report “Object Report – ID VT148145”, the following cost activities were included in the indirect cost pool:

Administration	\$1,119,429.30
Human Resources	345,872.77
Systems Design	1,832,066.27
Finance	648,560.36
Organization & Systems Development	220,284.57
Graphics	42,844.00
Information Management	132,459.83
Purchasing	<u>406,703.14</u>
	\$4,748,220.24

- Reviewed the Agency’s internal “Accumulated Ledger” report which is the detail behind the summary level “Object Report”;

- Ensured the salaries and benefits reported on the “Accumulated Ledger” report were correct by agreeing the salaries, insurance and benefits reported on the “Payroll Claim Detail” for March 2006 and September 2005 for each division to the “Accumulated Ledger”;
- Reviewed the monthly salary and benefit costs for each division as reflected in the “Accumulated Ledger” to ensure the costs were consistent from month to month and reviewed the Payroll Claim Detail report for each division to observe each employee’s gross monthly salary and benefits for reasonableness;
- Reviewed the “Accumulated Ledger” and “Payroll Claim Detail” to ensure fringe benefits were reasonable and required by law;
- Performed procedures related to payrolls (presented earlier in this report) to ensure they were documented in accordance with generally accepted practice of the government and approved by a responsible official of the government;
- Tested a judgmental selection of 36 claims from the “Accumulated Ledger” to ensure they:
 - Were necessary and reasonable for the performance and administration of the federal awards;
 - Were allocable to federal awards under A-87;
 - Were not prohibited under state or local laws;
 - Conform to limitations set forth in A-87;
 - Were consistent with policies, regulations, and procedures that apply uniformly to both federal awards and other activities of the government;
 - Were net of credits (there were no credits);
 - Were adequately documented.
- Compared the division amounts included in the FY 2007 and the FY 2008 IDCRC for variances in excess of 10%.

Observations

OMB Circular A-87, Attachment B, paragraph 23, a. (2) states:

23. General government expenses.

a. The general costs of government are unallowable (except as provided in section 41).

These include:

2) Salaries and other expenses of State legislatures, tribal councils, or similar local governmental bodies, such as county supervisors, city councils, school boards, etc., whether incurred for purposes of legislation or executive direction;

OMB Circular A-87, Attachment A, paragraph C 1. i. and j. states:

C. Basic Guidelines

1. Factors affecting allowability of costs. To be allowable under Federal awards, costs must meet the following general criteria:

i. Be the net of all applicable credits.

j. Be adequately documented.

During procedures performed on the Agency’s indirect cost pool, we noted the following:

- \$31,190.13 in expenses associated with the Career Tech Board were excluded from the indirect cost pool. These expenses were to reimburse the State Department of Education for costs associated with travel for Board members and one-half of the salary expense for the Executive Secretary of the State Board of Education and State Board of Career Technology. These costs were for services rendered during FY 2006 but the reimbursement claim was paid during FY 2007. However, during our testing of claims included in the Administration activity, we noted that the same type of reimbursement was made to the Department of Education in August 2005. We noted these costs (\$32,156.00) were excluded from the indirect cost pool in the prior year IDCRC; however, because the claim for reimbursement was made in August 2005, these

expenses rolled into the IDCRP for the current year as an indirect cost. The net result was \$965.87 too much being included in the indirect cost pool (\$32,156.00-\$31,190.13).

- One claim where the Agency paid \$15,000 for membership fees to the Successful Practices Network for six different technology centers. In addition, they also bought a \$5,000 membership for the Agency. This transaction is reflected on one \$20,000 claim paid by the Agency. The six technology centers each reimbursed the Department \$2,500; however, the entire \$20,000 cost was included in the indirect cost pool. Because the Department was reimbursed \$15,000 by the six technology centers, only \$5,000 should have been included in the indirect cost pool.
- One claim for which we are unable to determine what the cost is attributable to. The requisition and invoice indicated the costs were for a “general conference sponsorship” and the funds were to be used for printing expenses. However, Agency personnel stated that typically the State and Associate State Director attend this conference for free due to the sponsorship fee rendered. However, they did not attend in this particular year because the State Director was on an interim basis. OMB Circular A-87 allows only certain types of advertising/public relations costs and prohibits cash donations.

Recommendation: We recommend management exercise diligence in ensuring only costs which are allowable under OMB Circular A-87 are included in the Agency’s indirect cost pool. Additionally, adequate supporting documentation should be maintained for all transactions.

View of Responsible Officials: We concur with this finding. The agency will make every effort to ensure that only allowable costs are included in the indirect cost pool.

Objective 11 – To determine the Agency’s status on the FY 2006 Single Audit reportable finding for CFDA #84.048.

Conclusion

Based on the procedures performed, it appears the Agency has corrected the finding noted in the FY 2006 Single Audit for CFDA #84.048.

Methodology

To accomplish our objective, we performed the following:

- Reviewed the finding noted in the FY 2006 Single Audit for CFDA #84.048;
- Reviewed the prior year workpapers;
- Interviewed management responsible for the condition identified in the prior year finding;
- Reviewed a checklist used by management to document review of calculations prior to allocation of grant funds;
- Reviewed Agency policy implemented in September 2006 requiring all emails, faxes, or mail received in the State Director’s Office from the United States Department of Education to be forwarded to the Federal Legislation Division;
- Reviewed the FY 2007 allocation spreadsheet which appears to indicate 2003 census data was used as required.

OKLAHOMA DEPARTMENT OF CAREER AND TECHNOLOGY EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (unaudited)
FYE 6-30-07

Grantor Pass-through Grant Title	Federal CFDA #	Cash Bal 7/1/2006	Revenue Received	State/Local Matching Contributions	Federal Disbursements	Pass-Through to Subrecipient	Refunds and Adjustments	Cash Bal 6/30/2007
<u>U.S. Department of Defense</u>								
Procurement Technical Assistance for Business Firms	12.002	\$ 61,477	\$ 461,139	\$ -	\$ 503,108	\$ 160,013	\$ -	\$ 19,508
Total U.S. Department of Defense		61,477	461,139	-	503,108	160,013	-	19,508
<u>U.S. Department of Labor</u>								
Employment and Training Administration								
Strengthening the U S Energy Industry: Expanding Training in Upstream Oil and Gas Skills and Safety to Serve a Nation during War and Peace	17.261	-	895,601	-	895,601	895,601	-	-
Youth Offenders Preparing to Enter High Growth/High Demand Industries	17.261	(50,882)	1,137,209	564,649	1,197,216	-	-	(110,889)
Pass-Through Oklahoma Department of Commerce: Workforce Investment Act (Dislocated Workers)	17.260	-	438,999	2,985,426	483,029	-	-	(44,030)
Pass-Through Oklahoma Employment Security Commission: Workforce Investment Act (Adult)	17.258	(67,559)	104,419	228,165	36,860	-	-	-
Pass-Through Automotive Youth Educational Systems: Exemplar Industry-Driven School-to-Center Learning Model	17.261	-	50,000	-	-	-	-	50,000
Total U.S. Department of Labor		(118,441)	2,626,228	3,778,240	2,612,706	895,601	-	(104,919)
<u>National Science Foundation</u>								
Pass-Through University of Tulsa: Education and Human Resources	47.076	(6,657)	164,340	-	198,737	115,058	24	(41,030)
Total National Science Foundation		(6,657)	164,340	-	198,737	115,058	24	(41,030)

See notes to the Schedule of Expenditures of Federal Awards.

OKLAHOMA DEPARTMENT OF CAREER AND TECHNOLOGY EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (unaudited)
FYE 6-30-07

Grantor Pass-through Grant Title	Federal CFDA #	Cash Bal 7/1/2006	Revenue Received	State/Local Matching Contributions	Federal Disbursements	Pass-Through to Subrecipient	Refunds and Adjustments	Cash Bal 6/30/2007
<u>U.S. Department of Education</u>								
Carl Perkins Act:								
Vocational Education - Basic Grants to States	84.048	(250,398)	15,631,675	-	15,570,101	13,066,844	1,549	(187,275)
Tech Prep Education	84.243	(45,613)	1,700,377	-	1,682,609	1,633,501	-	(27,845)
Occupational and Employment Information State Grant	84.346	(12,847)	33,957	-	21,360	-	250	-
 Total U.S. Department of Education		<u>(308,858)</u>	<u>17,366,009</u>	<u>-</u>	<u>17,274,070</u>	<u>14,700,345</u>	<u>1,799</u>	<u>(215,120)</u>
<u>U.S. Department of Health and Human Services</u>								
Pass-through Oklahoma State University Center for Health Sciences								
State Rural Hospital Flexibility Program								
Rural Health Project	93.241	(8,068)	20,305	-	12,237	13,594	-	-
 Pass-through Oklahoma Department of Human Services								
Temporary Assistance for Needy Families	93.558	(22,622)	3,520,233	-	3,523,536	3,431,583	-	(25,925)
 Total U.S. Department of Health and Human Services		<u>(30,690)</u>	<u>3,540,538</u>	<u>-</u>	<u>3,535,773</u>	<u>3,445,177</u>	<u>-</u>	<u>(25,925)</u>
 Total All Federal Funds		<u>\$ (403,169)</u>	<u>\$ 24,158,254</u>	<u>\$ 3,778,240</u>	<u>\$ 24,124,394</u>	<u>\$ 19,316,194</u>	<u>\$ 1,823</u>	<u>\$ (367,486)</u>

See notes to the Schedule of Expenditures of Federal Awards.

(Unaudited)
Oklahoma Department of Career and Technology Education
Notes to the Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2007

Note 1. Summary of Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards (Schedule) has been prepared in conformity with the requirements set forth in the Single Audit act of 1984, Public Law 98-502, the Single Audit Act Amendments of 1996, Public Law 104-156 and Office of Management and Budget (OMB) Circular A-133 Audits of States, Local Governments and Non-Profit Organizations.

A. Basis of Presentation

The Schedule presents expenses for the fiscal year ended June 30, 2007. The Schedule reports total federal award expenses for each federal program as identified in the *Catalog of Federal Domestic Assistance (CFDA)*.

Federal awards include federal financial assistance and federal cost-reimbursement contracts. Federal financial assistance may be defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, food commodities, interest subsidies, insurance or direct appropriations, but does not include direct federal cash assistance to individuals.

The major program for the Oklahoma Department of Career and Technology Education was defined as those that were major at the State level.

B. Basis of Accounting

The accompanying Schedule reports expenses of the Oklahoma Department of Career and Technology Education on the cash basis. Using the cash basis of accounting, revenues are recognized when cash is received and expenses are recognized when cash is disbursed.



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