

**ANNUAL FINANCIAL REPORT**  
**EASTERN OKLAHOMA COUNTY TECHNOLOGY CENTER**  
**SCHOOL DISTRICT NO. 23**  
**OKLAHOMA COUNTY, OKLAHOMA**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**EASTERN OKLAHOMA COUNTY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 23  
OKLAHOMA COUNTY, OKLAHOMA  
FOR THE YEAR ENDED JUNE 30, 2013**

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**EASTERN OKLAHOMA COUNTY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 23  
OKLAHOMA COUNTY, OKLAHOMA  
FOR THE YEAR ENDED JUNE 30, 2013**

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## **PUTNAM & COMPANY, PLLC**

CERTIFIED PUBLIC ACCOUNTANTS  
169 S.E. 32ND  
EDMOND, OKLAHOMA 73103  
(405) 348-3800  
Fax (405) 348-7965

### **INDEPENDENT AUDITOR'S REPORT**

The Honorable Board of Education  
Eastern Oklahoma County Technology Center School District No. 23  
Oklahoma County, Oklahoma

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Eastern Oklahoma County Technology Center School District No. 23, Oklahoma County, Oklahoma as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District'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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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 evaluation 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.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of Eastern Oklahoma County Technology Center School District No. 23, at June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity 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 management's discussion and analysis, pension plan funding progress, and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statement, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

## **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements. The fund financial statements-statutory basis and schedules listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Also, the accompanying schedule of expenditures of federal awards is presented for additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements.

The fund financial statements-statutory basis and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement 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 fund financial statements-statutory basis and schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Putnam & Company*  
Putnam & Company, PLLC

Edmond, Oklahoma  
January 30, 2014



**EASTERN OKLAHOMA COUNTY TECHNOLOGY CENTER SCHOOL  
DISTRICT NO. 23  
OKLAHOMA COUNTY  
CHOCTAW, OKLAHOMA**

Management's Discussion and Analysis  
Fiscal Year ending June 30, 2013

Eastern Oklahoma County Technology Center provides this discussion and analysis of the District's financial activities for the fiscal year ending June 30, 2013. The intent of this narrative overview is to look at the District's financial performance as a whole, and readers are encouraged to consider the notes to the basic financial statements and the financial statements to enhance their understanding of Eastern Oklahoma County Technology Center's financial performance.

**FUND FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements. The government-wide statements include the Statement of Net Assets and Statement of Activities, which provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a long-term view of those finances. The District uses three funds to account for its financial transactions. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to insure and demonstrate compliance with financial-related legal requirements. The fund financial statements focus on the individual parts of the District's operations in more detail than government-wide financial statements. Because the focus of District funds is narrower than that of the governmental-wide financial statements, it is useful to compare the information presented for District funds with similar information presented for District activities in the government-wide financial statements. Both the District's fund balance statement and the District's fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between funds and activities of each.

Funds are classified into two categories: governmental and fiduciary, with each category divided into separate "fund types". Governmental funds include the General Fund and the Building Fund. Fiduciary funds are used to account for assets held on behalf of outside parties, or on behalf of other funds within the District and include, but are not limited to, the school activity fund.

**GENERAL FUND HIGHLIGHTS**

The General Fund represents the District's major or significant fund. At the close of fiscal year 2013, the District is able to report positive cash balance in all funds, with the General Fund balance being \$2,174,480. Because of some continual decline in the economic indicators in the State and nation, the District is making appropriate adjustments to reflect this decline and expects to maintain an adequate and appropriate fund balance at the end of the 2014 fiscal year.

**EASTERN OKLAHOMA COUNTY TECHNOLOGY CENTER SCHOOL  
DISTRICT NO. 23  
OKLAHOMA COUNTY  
CHOCTAW, OKLAHOMA**

Management's Discussion and Analysis  
Fiscal Year ending June 30, 2013

**FUND BALANCES**

As of the close of fiscal year 2013, the District funds reported a government-wide ending cash fund balance of \$4,645,077, a decrease of \$187,432 in comparison with the prior year.

<u>Fund type</u>	<u>2012 Fund Balance</u>	<u>2013 Fund Balance</u>	<u>Change</u>	<u>Percent</u>
General	\$ 2,013,843	2,174,480	160,637	7.98%
Building	<u>2,818,666</u>	<u>2,470,597</u>	<u>(348,069)</u>	<u>(12.35%)</u>
Total	<u>\$4,832,509</u>	<u>4,645,077</u>	<u>(187,432)</u>	<u>( 3.88%)</u>

**FISCAL YEAR 2013**

Revenue collection amounts for the fiscal year ending 2013 exceeded the original (estimated) General Fund budget in the amount of \$715,703.

**CAPITAL AND FIXED ASSETS**

The District is in its tenth year of tracking all assets of significant value. Building structures and improvements are added to the inventory as projects are completed and space is occupied. For the year ending June 30, 2013, capital assets are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets	\$12,116,772.	331,166		12,447,938.
Accumulated Depreciation	<u>(10,506,775.)</u>	<u>(274,460)</u>	<u>                    </u>	<u>(10,781,235.)</u>
Net Capital Assets	<u>\$ 1,609,997.</u>	<u>56,706</u>	<u>                    </u>	<u>1,666,703.</u>

During the past year, expenditures of \$331,166 were incurred for the purchase of capital assets.



**EASTERN OKLAHOMA COUNTY TECHNOLOGY CENTER SCHOOL  
DISTRICT NO. 23**

**OKLAHOMA COUNTY  
CHOCTAW, OKLAHOMA**

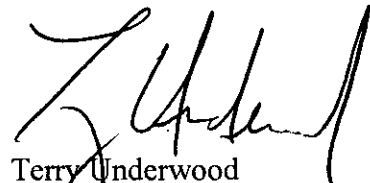
Management's Discussion and Analysis  
Fiscal Year ending June 30, 2013

**FUTURE ECONOMIC FACTORS**

Eastern Oklahoma County Technology Center remains in a very good financial condition. However, future finances are not without challenges, and they will be impacted significantly by both State and local economic conditions. On a positive side, the District's local ad valorem assessed valuation should increase along with future residential and commercial growth.

**CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide patrons, taxpayers, and creditors with a general overview of Eastern Oklahoma County Technology Center's finances and to show the District's accountability for the money it receives. If you have further questions or comments about this report or need additional financial information, please contact the Business Office at Eastern Oklahoma County Technology Center School District No 8, located at 4601 Choctaw Road, Choctaw, Oklahoma, 73020.



Terry Underwood  
Superintendent

**PUTNAM & COMPANY, PLLC**

CERTIFIED PUBLIC ACCOUNTANTS  
169 S.E. 32ND  
EDMOND, OKLAHOMA 73103  
(405) 348-3800  
Fax (405) 348-7965

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

The Honorable Board of Education  
Eastern Oklahoma County Technology Center School District No. 23  
Oklahoma County, Oklahoma

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General for the United States the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Eastern Oklahoma County Technology Center School District No. 23, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 30, 2014.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control over financial reporting 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 District'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 disclosed no 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 *Governmental Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Putnam & Company, PLLC

Edmond, Oklahoma  
January 30, 2014

**PUTNAM & COMPANY, PLLC**

Certified Public Accountants  
169 S.E. 32<sup>nd</sup> St.  
Edmond, OK 73013  
Telephone (405) 348-3800  
Fax (405)348-7965

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE REQUIRED BY  
OMB CIRCULAR A-133**

The Honorable Board of Education  
Eastern Oklahoma County Technology Center, School District No. 23  
Oklahoma County, Oklahoma

**Report on Compliance for Each Major Federal Program**

We have audited the Eastern Oklahoma County Technology Center School District No. 23, Oklahoma County, Oklahoma's, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Eastern Oklahoma County Technology Center School District No. 23's major federal programs for the year ended June 30, 2013. Eastern Oklahoma County Technology Center School District No. 23's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Eastern Oklahoma County Technology Center School District No. 23'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 OMB Circular A-133 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 Eastern Oklahoma County Technology Center School District No. 23'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 Eastern Oklahoma County Technology Center School District No. 23's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, Eastern Oklahoma County Technology Center School District No. 23 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, 2013.

### **Report on Internal Control Over Compliance**

Management of Eastern Oklahoma County Technology Center School District No. 23 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 Eastern Oklahoma County Technology Center School District No. 23'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 program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Eastern Oklahoma County Technology Center School District No. 23'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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Putnam & Company*  
Putnam & Company, PLLC

January 30, 2014  
Edmond, Oklahoma

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**EASTERN OKLAHOMA COUNTY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 23**  
**Oklahoma County, Oklahoma**  
**Statement of Net Assets**  
**June 30, 2013**

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
<b>Current Assets -</b>			
Cash and Cash Equivalents	\$5,212,408		5,212,408
Property Taxes Receivable	96,438		96,438
Receivables from Other Governments	70,309		70,309
Consumable Inventories	<u>76,368</u>		<u>76,368</u>
Total Current Assets	<u>5,455,523</u>	<u>0</u>	<u>5,455,523</u>
<b>Non-Current Assets -</b>			
Capital Assets			
Land	341,000		341,000
Equipment	1,899,849		1,899,849
Vehicle	735,619		735,619
Building	9,471,470		9,471,470
Less Accumulated Depreciation	<u>(10,781,235)</u>		<u>(10,781,235)</u>
Total Non-Current Assets	<u>1,666,703</u>	<u>0</u>	<u>1,666,703</u>
Total Assets	<u>\$7,122,226</u>	<u>0</u>	<u>7,122,226</u>
<b>LIABILITIES</b>			
<b>Current Liabilities -</b>			
Accounts Payable	\$52,110		52,110
Other Payables	352,224		352,224
Bonds Payables	144,000		144,000
Interest Payable	1,400		1,400
Compensated Leave	<u>93,700</u>		<u>93,700</u>
Total Current Liabilities	<u>643,434</u>	<u>0</u>	<u>643,434</u>
<b>Non-Current Liabilities -</b>			
Bonds Payable	<u>456,000</u>		<u>456,000</u>
Total Liabilities	<u>\$1,099,434</u>	<u>0</u>	<u>1,099,434</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	\$1,666,703		1,666,703
Unrestricted	<u>4,803,172</u>		<u>4,803,172</u>
Total Net Assets	<u>\$6,469,875</u>	<u>0</u>	<u>6,469,875</u>

See Independent Auditors' Report

See Accompanying Notes to Financial Statements



**EASTERN OKLAHOMA COUNTY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 23**  
**Oklahoma County, Oklahoma**  
**Statement of Activities**  
**July 1, 2012 to June 30, 2013**

Function/Programs	Expenses	Program Revenues		Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Instruction	\$4,340,983	336,042	96,069	(3,908,872)
Support Services - Instructional	413,223			(413,223)
Support Services - Operational	2,780,958			(2,780,958)
Operation of Non-Instruction Services	399,109	76,494		(322,615)
Facilities Acquisition and Construction Services	538,855			(538,855)
Other Outlays	61,963			(61,963)
Other Uses	293,066			(293,066)
Repayments and Financial Aid			195	195
Debt Service	163,567			(163,567)
Compensated Absences	93,700			(93,700)
Compensated Absences - Prior Year	(83,714)			83,714
Depreciation	274,460			(274,460)
Total Governmental Activities	9,276,170	412,536	96,264	(8,767,370)
General Revenues:				
Taxes -				
Property Taxes, Levied for Building Purposes				1,650,195
Property Taxes, Levied for General Purposes				3,442,452
Property Taxes, Levied for Debt Service Purposes				164,800
Federal Aid				471,865
State Aid - Formula				1,665,242
Other Local Sources				482,470
Intermediate Sources				43,388
Other State Sources				431,982
Interest				4,513
Special Items -				
Increase in Capital Assets				331,166
Consumable Inventories				76,368
Consumable Inventories - Prior Year				(48,815)
Return of Assets				81
Estopped Warrants				2,576
Adjustments to Prior Year's Encumbrances				(8,917)
Total General Revenues and Special Items				8,709,366
Change in Net Assets				(58,004)
Net Assets, beginning				6,527,879
Net Assets, ending				\$6,469,875

See Independent Auditor's Report

See Accompanying Notes to Financial Statements

## **FUND FINANCIAL STATEMENTS**

**EASTERN OKLAHOMA COUNTY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 23  
OKLAHOMA COUNTY, OKLAHOMA**

**BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2013**

	General	Special Revenue Fund Building	Capital Projects	Sinking	Totals (Memorandum Only)
<b>ASSETS</b>					
Cash and Cash Equivalents	\$2,471,168	2,557,133	30,923	153,184	5,212,408
Property Tax Receivable	62,875	30,499		3,064	96,438
Receivable From Other Governments	70,309				70,309
Consumable Inventories	76,368				76,368
<b>Total Assets</b>	<b>2,680,720</b>	<b>2,587,632</b>	<b>30,923</b>	<b>156,248</b>	<b>5,455,523</b>
<b>LIABILITIES</b>					
Warrants Payable	266,688	85,536			352,224
Compensated Absences	93,700				93,700
Long-Term Debt					
Bonds Payable				144,000	144,000
Interest Payable				1,400	1,400
<b>Total Liabilities</b>	<b>360,388</b>	<b>85,536</b>	<b>0</b>	<b>145,400</b>	<b>591,324</b>
<b>NET ASSETS</b>					
Fund Balances:					
Reserved for encumbrances	20,418	769	30,923		52,110
Unreserved					
Undesignated	2,290,997	2,501,327			4,792,324
Designated for Capital Projects			0		0
Designated for Debt Service				10,848	10,848
<b>Total Fund Balance</b>	<b>2,311,415</b>	<b>2,502,096</b>	<b>30,923</b>	<b>10,848</b>	<b>4,855,282</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$2,671,803</b>	<b>2,587,632</b>	<b>30,923</b>	<b>156,248</b>	<b>5,446,606</b>

Amounts reported for governmental activities in the statement of assets, liabilities, and net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds. The cost of the assets is \$12,447,938, and the accumulated depreciation is \$(10,781,235).

1,666,703

Net Assets of Governmental Activities

\$6,469,875

See Independent Auditors' Report

See Accompanying Notes to Financial Statements

EASTERN OKLAHOMA TECHNOLOGY CENTER NO. 23  
OKLAHOMA COUNTY, OKLAHOMA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENT FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013

	Governmental Fund Types				Totals
	General	Special Revenue	Capital Projects	Sinking	(Memorandum Only)
REVENUES:					
Property Taxes	\$3,442,452	1,650,195		164,800	5,257,447
Tuition & Fees	336,042				336,042
Miscellaneous	558,964				558,964
Investment Income	1,998	2,414	23	78	4,513
Intermediate Sources	3,967	39,421			43,388
State Sources	2,172,108	21,185			2,193,293
Federal Sources	472,060				472,060
Total Revenues Collected	6,987,591	1,713,215	23	164,878	8,865,707
EXPENDITURES:					
Instruction	3,674,282	635,778	30,923		4,340,983
Support Services	2,248,638	945,543			3,194,181
Non-Instructional Services	399,109				399,109
Facilities Acquisition & Construction Services	83,472	455,383			538,855
Other Outlays	61,963				61,963
Other Uses	281,780	11,286			293,066
Repayments					0
DEBT SERVICE					
Principal Retirement				152,000	152,000
Interest Paid				11,567	11,567
Total Expenditures	6,749,244	2,047,990	30,923	163,567	8,991,724
Revenues Over (Under) Expenditures	238,347	(334,775)	(30,900)	1,311	(126,017)
OTHER FINANCING SOURCES (USES):					
Return of Assets	81				81
Stoppped Warrants	1,754	822			2,576
Deobligation of Prior Year Funds	(8,917)				(8,917)
Total Other Financing Sources (Uses):	(7,082)	822	0	0	(6,260)
Revenue and Other Sources Over (Under) Expenditures and Other Uses	231,265	(333,953)	(30,900)	1,311	(132,277)
Fund Balance Unreserved, Beginning of Year	2,066,733	2,839,674	30,900	9,445	4,946,752
Fund Balance Unreserved, End of Year	\$2,297,998	2,505,721	0	10,756	4,814,475

Net change in fund balances-governmental funds (\$132,277)

Governmental funds do not report change in noncurrent compensated absences as expenditures,  
while government activities report the change as an expense of the current period:

Change in Compensated absences	(9,986)
Change in Consumable inventories	27,553

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

Capital asset purchases capitalized	331,166
Depreciation	(274,460)

Changes in net assets of governmental activities (\$58,004)

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

**EASTERN OKLAHOMA COUNTY TECHNOLOGY CENTER NO. 23**  
**OKLAHOMA COUNTY, OKLAHOMA**  
**STATEMENT OF NET ASSETS**  
**TRUST AND AGENCY FUNDS**  
**JUNE 30, 2013**

	ACTIVITY FUND	TOTALS (Memorandum Only)
	<hr/>	<hr/>
<u>ASSETS</u>		
Cash and Cash Equivalents	<u>\$182,521</u>	<u>182,521</u>
 Total Assets	 <u><u>182,521</u></u>	 <u><u>182,521</u></u>
 <u>LIABILITIES AND FUND EQUITY</u>		
Liabilities:		
Warrants Payable	<u>136,996</u>	<u>136,996</u>
 Total Liabilities	 <u>136,996</u>	 <u>136,996</u>
 Fund Equity:		
Reserved for Student Activities	34,088	34,088
Reserved for Administrative Activities	<u>11,437</u>	<u>11,437</u>
 Total Fund Equity	 <u>45,525</u>	 <u>45,525</u>
 Total Liabilities and Fund Equity	 <u><u>\$182,521</u></u>	 <u><u>182,521</u></u>

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

## **NOTES TO THE FINANCIAL STATEMENTS**

**EASTERN OKLAHOMA COUNTY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 23**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**1. Summary of Significant Accounting Policies**

The government-wide financial statements of the Eastern Oklahoma County Technology Center School District No. 23 (the "District") have been prepared in accordance with generally accepted accounting principles. However, the other supplementary information has prepared in accordance with a statutory basis prescribed by the State Department of Education, which is a comprehensive basis of accounting other than generally accepted accounting principles. The more significant of the District's accounting policies are described below.

**A. Reporting Entity**

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

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

In evaluating how to define the district for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The basic --but not the only --criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the District and/or its citizens, or whether the activity is conducted within the geographic boundaries of the District and is generally available to its patrons. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, there are no potential component units included in the District's reporting entity.

**EASTERN OKLAHOMA COUNTY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 23**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**1. Summary of Significant Accounting policies - continued**

**B. Basic Financial Statements**

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

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

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types."

**Governmental Fund Types**

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds) and the servicing of general long-term debt (debt service funds).

General Fund - The general fund is used to account for all financial transactions except those required to be accounted for in another fund. Major revenue sources include state and local property taxes and state funding under the Foundation and Incentive Aid Program. Expenditures include all costs associated with the daily operations of the schools except construction and debt service on bonds and other long-term debt. The general fund includes federal and state restricted monies that must be expended for specific programs.



**EASTERN OKLAHOMA COUNTY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 23**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

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

B. Basic Financial Statements - continued

Special Revenue Funds - The special revenue funds include the District's Building Fund . The Building Fund consists of monies derived from property taxes levied for the purpose of erecting, remodeling or repairing buildings and for purchasing furniture and equipment.

Debt Service Fund - The debt service fund is normally the District's Sinking Fund and is used to account for the accumulation of financial resources for the payment of general long-term debt principal, interest and related costs. The primary revenue sources are local property taxes levied specifically for debt service and interest earnings from temporary investments.

Capital Projects Funds - The capital projects funds are normally the District's Bond Funds and are used to account for the proceeds of bond sales to be used exclusively for acquiring school sites, constructing and equipping new school facilities, renovating existing facilities and acquiring transportation equipment.

**Proprietary Fund Types**

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the District (internal service funds). The District did not maintain any proprietary funds during the year under review.

**Fiduciary Fund Types**

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District. When these assets are held under the terms of a formal trust agreement, either a nonexpendable trust fund or an expendable trust fund is used. The terms "nonexpendable" and "expendable" refer to whether or not the District is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the District holds on behalf of others as their agent and do not involve measurement of results of operations.

Trust and Agency Funds - The trust and agency funds group includes the School Activities Funds which are maintained at various sites throughout the District. The School Activities Funds are used to account for monies collected principally through fundraising efforts of the students and District-sponsored groups. The administration is responsible, under the authority of the Board, for collecting, disbursing and accounting for these activity funds.

**EASTERN OKLAHOMA COUNTY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 23**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

1. **Summary of Significant Accounting Policies (continued)**

B. **Basic Financial Statements (continued)**

**Account Groups**

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

**Memorandum Only - Total Column**

The total column on the general purpose financial statements is captioned "memorandum only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

C. **Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

In the other supplemental information section, all governmental and expendable trust funds are accounted for using the Statutory basis of accounting. Revenues are recognized when they are received rather than earned under this method of accounting. Also, under the Statutory basis of accounting, expenditures are generally recognized when encumbered or reserved rather than at the time the related fund liability is incurred.

D. **Budgets and Budgetary Accounting**

The District is required by state law to prepare an annual budget. A preliminary budget must be submitted to the Board of Education by December 31 for the fiscal year beginning the following July 1. If the preliminary budget requires an additional levy, the District must hold an election on the first Tuesday in February to approve the levy. If the preliminary budget does not require an additional levy, it becomes the legal budget. If an election is held and the taxes are approved, then the preliminary budget becomes the legal budget. If voters reject the additional taxes, the District must adopt a budget within the approved tax rate.

**EASTERN OKLAHOMA COUNTY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 23**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

1. **Summary of Significant Accounting Policies (continued)**

A budget is legally adopted by the Board of Education for the General Fund and Special Revenue Funds that includes revenues and expenditures. The budget is prepared on the same basis of accounting as the financial statements. All appropriations lapse at the end of each fiscal year.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders and other commitments of resources are recorded as expenditures of the applicable fund, is utilized in all governmental funds of the District.

E. **Assets, Liabilities and Fund Balance**

**Cash and Cash Equivalents** - For the purpose of the financial statements, the District considers all cash on hand, demand deposits and highly liquid investments with an original maturity of three months or less when purchased to be cash and cash equivalents.

**Investments** - Investments consist of direct obligations of the United States Government and Agencies with maturities greater than three months when purchased. All investments are recorded at cost, which approximates market value.

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

If the first payment is not made timely, the entire tax becomes due and payable on January 2. The second half of the taxes becomes delinquent on April 1 of the year following the year of assessment. If not paid by the following October 1, the property is offered for sale for the amount of taxes due. The owner has two years to redeem the property by paying the taxes and penalty owed. If at the end of two years the owner has not done so, the purchaser is issued a deed to the property.

**Inventories** - The District did not maintain complete records of its consumable inventories at year end. However, the value of those consumable inventories at June 30, 2013 is not considered to be material to the financial statements.

**EASTERN OKLAHOMA COUNTY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 23  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013**

1. **Summary of Significant Accounting Policies (continued)**

E. **Assets, Liabilities and Fund Balance (continued)**

Fixed Assets and Property, Plant and Equipment The capital assets for the year ended June 30, 2013 are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets	\$12,116,772	331,166		12,447,938
Less accumulated Depreciation	<u>(10,506,775)</u>	<u>(274,460)</u>	<u>          </u>	<u>(10,781,235)</u>
	<u>\$ 1,609,997</u>	<u>56,706</u>	<u>          </u>	<u>1,666,703</u>

Long-Term Debt - Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

Fund Balance - Fund Balance represents the funds not encumbered by purchase order, legal contracts or outstanding warrants.

F. **Revenue, Expenses and Expenditures**

State Revenues - Revenues from state sources for current operations are primarily governed by the state aid formula under the provisions of Article XVIII, Title 70, Oklahoma Statutes. The State Board of Education administers the allocation of state aid funds to school districts based on information accumulated from the districts.

After review and verification of reports and supporting documentation, the State Department of Education may adjust subsequent fiscal period allocations of money for prior years' errors disclosed by review. Normally, such adjustments are treated as reductions or additions of revenue of the year when the adjustment was made.

**EASTERN OKLAHOMA COUNTY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 23**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

1. **Summary of Significant Accounting Policies (continued)**

F. **Revenue, Expenses and Expenditures (continued)**

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

**Interfund Transactions** - Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund or expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers. There were no operating transfers or residual equity transfers during fiscal year 2013.

2. **Deposits and Investment Risks**

***Custodial Credit Risk*** - The District's policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than market value, at least at a level of 100 percent of the uninsured deposits and accrued interest thereon. The investment policy and state law also limits acceptable collateral to U.S. Treasury and agency securities and direct debt obligations of the state, municipalities, counties, and school districts in the state of Oklahoma, surety bonds, and letters of credit. As required by Federal 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the District must have a written collateral agreement approved by the board of directors or loan committee.

At June 30, 2013, the District was not exposed to custodial credit risk as defined above.

***Investment Credit Risk*** - The District's investment policy limits investments to those allowed in state law applicable to school districts as follows:

- a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.

**EASTERN OKLAHOMA COUNTY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 23**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**2. Deposits and Investment Risks (continued)**

***Investment Credit Risk (continued)*** - Investment credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District has no formal policy limiting investments based on credit rating, but discloses any such credit risk associated with their investments. Unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

***Investment Interest Rate Risk*** – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investment policy limits investments to those with a short-term maturities, as a means of managing exposure to fair value losses arising from increasing interest rates. The District discloses its exposure to interest rate risk by disclosing the maturity dates of its various investments.

***Concentration of Investment Credit Risk*** – Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the District (any over 5 percent are disclosed). Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this consideration. The District's investment policy requires diversification of investments.

At June 30, 2013, the District had no concentration of credit risk as defined above.

**3. General Long-Term Debt**

State statutes prohibit the District from becoming indebted in an amount exceeding the revenue to be received for any fiscal year without approval by the District's voters. Bond issues must be approved by the voters before they can be utilized by the District for various capital improvements. These bonds are required to be fully paid serially within 25 years from the date of issue.

General long-term debt of the District consists of bonds payable and related interest. The District had no other long-term debt for the year ended June 30, 2013 other than obligations which existed under lease purchase contracts. In accordance with Oklahoma law, lease purchase agreements must be affirmed in each subsequent fiscal year in order to remain in effect.

The following is a summary of the long-term debt transactions of the District for the year ended June 30, 2013:

	<u>Bonds Payable</u>	<u>Interest Requirements</u>	<u>Total</u>
Balance, July 1, 2012	\$760,000	\$ 30,200	\$790,200
Additions			
Retirements	<u>160,000</u>	<u>(12,200)</u>	<u>(172,200)</u>
Balance, June 30, 2013	<u>\$600,000</u>	<u>\$ 18,000</u>	<u>\$618,000</u>

**EASTERN OKLAHOMA COUNTY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 23**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**3. General Long-Term Debt**

A brief description of the outstanding general obligation bond issues at June 30, 2013, is set forth below:

	<u>Amount Outstanding</u>
General Obligation Building Bonds, Series 2012, original issue \$760,000, interest rate of 1.10% to 2.375%, due in annual installments of \$160,000, final payment of \$200,000 due May 1, 2016.	<u>\$600,000</u>
Total	<u>\$600,000</u>

The annual debt service requirements for retirement of bond principal and payment of interest are as follows:

Year ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	200,000	8,400	208,400
2015	200,000	6,200	206,200
2016	<u>200,000</u>	<u>3,400</u>	<u>203,400</u>
	<u>600,000</u>	<u>18,000</u>	<u>618,000</u>

Interest expense on general long-term debt incurred during the current year totaled \$11,567.

**4. Employee Retirement System**

Description of Plan

The District participates in the state-administered Oklahoma Teachers' Retirement System (the "System"), which is a cost-sharing, multiple-employer public employee retirement system (PERS), which is a defined benefit pension plan covering all employees of the public school system. The supervising authority for the management and operation of the System is a 13-member Board of Trustees, which acts as a fiduciary for investment of the funds and the application of plan interpretations. The System provides retirement and disability benefits, annual cost of living adjustments, death benefits and other benefits to plan members and beneficiaries. Oklahoma state Statutes establish benefit provisions and may be amended only through legislative action. The Oklahoma Teachers' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained in writing to the Oklahoma Teachers' Retirement System, P.O. Box 53624, Oklahoma City, Oklahoma 73152.

**EASTERN OKLAHOMA COUNTY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 23**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**4. Employee Retirement System (continued)**

Basis of Accounting

The System's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The financial statements have also been prepared in compliance with the requirements of the Government Accounting Standards Board Statement No. 34.

The financial statements are prepared on the accrual basis of accounting, under which expenses are recorded when the liability is incurred, revenues are recorded in the accounting period they are earned and become measurable, and investment purchases and sales are recorded as of their trade dates. Member and employer contributions are recognized when due, pursuant to formal commitments. Benefits and refunds are recognized when due and payable.

The pension benefit obligation is a standardized disclosure measure of the present value of pension benefits. This pension valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of employee services performed to date and is adjusted for the effect of projected salary increases. Actuarial valuations are not performed on individual school districts. The nonfunded pension benefit obligation of the System, as determined as part of the latest actuarial valuation indicates a significant unfunded pension benefit obligation.

Funding Policy

A participant with five years of creditable service may retire with a normal retirement allowance at the age of sixty-two (62) or with reduced benefits as early as age fifty-five (55). The normal retirement allowance paid monthly for life and then to beneficiaries, if certain options are exercised, equals two percent of the average of the highest three earning years of contributory service multiplied by the number of years of credited service. A participant leaving employment before attaining retirement age, but completing ten years of service, may elect to vest his/her accumulated contributions and defer receipt of a retirement annuity until a later date. When a participant dies in active service and has completed ten years of credited service, the beneficiary is entitled to a death benefit of \$18,000.00 and the participant's contributions plus interest. If the beneficiary is a surviving spouse, the surviving spouse may, in lieu of the death benefit elect to receive, subject to the surviving spousal options, the participant's retirement benefits accrued at the time of death. The contribution rates for the Districts, which are not actuarially determined, and its employees are established by statute and applied to the employee's earnings, plus employer-paid fringe benefits. Employers' contribution of applicable employee earnings was 9.5% for the year ended June 30, 2013.



**EASTERN OKLAHOMA COUNTY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 23**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**4. Employee Retirement System (continued)**

<u>Annual Pension Cost</u>	<u>Total Payroll</u>	<u>District's Contribution</u>
2012-13	\$3,754,648.36	\$ 356,692.24
2011-12	\$3,655,922.12	\$ 347,361.62
2010-11	\$3,418,155.72	\$ 332,656.34

**5. Risk Management and Litigation**

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Therefore, insurance coverage is obtained from various insurance carriers.

Management estimates that the amount of actual or potential claims against the District as of June 30, 2013, will not materially affect the financial condition of the District. Therefore, none of the Districts funds contain any provisions for these types of losses.

**6. Contingencies**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

**7. Surety Bonds**

The District treasurer is bonded by The Ohio Casualty Insurance Company, bond number is PEB-816059 for the penal sum is \$100,000.00. This bond also covers the superintendent and the business manager. The total of the bond is \$300,000.00. The district also has an additional surety bond for the treasurer, student financial aid director, the activity fund custodian, assistant treasurer, and the business manager. The total of the bond is \$10,000.00.

**8. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**EASTERN OKLAHOMA COUNTY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 23**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**9.     Subsequent Events**

Subsequent events have been evaluated through January 30, 2014, which is the date the financial statements were issued.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**EASTERN OKLAHOMA COUNTY TECHNOLOGY CENTER  
OKLAHOMA COUNTY, OKLAHOMA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
STATUTORY BASIS - BUDGET AND ACTUAL - GENERAL FUND AND BUDGETED SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:						
Local Sources	\$3,442,001	4,311,285	869,284	1,499,024	1,638,776	139,752
Intermediate Sources		3,967	3,967		39,421	39,421
State Sources	2,435,162	2,172,108	(263,054)		21,185	21,185
Federal Sources	333,679	439,185	105,506			0
Total Revenues	6,210,842	6,926,545	715,703	1,499,024	1,699,382	200,358
EXPENDITURES :						
Instruction	4,291,618	3,687,946	603,672	1,644,543	635,778	1,008,765
Support Services	3,054,097	2,249,261	804,836	1,188,862	945,774	243,088
Non-Instructional Services	437,914	399,109	38,805			0
Facilities Acquisition & Constr. Services	100,000	78,767	21,233	1,473,000	455,383	1,017,617
Other Outlays	54,451	61,963	(7,512)			0
Other Uses	286,605	281,780	4,825	11,285	11,285	0
Bank Charges			0		53	(53)
Total Expenditures	8,224,685	6,758,826	1,465,859	4,317,690	2,048,273	2,269,417
Revenues Over (Under) Expenditures	(2,013,843)	167,719	2,181,562	(2,818,666)	(348,891)	2,469,775
OTHER FINANCING SOURCES (USES):						
Estopped Warrants		1,754	1,754		822	822
Deobligation of Prior Year Funds		(8,917)	(8,917)			0
Return of Assets		81	81			0
Total Other Financing Sources (Uses)	0	(7,082)	(7,082)	0	822	822
Revenue and Other Sources Over (Under) Expenditures and Other Uses	(2,013,843)	160,637	2,174,480	(2,818,666)	(348,069)	2,470,597
Fund Balance, Beginning of Year	2,013,843	2,013,843	0	2,818,666	2,818,666	0
Fund Balance, End of Year	\$0	2,174,480	2,174,480	0	2,470,597	2,470,597

See Independent Auditors' Report

**EASTERN OKLAHOMA COUNTY AREA TECHNOLOGY CENTER NO. 23  
OKLAHOMA COUNTY, OKLAHOMA**

**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2013**

	Federal CFDA Number	Program or Award Amount	Cash/ Beginning Balance at July 1, 2012	Federal Receipts	Federal Expenditures	Other Expenditures	Cash/ Ending Balance at June 30, 2013
<u>Direct Programs:</u>							
U.S. Department of Education:							
Pell Grants	84.063	\$116,308.00		116,308.00	116,308.00		0.00
Pell Grants - Administrative Fee	84.063	195.00		195.00	195.00		0.00
Medicaid ADC	93.778	119,936.17		119,936.17	119,936.17		0.00
Total Direct		<u>236,439.17</u>	<u>0.00</u>	<u>236,439.17</u>	<u>236,439.17</u>	<u>0.00</u>	<u>0.00</u>
 Passed Through Department of <u>Vocational and Technical Education:</u>							
Carl D. Perkins							
Vocational & Applied Tech.	84.048	76,679.00		45,096.33	76,679.00		(31,582.67)
Vocational & Applied Tech. - Prior Year	84.048		(3,287.47)	3,287.47			0.00
Carl D. Perkins - Supplemental	84.048	125,000.00		101,388.45	121,184.74		(19,796.29)
Tech Prep - Prior Year	84.243		(15,145.85)	15,145.85			0.00
Tech Centers that Work	84.048	12,000.00		3,646.30	10,649.94		(7,003.64)
Tech Centers that Work - Prior Year	84.048		(12,000.00)	12,000.00			0.00
Total Vo-Tech Dept		<u>213,679.00</u>	<u>(30,433.32)</u>	<u>180,564.40</u>	<u>208,513.68</u>	<u>0.00</u>	<u>(58,382.60)</u>
 Passed Through State <u>Department of Education:</u>							
U.S. Department of Agriculture							
Food Service Program	10.558			13,211.09	17,341.32		(4,130.23)
Food Service Program - Prior Year	10.558		(270.58)	270.58			0.00
Total State Dept of Education		<u>0.00</u>	<u>(270.58)</u>	<u>13,481.67</u>	<u>17,341.32</u>	<u>0.00</u>	<u>(4,130.23)</u>
 Passed Through State <u>Department of Human Services:</u>							
Child Day Care Services	93.667			9,218.13	9,736.11		(517.98)
Child Day Care Services - Prior Year	93.667		(557.88)	557.88			0.00
Geriatric Day Care Services	93.667			81,779.67	89,057.87		(7,278.20)
Geriatric Day Care Services - Prior Year	93.667		(4,432.50)	4,432.50			0.00
Total DHS		<u>0.00</u>	<u>(4,990.38)</u>	<u>95,988.18</u>	<u>98,793.98</u>	<u>0.00</u>	<u>(7,796.18)</u>
 Passed Through State <u>Department of Rehabilitation Services:</u>							
Career Transition Program - Students	84.126	6,960.00		6,960.00	6,960.00		0.00
Career Transition Program - Students - Prior Year	84.126		(1,740.00)	1,740.00			0.00
Total State Dept of Rehabilitation		<u>6,960.00</u>	<u>(1,740.00)</u>	<u>8,700.00</u>	<u>6,960.00</u>	<u>0.00</u>	<u>0.00</u>
 <b>Total Federal Assistance</b>							
		<u>\$457,078.17</u>	<u>(37,434.28)</u>	<u>535,173.42</u>	<u>568,048.15</u>	<u>0.00</u>	<u>(70,309.01)</u>

See Independent Auditors' Report

See Accompanying Notes to Financial Statements

## **OTHER SUPPLEMENTARY INFORMATION**

EASTERN OKLAHOMA COUNTY TECHNOLOGY CENTER NO. 23  
OKLAHOMA COUNTY, OKLAHOMA

COMBINING STATEMENT OF ASSETS AND LIABILITIES - STATUTORY BASIS  
(ALL GOVERNMENTAL FUND TYPES AND SIMILAR TRUST FUNDS)  
JUNE 30, 2013

	Governmental Fund Types				Fiduciary Fund Types	Account Groups	Totals
	General	Special Revenue	Capital Projects	Debt Service	Trust and Agency	General Long-Term Debt	(Memorandum Only)
<b>ASSETS</b>							
Cash and Cash Equivalents	\$2,471,168	2,557,133	30,923	153,184	182,521		5,394,929
Amount Available for Debt Service						7,784	7,784
Amount to be Provided for General Long-Term Debt						464,816	464,816
<b>Total Assets</b>	<b>\$2,471,168</b>	<b>2,557,133</b>	<b>30,923</b>	<b>153,184</b>	<b>182,521</b>	<b>472,600</b>	<b>5,867,529</b>
<b>LIABILITIES</b>							
Warrants Payable	\$266,688	85,536			136,996		489,220
Long-Term Debt							
Bonds Payable				144,000		456,000	600,000
Interest Payable				1,400		16,600	18,000
<b>Total Liabilities</b>	<b>266,688</b>	<b>85,536</b>	<b>0</b>	<b>145,400</b>	<b>136,996</b>	<b>472,600</b>	<b>1,107,220</b>
<b>FUND EQUITY</b>							
Fund Equity:							
Reserved for Encumbrances	30,000	1,000	30,923				61,923
Designated for Capital Projects			0				0
Designated for Debt Service				7,784			7,784
Designated for Student Activities					45,525		45,525
Fund Balance	2,174,480	2,470,597					4,645,077
<b>Total Fund Equity</b>	<b>2,204,480</b>	<b>2,471,597</b>	<b>30,923</b>	<b>7,784</b>	<b>45,525</b>	<b>0</b>	<b>4,760,309</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$2,471,168</b>	<b>2,557,133</b>	<b>30,923</b>	<b>153,184</b>	<b>182,521</b>	<b>472,600</b>	<b>5,867,529</b>

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

**EASTERN OKLAHOMA COUNTY TECHNOLOGY CENTER NO. 23  
OKLAHOMA COUNTY, OKLAHOMA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
STATUTORY BASIS - ALL GOVERNMENTAL FUND TYPES AND SIMILAR TRUST FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

	Governmental Fund Types				Fiduciary Fund Types Trust and Agency	Totals  (Memorandum Only)
	General	Special Revenue	Capital Projects	Debt Service		
REVENUES:						
Local Sources	\$4,311,285	1,638,776	23	163,631	1,056,633	7,170,348
Intermediate Sources	3,967	39,421				43,388
State Sources	2,172,108	21,185				2,193,293
Federal Sources	439,185					439,185
Total Revenues Collected	6,926,545	1,699,382	23	163,631	1,056,633	9,846,214
EXPENDITURES:						
Instruction	3,687,946	635,778	30,923			4,354,647
Support Services	2,249,261	945,774				3,195,035
Non-Instructional Services	399,109				1,046,434	1,445,543
Facilities Aquisition & Construction Services	78,767	455,383				534,150
Other Outlays	61,963					61,963
Other Uses	281,780	11,285				293,065
Bank Charges		53				53
DEBT SERVICE						
Principal Retirement				152,000		152,000
Interest Paid				11,567		11,567
Total Expenditures	6,758,826	2,048,273	30,923	163,567	1,046,434	10,048,023
Revenues Over (Under) Expenditures	167,719	(348,891)	(30,900)	64	10,199	(201,809)
OTHER FINANCING SOURCES (USES):						
Estopped Warrants	1,754	822				2,576
Deobligation of Prior Year Funds	(8,917)					(8,917)
Return of Assets	81					81
Total Other Financing Sources (Uses):	(7,082)	822	0	0	0	(6,260)
Revenue and Other Sources Over (Under) Expenditures and Other Uses	160,637	(348,069)	(30,900)	64	10,199	(208,069)
Fund Balance Unreserved, Beginning of Year	2,013,843	2,818,666	30,900	7,720	35,326	4,906,455
Fund Balance Unreserved, End of Year	\$2,174,480	2,470,597	0	7,784	45,525	4,698,386

See Independent Auditors' Report



**EASTERN OKLAHOMA COUNTY AREA TECHNOLOGY CENTER NO. 23**  
**OKLAHOMA COUNTY, OKLAHOMA**  
**SCHOOL ACTIVITY FUNDS--RECEIPTS, TRANSFERS,**  
**DISBURSEMENTS AND SUBACCOUNT BALANCES - STATUTORY BASIS**  
**JULY 1, 2012 TO JUNE 30, 2013**

	Balance 7/01/12	Receipts	Transfers	Disbursed	Balance 6/30/13
ACD Tuition	0.00	56,298.75	0.00	56,148.75	150.00
ACD Resale	0.00	20,255.00	0.00	20,255.00	0.00
HS Credit Recovery Program	5,250.00	18,070.00	0.00	17,920.00	5,400.00
EMT Tuition	0.00	20,850.20	0.00	20,850.20	0.00
EMT Resale	0.00	4,739.10	0.00	4,739.10	0.00
FT Related Tuition	0.00	45,478.56	0.00	45,478.56	0.00
FT Related Resale	0.00	16,851.59	0.00	16,851.59	0.00
CDC Services	0.00	144,948.78	0.00	144,948.78	0.00
CDC Lab	648.35	1,638.44	0.00	1,549.79	737.00
ADC Services	0.00	74,773.76	0.00	74,773.76	0.00
ADC - Activities	1,304.43	495.00	0.00	405.17	1,394.26
FTA Career Major Tuition	0.00	31,428.00	0.00	31,428.00	0.00
EMT Career Major Tuition	0.00	29,851.00	0.00	29,851.00	0.00
EMT Career Major Resale	0.00	9,529.00	0.00	9,529.00	0.00
FAC Career Major Tuition	0.00	204,762.00	0.00	204,762.00	0.00
FAC Resale	0.00	24,607.00	0.00	24,607.00	0.00
BIS Services	0.00	4,754.57	0.00	4,754.57	0.00
BIS Resale	0.00	1,164.20	0.00	1,164.20	0.00
SBM Services	0.00	2,484.00	0.00	2,484.00	0.00
SBM Resale	0.00	1,080.00	0.00	1,080.00	0.00
Bid Assist Services	0.00	0.00	0.00	0.00	0.00
Bid Assist Resale	0.00	794.20	0.00	794.20	0.00
Interest Income	0.00	560.26	0.00	560.26	0.00
Misc Income	0.00	48.00	0.00	48.00	0.00
Summer Tuition	0.00	0.00	0.00	0.00	0.00
Surplus Property Income	0.00	3,967.00	0.00	3,967.00	0.00
BIS Dev Center Income	0.00	4,160.00	0.00	4,160.00	0.00
BIS Dev Center Resale	0.00	416.70	0.00	416.70	0.00
Misc Reimbursement	0.00	11,847.08	0.00	11,847.08	0.00
Overpayment Reimbursements	0.00	0.00	0.00	0.00	0.00
DRS Reimb	0.00	8,700.00	0.00	8,700.00	0.00
Economic Dev Partership Reimb	0.00	102,555.02	0.00	102,555.02	0.00
Misc Resale	0.00	0.00	0.00	0.00	0.00
HVAC Resale	0.00	10,768.56	0.00	10,768.56	0.00
Automotive Technology Resale	0.00	7,649.59	0.00	7,649.59	0.00
Comp Repair/Network Resale	0.00	808.40	0.00	808.40	0.00
Admin Support Resale	0.00	3,442.25	0.00	3,442.25	0.00
Carpentry Resale	0.00	0.00	0.00	0.00	0.00
Electrical Trades Resale	0.00	0.00	0.00	0.00	0.00
Food Service Resale	0.00	123,421.98	0.00	123,421.98	0.00
Graphic Arts Resale	0.00	6,067.63	0.00	6,067.63	0.00
Health Careers Tech Resale	0.00	0.00	0.00	0.00	0.00

**EASTERN OKLAHOMA COUNTY AREA TECHNOLOGY CENTER NO. 23  
OKLAHOMA COUNTY, OKLAHOMA  
SCHOOL ACTIVITY FUNDS--RECEIPTS, TRANSFERS,  
DISBURSEMENTS AND SUBACCOUNT BALANCES - STATUTORY BASIS  
JULY 1, 2012 TO JUNE 30, 2013**

	Balance 7/01/12	Receipts	Transfers	Disbursed	Balance 6/30/13
Occupational Services Resale	0.00	0.00	0.00	0.00	0.00
Welding Resale	0.00	0.00	0.00	0.00	0.00
Digital Media Resale	0.00	0.00	0.00	0.00	0.00
Web Design Resale	0.00	0.00	0.00	0.00	0.00
Grants & Scholarships	0.00	12,017.00	0.00	12,017.00	0.00
Petty Cash	0.00	100.00	0.00	100.00	0.00
Vending Machine Account	4,915.76	12,933.83	0.00	6,412.60	11,436.99
Student Activities	0.00	5,939.21	0.00	5,939.21	0.00
HVAC SkillsUSA	1,539.29	2,989.89	-199.25	3,707.75	622.18
Auto Technology Skills USA	2,772.32	2,066.26	31.25	1,168.55	3,701.28
BPA Info Mgmt/Admin	1,345.10	2,359.00	0.00	2,451.04	1,253.06
BPA Comp Rep/Web Design	1,102.61	400.95	0.00	761.00	742.56
Carpentry Skills USA	277.44	873.00	445.98	1,199.00	397.42
Electrical Trades Skills USA	244.92	1,791.35	0.00	760.00	1,276.27
FCCLA	762.92	980.00	0.00	1,075.51	667.41
Graphic Arts Skills USA	2,159.08	4,529.33	0.00	1,769.11	4,919.30
HOSA	679.19	0.00	0.00	0.00	679.19
Masonry Skills USA	445.98	0.00	-445.98	0.00	0.00
NTHS	641.59	2,007.44	0.00	2,076.10	572.93
Svc Careers Skills USA	4,817.30	2,377.87	77.00	1,974.80	5,297.37
Welding Skills USA	4,236.70	629.80	0.00	1,711.45	3,155.05
Emerengcy Svcs. Skills USA (EMS)	728.35	0.00	0.00	150.00	578.35
BPA - Digital Media	763.43	5,323.05	91.00	3,697.83	2,479.65
BPA - Web Design	691.21	50.00	0.00	676.00	65.21
STEM Pre-Engineering	0.00	0.00	0.00	0.00	0.00
Totals	<u>35,325.97</u>	<u>1,056,633.60</u>	<u>0.00</u>	<u>1,046,434.09</u>	<u>45,525.48</u>

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**EASTERN OKLAHOM COUNTY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 23  
OKLAHOMA COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2013**

**Section I – Summary of Auditors’ Results**

***Financial Statements***

Type of auditors’ report issued: Unqualified

Internal control over financial reporting:

\* Material weakness(es) identified? \_\_\_\_\_ Yes   X   No

\* Significant Deficiency(ies) identified  
not considered to be material weakness(es)? \_\_\_\_\_ Yes   X   None Reported

Noncompliance material to financial statement noted? \_\_\_\_\_ Yes   X   No

***Federal Awards***

Internal control over major programs:

\* Material weakness(es) identified? \_\_\_\_\_ Yes   X   No

\* Significant Deficiency(ies) identified  
not considered to be material weakness(es)? \_\_\_\_\_ Yes   X   None Reported

Type of auditors’ report issued on compliance for  
Major programs: Unqualified

Any audit findings disclosed that are required to  
be reported in accordance with section 510 (a)  
of OMB Circular A-133? \_\_\_\_\_ Yes   X   No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
84.063	Pell Grants
84.048	Carl Perkins

Dollar threshold used to distinguish between type  
A and type B programs \$300,000

Auditee qualified as low-risk auditee?   X   Yes \_\_\_\_\_ No

**EASTERN OKLAHOMA COUNTY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 23  
OKLAHOMA COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2013**

**Section II – Findings Relating to the Financial Statements**

None

**Section III – Findings and Questioned Costs for Federal Awards**

N/A

**Section IV – Status of Prior Year Audit Findings**

None related to the financial statements or questioned costs for federal awards.

**Section V – Management's Corrective Action Plan**

N/A

**ACCOUNTANT'S PROFESSIONAL  
LIABILITY INSURANCE AFFIDAVIT**

**EASTERN OKLAHOMA COUNTY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 23  
OKLAHOMA COUNTY, OKLAHOMA  
ACCOUNTANT'S PROFESSIONAL  
LIABILITY INSURANCE AFFIDAVIT  
FOR THE YEAR ENDED JUNE 30, 2013**

State of Oklahoma                    )

County of Oklahoma                )

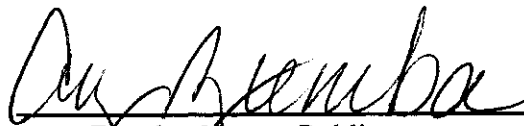
The undersigned auditing firm of lawful age, being first duly sworn on oath says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with Eastern Oklahoma County Technology Center School District No. 23 for the audit year 2012-2013.

PUTNAM & COMPANY, PLLC



Jerry W. Putnam

Subscribed and sworn to before me this  
30th day of January, 2014.



Amy Ziemba, Notary Public  
Commission # 03003504  
My commission expires  
June 4, 2015.

## **MANAGEMENT LETTER AND COMMENTS**



**PUTNAM & COMPANY, PLLC**

CERTIFIED PUBLIC ACCOUNTANTS  
169 S.E. 32ND  
EDMOND, OKLAHOMA 73103  
(405) 348-3800  
Fax (405) 348-7965

January 30, 2014

The Honorable Board of Education  
Eastern Oklahoma County Technology Center School District No. 23  
Oklahoma County, Oklahoma

We have audited the financial statements of Eastern Oklahoma County Technology Center School District No. 23, Oklahoma County, Oklahoma, as of and for the year ended June 30, 2013, as listed in the table of contents, and have issued our report thereon dated January 30, 2014. As a part of our audit, we made a study and evaluation of the District's system of internal accounting control to the extent we considered necessary solely to determine the nature, timing and extent of our auditing procedures. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole, and we do not express such an opinion.

However, during our audit we became aware of some matters that, while not involving material weaknesses in internal accounting control, are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated January 30, 2014 on the financial statements of Eastern Oklahoma County Technology Center School District No. 23.

We will review the status of these comments during our next audit engagement. We would be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters or to assist you in implementing the recommendations.

We also wish to express our appreciation of the courteous attention and cooperation which we received from staff members during our engagement.

Sincerely,



Jerry W. Putnam

PUTNAM & COMPANY, PLLC

**EASTERN OKLAHOMA COUNTY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 23  
OKLAHOMA COUNTY, OKLAHOMA  
MANAGEMENT LETTER COMMENTS  
FOR THE YEAR ENDED JUNE 30, 2013**

**PRIOR YEAR'S COMMENTS AND RECOMMENDATIONS**

It appears that the District has implemented the recommendations contained in the previous audit report. (Those not implemented are repeated below as applicable.)

**CURRENT YEAR'S COMMENTS AND RECOMMENDATIONS:**

**REVIEW OF PURCHASE ORDERS AND PAYMENTS**

The supporting documentation for the purchase orders and payments was generally excellent. However, we did note the following items during our review:

<b><u>Findings</u></b>	<b><u>No. of Instances</u></b>
Invoice Date Before P.O. Date	1
Did Not Sign for Goods/Services	1

**REVIEW OF ACTIVITY FUND TRANSACTIONS**

The supporting documentation for the Activity Fund purchase orders was generally excellent. However, we did note the following items during our review:

<b><u>Findings</u></b>	<b><u>No. of Instances</u></b>
Invoice Date Before P.O. Date	1
Did Not Sign for Goods/Services	1
Incomplete Documentation	1
P.O. Exceeded Approved Amount	1
P.O. Not Available for Review	1
Purchased Gift Cards	1

**DISTRICT'S RESPONSE TO AUDIT COMMENTS AND RECOMMENDATIONS**

The District is generally in agreement with the findings and recommendations above and will review current procedures in order to implement necessary changes.