

**ANNUAL FINANCIAL REPORT**  
**PIONEER TECHNOLOGY CENTER**  
**SCHOOL DISTRICT NO. 13**  
**KAY COUNTY, OKLAHOMA**  
**FOR THE YEAR ENDED JUNE 30, 2011**

**PIONEER TECHNOLOGY CENTER SCHOOL DISTRICT NO. 13  
KAY COUNTY, OKLAHOMA  
FOR THE YEAR ENDED JUNE 30, 2011**

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KAY COUNTY, OKLAHOMA  
FOR THE YEAR ENDED JUNE 30, 2011**

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# PUTNAM & COMPANY, PLLC

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education  
Pioneer Technology Center School District No. 13  
Kay County, Oklahoma

We have audited the accompanying government-wide financial statements of Pioneer Technology Center School District No. 13, Kay County, Oklahoma, as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion 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 *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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the government-wide financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, of Pioneer Technology Center School District No. 13, at June 30, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued reports dated February 9, 2012, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements of Pioneer Technology Center School District No. 13, taken as a whole. The combining financial statements and schedules and the other supplemental information listed in the table of contents are presented for purposes of 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 are not a required part of the basic financial statements. As described in Note 1, this supplementary information is presented in accordance with a prescribed statutory basis of accounting which is a comprehensive basis other than generally accepted accounting principles.

However, in our opinion, this other supplemental information referred to above presents fairly, in all material respects, the assets, liabilities, and fund balances of Pioneer Technology Center School District No. 13, as of June 30, 2011, and the revenues collected and expenditures paid and encumbered for the year then ended, in conformity with the statutory basis of accounting which is described in Note 1.

The Management's Discussion and Analysis information is not a required part of the basic financial statements but is supplementary information which is required by accounting principles generally accepted in the United States. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

*Putnam & Company*

Putnam & Company, PLLC

Edmond, Oklahoma  
February 9, 2012



## **PIONEER TECHNOLOGY CENTER**

*Enhancing Lives, Securing Futures*

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### **PIONEER TECHNOLOGY CENTER SCHOOL DISTRICT NO. 13**

**KAY COUNTY**

**PONCA CITY, OKLAHOMA**

Management's Discussion and Analysis

Fiscal Year ending June 30, 2011

Pioneer Technology Center provides this discussion and analysis of the District's financial activities for the fiscal year ending June 30, 2011. 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 Pioneer 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 and long-term view of District 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 2011, the District is able to report positive cash balance in all funds, with the General Fund balance being \$1,707,711. Because of stable to low-growth economic indicators in the State and nation, the District is making appropriate adjustments to reflect this low growth environment and expects to maintain an adequate and appropriate fund balance at the end of the 2012 fiscal year.



# PIONEER TECHNOLOGY CENTER

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## FUND BALANCES

As of the close of fiscal year 2011, the District funds reported a government-wide ending cash fund balance of \$4,592,193, an increase of \$97,822 in comparison with the prior year.

<u>Fund type</u>	<u>2010 Fund Balance</u>	<u>2011 Fund Balance</u>	<u>Change</u>	<u>Percent</u>
General	\$1,905,263	1,707,711	(197,552)	(10.37%)
Building	<u>2,591,109</u>	<u>2,884,482</u>	<u>293,374</u>	<u>11.32%</u>
Total	<u>\$4,496,372</u>	<u>4,592,193</u>	<u>95,822</u>	<u>0.02%</u>

## FISCAL YEAR 2011

Revenue collection amounts for the fiscal year ending 2011 were over the original (estimated) General Fund budget in the amount of \$58,722.

## CAPITAL AND FIXED ASSETS

The District is in its seventh 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, 2011, capital assets are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets	\$16,183,293	385,450		16,568,743
Accumulated Depreciation	<u>(11,826,263)</u>	<u>(484,792)</u>		<u>(12,311,055)</u>
Net Capital Assets	<u>\$ 4,357,030</u>	<u>( 99,342)</u>		<u>4,257,688</u>

During the past year, expenditures of \$385,450 were incurred for the purchase of capital assets.





## **PIONEER TECHNOLOGY CENTER**

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### **FUTURE ECONOMIC FACTORS**

Pioneer Technology Center School District 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 appears to be increasing 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 Pioneer Technology Center School District'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 Pioneer Technology Center School District No 13, located at 2101 North Ash Street. Ponca City, Oklahoma, 74601.



Steve Tiger, Ph.D.  
Superintendent/CEO



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## **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  
Pioneer Technology Center School District No. 13  
Kay County, Oklahoma

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Pioneer Technology Center School District No. 13, as of and for the year ended June 30, 2011, which collectively comprise the District's financial statements and have issued our report thereon dated February 9, 2012. 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.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. 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.

Our consideration of internal control over financial reporting was for the limited purpose prescribed in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## 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.

We noted certain matters that we reported to management of Pioneer Technology Center School District No. 13 in a separate letter dated February 9, 2012.

This report is intended solely for the information and use of management, the audit committee and others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, though restricted in use, this report is a matter of public record, and its distribution is not limited.

  
Putnam & Company, PLLC

Edmond, Oklahoma  
February 9, 2012

# PUTNAM & COMPANY, PLLC

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Honorable Board of Education  
Pioneer Technology Center School District No. 13  
Kay County, Oklahoma

### Compliance

We have audited the compliance of Pioneer Technology Center School District No. 13, Kay County, Oklahoma, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2011. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questions costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; 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, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards 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 the District'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. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, Pioneer Technology Center School District No. 13 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2011.

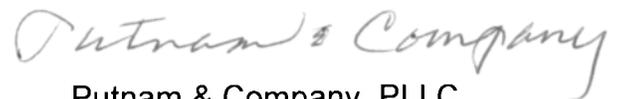
### Internal Control Over Compliance

The management of Pioneer Technology Center School District No. 13 is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in

order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operations that we consider to be material weaknesses.

This report is intended solely for the use of the audit committee, management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

  
Putnam & Company, PLLC

Edmond, Oklahoma  
February 9, 2012

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**PIONEER TECHNOLOGY CENTER SCHOOL DISTRICT NO. 13**  
**Kay County, Oklahoma**  
**Statement of Net Assets**  
**June 30, 2011**

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Current Assets -			
Cash and Cash Equivalents	\$5,210,060		5,210,060
Property Taxes Receivable	58,683		58,683
Receivables from Other Governments	116,381		116,381
Consumable Inventories	<u>12,220</u>		<u>12,220</u>
Total Current Assets	<u>5,397,344</u>	<u>0</u>	<u>5,397,344</u>
Non-Current Assets -			
Capital Assets			
Land	239,520		239,520
Buildings & Equipment	12,738,800		12,738,800
Equipment	3,590,422		3,590,422
Less Accumulated Depreciation	<u>(12,311,054)</u>		<u>(12,311,054)</u>
Total Non-Current Assets	<u>4,257,688</u>	<u>0</u>	<u>4,257,688</u>
Total Assets	<u>\$9,655,032</u>	<u>0</u>	<u>9,655,032</u>
<b>LIABILITIES</b>			
Current Liabilities -			
Accounts Payable	\$378,296		378,296
Other Payables	239,571		239,571
Compensated Leave	<u>128,351</u>		<u>128,351</u>
Total Current Liabilities	<u>746,218</u>	<u>0</u>	<u>746,218</u>
Total Liabilities	<u>\$746,218</u>	<u>0</u>	<u>746,218</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	\$4,257,688		4,257,688
Unrestricted	<u>4,651,126</u>		<u>4,651,126</u>
Total Net Assets	<u>\$8,908,814</u>	<u>0</u>	<u>8,908,814</u>

See Independent Auditors' Report

PIONEER TECHNOLOGY CENTER SCHOOL DISTRICT NO. 13

Kay County, Oklahoma

Statement of Activities

July 1, 2010 to June 30, 2011

Function/Programs	Activities	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental Activities:			
Instruction	\$3,600,844	455,520	269,030
Support Services - Instructional	932,851		
Support Services - Operational	3,768,263		
Operation of Non-Instruction Services	458,683	395,446	
Facilities Acquisition and Construction Services	318,957		
Other Outlays	1,418		
Other Uses	444,585		
School Activity Fund Expenses			
Repayments and Financial Aid			535
Compensated Absences	128,351		
Compensated Absences - Prior Year	(128,549)		
Depreciation	484,792		
Total Governmental Activities	10,010,195	850,966	269,565
General Revenues:			
Taxes -			
Property Taxes, Levied for Building Purposes			1,719,774
Property Taxes, Levied for General Purposes			3,474,613
Federal Aid			781,139
State Aid - Formula			2,043,781
Other Local Sources			91,474
Other State Sources			142,581
Interest			30,789
Other Receivables			
School Activity Fund Revenue			
Special Items -			
Increase in Capital Assets			385,450
Consumable Inventories			-121,842
Consumable Inventories-Prior year			
Return of Assets			1,719
Adjustments to Prior Year's Encumbrances			148,619
Total General Revenues and Special Items			8,698,097
Change in Net Assets			-191,567
Net Assets, beginning			9,100,381
Net Assets, ending			8,908,814

See Independent Auditor's Report

## **FUND FINANCIAL STATEMENTS**

PIONEER TECHNOLOGY CENTER SCHOOL DISTRICT NO. 13  
KAY COUNTY, OKLAHOMA

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2011

	General	Building	Totals (Memorandum Only)
<b>ASSETS</b>			
Cash and Cash Equivalents	\$2,148,531	3,061,529	5,210,060
Property Tax Receivable	39,381	19,302	58,683
Receivable from Other Governments	116,381		116,381
Consumable Inventory	12,220		12,220
			0
<b>Total Assets</b>	<b>2,316,513</b>	<b>3,080,831</b>	<b>5,397,344</b>
<b>LIABILITIES</b>			
Warrants Payable	\$217,946	21,625	239,571
Compensated Absences	128,351		128,351
Reserved for encumbrances	222,874	155,422	378,296
<b>Total Liabilities</b>	<b>569,171</b>	<b>177,047</b>	<b>746,218</b>
<b>NET ASSETS</b>			
Fund Balances:			
Unreserved			
Undesignated	1,747,342	2,903,784	4,651,126
Reserve for Consumable Inventory			0
<b>Total Fund Balance</b>	<b>1,747,342</b>	<b>2,903,784</b>	<b>4,651,126</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$2,316,513</b>	<b>3,080,831</b>	<b>5,397,344</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 \$16,329,223, and the accumulated depreciation is \$(12,311,054). 4,257,688

Net Assets of Governmental Activities \$8,908,814

See Independent Auditors' Report

PIONEER TECHNOLOGY CENTER SCHOOL DISTRICT NO. 13  
KAY COUNTY, OKLAHOMA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENT FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

	Governmental Fund Types		Totals
	General	Special Revenue	(Memorandum Only)
<b>REVENUES:</b>			
Property Taxes	\$3,474,613	1,719,774	5,194,387
Tuition & Fees	455,520		455,520
Miscellaneous	495,044		495,044
Investment Income	9,847	20,942	30,789
State Sources	2,448,029	167	2,448,196
Federal Sources	781,139		781,139
Total Revenues Collected	7,664,192	1,740,883	9,405,075
 <b>EXPENDITURES:</b>			
Instruction	3,226,769	374,075	3,600,844
Support Services	3,820,844	880,270	4,701,114
Non-Instructional Services	458,683	0	458,683
Facilities Aquisition & Construction Services	12,291	306,666	318,957
Other Outlays	1,418		1,418
Other Uses	444,585		444,585
Repayments			0
Total Expenditures	7,964,590	1,561,011	9,525,601
Revenues Over (Under) Expenditures	-300,398	179,872	-120,526
 <b>OTHER FINANCING SOURCES (USES):</b>			
Return of Assets	1,359		1,359
Estopped Warrants	360		360
Deobligation of Prior Year Funds	90,828	57,794	148,622
Total Other Financing Sources (Uses):	92,547	57,794	150,341
Revenue and Other Sources Over (Under) Expenditures and Other Uses	-207,851	237,666	29,815
Fund Balance Unreserved, Beginning of Year	1,905,263	2,591,109	4,496,372
Fund Balance Unreserved, End of Year	1,737,043	2,848,077	4,526,187

Net change in fund balances-governmental funds \$29,815

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	(198)
Change in Consumable inventories	(121,842)

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	385,450
Depreciation	(484,792)

Changes in net assets of governmental activities -\$191,567

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

**PIONEER TECHNOLOGY CENTER SCHOOL DISTRICT NO. 13**  
**KAY COUNTY, OKLAHOMA**  
**STATEMENT OF NET ASSETS**  
**TRUST AND AGENCY FUNDS**  
**JUNE 30, 2011**

	<u>ACTIVITY FUND</u>	<u>TOTALS (Memorandum Only)</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	<u>\$13,018</u>	<u>13,018</u>
 Total Assets	 <u><u>\$13,018</u></u>	 <u><u>13,018</u></u>
<u>LIABILITIES AND FUND EQUITY</u>		
Liabilities:		
Reserved for Encumbrances	<u>\$0</u>	<u>0</u>
 Total Liabilities	 <u>0</u>	 <u>0</u>
Fund Equity:		
Reserved for Student Activities	12,305	12,305
Reserved for Administrative Activities	<u>713</u>	<u>713</u>
 Total Fund Equity	 <u>13,018</u>	 <u>13,018</u>
 Total Liabilities and Fund Equity	 <u><u>\$13,018</u></u>	 <u><u>13,018</u></u>

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

## **NOTES TO THE FINANCIAL STATEMENTS**

**PIONEER TECHNOLOGY CENTER SCHOOL DISTRICT NO. 13  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**1. Summary of Significant Accounting Policies**

The government-wide financial statements of the Pioneer Technology Center School District No. 13 (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.

**PIONEER TECHNOLOGY CENTER SCHOOL DISTRICT NO. 13**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

**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.

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.

**PIONEER TECHNOLOGY CENTER SCHOOL DISTRICT NO. 13  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

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

B. Basic Financial Statements - continued

**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.

**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.

**PIONEER TECHNOLOGY CENTER SCHOOL DISTRICT NO. 13**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

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

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

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.

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 2011.

**PIONEER TECHNOLOGY CENTER SCHOOL DISTRICT NO. 13**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

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

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.

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.

**PIONEER TECHNOLOGY CENTER SCHOOL DISTRICT NO. 13  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

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

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

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, 2011 is not considered to be material to the financial statements.

Fixed Assets and Property, Plant and Equipment The capital assets for the year ended June 30, 2011 are as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital Assets	\$ 16,183,293	385,450		16,568,743
Less accumulated Depreciation	<u>( 11,826,263)</u>	<u>( -484,792)</u>	<u>                    </u>	<u>(12,311,055)</u>
	<u>\$ 4,357,030</u>	<u>( 99,342)</u>	<u>                    </u>	<u>4,257,688</u>

**PIONEER TECHNOLOGY CENTER SCHOOL DISTRICT NO. 13**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

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

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

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.

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 2011.

**PIONEER TECHNOLOGY CENTER SCHOOL DISTRICT NO. 13**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

**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, 2011, 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.

***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, 2011, the District had no concentration of credit risk as defined above.

**PIONEER TECHNOLOGY CENTER SCHOOL DISTRICT NO. 13**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

**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 have been approved by the voters and issued 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, 2011 other than obligations which existed under lease purchase contracts. In accordance with Oklahoma law, lease purchase agreements and other contracts must be affirmed in each subsequent fiscal year in order to remain in effect.

**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.

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.

**PIONEER TECHNOLOGY CENTER SCHOOL DISTRICT NO. 13**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

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

Basis of Accounting

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% . The rate increased to 9.5% in January 1, 2010.

**PIONEER TECHNOLOGY CENTER SCHOOL DISTRICT NO. 13**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

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

Annual Pension Cost

The District's contribution to the System for the year ending June 30, 2011, was \$450,605. The District's total payroll for fiscal year 2010-11 was \$4,700,614.

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, 2011, 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 3548426 for the penal sum is \$100,000.00. This bond also covers the superintendent, assistant superintendent, the financial aid director, the encumbrance clerk and minutes clerk, and also certain other individuals listed. The total of the bond is \$422,000.00.

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.

9. **Subsequent Events**

Subsequent events have been evaluated through February 9, 2012, which is the date the financial statements were issued.

**SUPPORTING SCHEDULES AND REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

PIONEER AREA VOCATIONAL-TECHNICAL SCHOOL DISTRICT NO. 13  
 KAY COUNTY, OKLAHOMA  
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
 FOR THE YEAR ENDED JUNE 30, 2011

	Federal CFDA Number	Program or Award Amount	Cash/ Beginning Balance at July 1, 2010	Receipts	Expenditures	Cash/ Ending Balance at June 30, 2011
<b>Direct Programs:</b>						
U.S. Department of Education:						
PELL Grant Program - Current Year	84.048	\$438,088		414,107	423,988	(9,881)
PELL Grant Program - Prior Year	84.048		(2,810)	2,810		0
PELL Grant Program - Adm Fee - Current Year	84.048	535		535	535	0
Total Direct Programs		438,623	(2,810)	417,452	424,523	(9,881)
<b>Passed Through State Department of Vocational-Technical Education:</b>						
Carl Perkins---						
Secondary - Current Year	84.048	52,425		30,559	50,855	(20,296)
Secondary - Prior Year	84.048		(34,284)	14,637		(19,647)
Carl Perkins Supplement Grant-(Prior)	84.048		(10,704)	10,704		0
Tech Prep Grant - Current Year	84.048	50,000		34,628	43,593	(8,965)
Tech Prep Grant - Prior Year	84.048		(20,415)	20,415		0
Tech Centers That Work	84.048	12,000		9,094	11,259	(2,165)
Tech Centers That Work-Prior	84.048		(3,799)	3,799		
TANF	93.558	128,596		70,901	108,917	(38,016)
TANF-Prior Year	93.558		(17,256)	17,256		0
Alliance Fee Waiver-ARRA	84.397	3,173		1,292	1,292	0
Total State Vocational-Technical Department		246,194	(86,458)	213,285	215,916	(89,089)
<b>Passed through State Department of Education:</b>						
Adult Basic Education, Title XIII - Current Year	84.002	129,683		112,272	129,683	(17,411)
Adult Basic Education, Title XIII - Prior Year	84.002		(69,249)	69,249		0
Total State Department of Education		129,683	(69,249)	181,521	129,683	(17,411)
<b>U.S. Department of Agriculture - Passed Through the State Department of Education:</b>						
Child Nutrition (DC No. 36-022)	10.558	11,018		11,018	11,018	0
Total U.S. Dept. of Agriculture		11,018	0	11,018	11,018	0
Total Federal Assistance		\$825,518	(158,517)	823,276	781,140	(116,381)

See Independent Auditor's Report  
 The notes to the financial statements are an integral part of this statement.

PIONEER AREA VOCATIONAL-TECHNICAL DISTRICT NO. 13  
 KAY COUNTY, OKLAHOMA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - GENERAL FUND AND BUDGETED SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2011

	General Fund				Special Revenue Funds		
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>							
Local Sources	\$3,971,798	3,971,798	4,403,186	431,388	1,557,796	1,796,427	238,631
State Sources	2,544,653	2,750,424	2,448,029	(96,624)		167	167
Federal Sources	674,282	674,282	823,275	148,993			
<b>Total Revenues</b>	<b>7,190,733</b>	<b>7,396,504</b>	<b>7,674,490</b>	<b>483,757</b>	<b>1,557,796</b>	<b>1,796,594</b>	<b>238,798</b>
<b>EXPENDITURES :</b>							
Instruction	3,348,879	3,547,065	3,226,769	122,110	608,424	374,076	234,348
Support Services	4,147,122	4,147,122	3,820,843	326,279	1,294,043	880,270	413,773
Non-Instructional Services	539,028	539,028	458,683	80,345			
Capital Outlays	32,415	40,000	12,291	20,124	2,339,699	306,666	2,033,033
Other Outlays	3,500	3,500	1,418	2,082			
Other Uses	1,099,000	1,099,000	444,585	654,415			
<b>Total Expenditures</b>	<b>9,169,944</b>	<b>9,375,715</b>	<b>7,964,589</b>	<b>1,205,355</b>	<b>4,242,166</b>	<b>1,561,012</b>	<b>2,681,154</b>
Revenues Over (Under) Expenditures	(1,979,211)	(1,979,211)	(290,099)	1,689,112	(2,684,370)	235,582	2,919,952
<b>OTHER FINANCING SOURCES (USES):</b>							
Warrants Estopped			360	360			
Return of Assets	73,948	73,948	1,359	(72,589)			0
Deobligation of Prior Year Funds			90,828	90,828	93,261	57,791	(35,470)
<b>Total Other Financing Sources (Uses)</b>	<b>73,948</b>	<b>73,948</b>	<b>92,547</b>	<b>18,599</b>	<b>93,261</b>	<b>57,791</b>	<b>(35,470)</b>
Revenue and Other Sources Over (Under) Expenditures and Other Use	(1,905,263)	(1,905,263)	(197,552)	1,707,711	(2,591,109)	293,373	2,884,482
Fund Balance, Beginning of Year	1,905,263	1,905,263	1,905,253	0	2,591,109	2,591,109	0
<b>Fund Balance, End of Year</b>	<b>\$0</b>	<b>0</b>	<b>1,707,701</b>	<b>1,707,711</b>	<b>0</b>	<b>2,884,482</b>	<b>2,884,482</b>

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

## **OTHER SUPPLEMENTARY INFORMATION**

**PIONEER AREA VOCATIONAL-TECHNICAL SCHOOL DISTRICT NO. 13**  
**KAY COUNTY, OKLAHOMA**  
**COMBINED STATEMENT OF ASSETS AND LIABILITIES**  
**(ALL FUND TYPES AND ACCOUNT GROUPS)**  
**JUNE 30, 2011**

	<u>Governmental Fund Types</u>		<u>Totals</u>
	<u>General</u>	<u>Building</u>	<u>(Memorandum Only)</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$2,148,531	3,061,529	5,210,060
Amount Available for Debt Service			
Amount to be Provided for General Long-Term Debt			
<b>Total Assets</b>	<b><u>\$2,148,531</u></b>	<b><u>3,061,529</u></b>	<b><u>5,210,060</u></b>
<b>LIABILITIES</b>			
Warrants Payable	\$217,946	21,625	239,571
Reserved for Encumbrances	222,874	155,422	378,296
Interest Payable			
Long-Term Debt--Bonds Payable			
<b>Total Liabilities</b>	<b><u>440,820</u></b>	<b><u>177,047</u></b>	<b><u>617,867</u></b>
<b>FUND EQUITY</b>			
Fund Balances:			
Unreserved			
Undesignated	1,707,711	2,884,482	4,592,193
Designated for Student Activities			0
Designated for Debt Service			0
<b>Total Fund Balance</b>	<b><u>1,707,711</u></b>	<b><u>2,884,482</u></b>	<b><u>4,592,193</u></b>
<b>Total Liabilities and Fund Equity</b>	<b><u>\$2,148,531</u></b>	<b><u>3,061,529</u></b>	<b><u>5,210,060</u></b>

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

**PIONEER AREA VOCATIONAL-TECHNICAL SCHOOL DISTRICT NO. 13**  
**KAY COUNTY, OKLAHOMA**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
**ALL GOVERNMENTAL FUND TYPES AND SIMILAR TRUST FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	Governmental Fund Types		Totals
	General	Building	(Memorandum Only)
<b>REVENUES:</b>			
Local Sources	\$4,403,186	1,796,427	6,199,613
State Sources	2,448,029	167	2,448,196
Federal Sources	823,275		823,275
<b>Total Revenues</b>	<b>7,674,490</b>	<b>1,796,594</b>	<b>9,471,084</b>
<b>EXPENDITURES:</b>			
Instruction	3,226,769	374,076	3,600,845
Support Services	3,820,843	880,270	4,701,113
Non-Instructional Services	458,683		458,683
Facilities Aquisition & Construction Services	12,291	306,666	318,957
Other Outlays	1,418		1,418
Other Uses	444,585		444,585
<b>DEBT SERVICE:</b>			
Principal Retirement			
Interest Paid			
<b>Total Expenditures</b>	<b>7,964,589</b>	<b>1,561,012</b>	<b>9,525,601</b>
Revenues Over (Under) Expenditures	(290,099)	235,582	(54,517)
<b>OTHER FINANCING SOURCES (USES):</b>			
Warrants Estopped	360		360
Return of Assets	1,359		1,359
Deobligation of Prior Year Funds	90,828	57,791	148,619
<b>Total Other Financing Sources (Uses):</b>	<b>92,547</b>	<b>57,791</b>	<b>150,338</b>
Revenue and Other Sources Over (Under) Expenditures and Other Uses	(197,552)	293,373	95,821
Fund Balance Unreserved, Beginning of Year	1,905,263	2,591,109	4,496,372
<b>Fund Balance Unreserved, End of Year</b>	<b>\$1,707,711</b>	<b>2,884,482</b>	<b>4,592,193</b>

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

**PIONEER AREA VOCATIONAL-TECHNICAL DISTRICT NO. 13  
KAY COUNTY, OKLAHOMA**

**SCHOOL ACTIVITY FUNDS - RECEIPTS, TRANSFERS  
DISBURSEMENTS AND SUBACCOUNT BALANCES - STATUTORY BASIS  
JULY 1, 2010 TO JUNE 30, 2011**

	<u>Balance</u> <u>7/01/10</u>	<u>Total</u> <u>Deposits</u>	<u>Transfers</u>	<u>Total</u> <u>Disbursements</u>	<u>Balance</u> <u>6/30/11</u>
Interest	\$992.41	38.12		318.00	712.53
Petty Cash	0.00	200.00		200.00	0.00
Student Council	4,840.76	13,913.81		15,037.67	3,716.90
Vending Machines	5,022.55	7,426.81		3,936.27	8,513.09
Bookstore Revenue	0.00	187,367.15		187,367.15	0.00
Equipment Sales (Surplus)	0.00	11,626.00		11,626.00	0.00
Facilities Rental	0.00	1,025.00		1,025.00	0.00
GED Testing Fees	0.00	6,229.00		6,229.00	0.00
Incubator Rents	0.00	9,545.29		9,545.29	0.00
Incubator Utilities	0.00	2,383.14		2,383.14	0.00
Misc Reimbursements	0.00	15,688.65		15,688.65	0.00
Resale (Cafeteria, Cosmo)	0.00	62,341.89		62,341.89	0.00
Shop Revenue(Child Care)	0.00	78,687.03		78,687.03	0.00
Tuition Day	0.00	212,594.87		212,594.87	0.00
Tuition AT&D	0.00	104,109.05		104,109.05	0.00
Tuition IT&D	0.00	7,808.15		7,808.15	0.00
Tuition Safety	0.00	194,655.58		194,655.58	0.00
Workforce Invest Act	0.00	61,098.79		61,098.79	0.00
Share Local	0.00	0.00		0.00	0.00
HOSA	0.00	0.00		0.00	0.00
BPA	0.00	0.00		0.00	0.00
FCCLA	0.00	0.00		0.00	0.00
Skills USA-VICA	0.00	0.00		0.00	0.00
ABE/GED Scholarships	125.00	50.00		100.00	75.00
<b>Total</b>	<b>\$10,980.72</b>	<b>976,788.33</b>	<b>0.00</b>	<b>974,751.53</b>	<b>13,017.52</b>

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

**ACCOUNTANT'S PROFESSIONAL  
LIABILITY INSURANCE AFFIDAVIT**

PIONEER TECHNOLOGY CENTER SCHOOL DISTRICT NO. 13  
KAY COUNTY, OKLAHOMA  
ACCOUNTANT'S PROFESSIONAL  
LIABILITY INSURANCE AFFIDAVIT  
FOR THE YEAR ENDED JUNE 30, 2011

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 Pioneer Technology Center School District No. 13 for the audit year 2010-2011.

PUTNAM & COMPANY, PLLC

Jerry W. Putnam

Subscribed and sworn to before me this  
9th day of February, 2012:



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

## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**PIONEER TECHNOLOGY CENTER SCHOOL DISTRICT NO. 13  
COMANCHE COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**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

**GREAT PLAINS TECHNOLOGY CENTER SCHOOL DISTRICT NO. 14  
COMANCHE COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**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

## **MANAGEMENT LETTER AND COMMENTS**

# PUTNAM & COMPANY, PLLC

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

February 9, 2012

The Honorable Board of Education  
Pioneer Technology Center School District No. 13  
Kay County, Oklahoma

We have audited the financial statements of Pioneer Technology Center School District No. 13, Kay County, Oklahoma, as of and for the year ended June 30, 2011, as listed in the table of contents, and have issued our report thereon dated February 9, 2012. 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.

During our audit, we did not encounter any matters involving material or immaterial weaknesses in internal accounting control and /or the documentation of expenditures. The memorandum that accompanies this letter summarizes our findings regarding those matters. This letter does not affect our report dated February 9, 2012, on the financial statements of Pioneer Technology Center School District No. 13.

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, CPA

PUTNAM & COMPANY, PLLC

**PIONEER TECHNOLOGY CENTER SCHOOL DISTRICT NO. 13  
KAY COUNTY, OKLAHOMA  
MANAGEMENT LETTER COMMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

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

Our our review of Pell Files indicated that the District was doing an excellent job of obtaining and maintaining supporting documentation for awarding Pell Grant money to students.

**REVIEW OF APPROPRIATED FUND TRANSACTIONS**

Our review of purchase orders and payment documentation indicated that the District was doing an excellent job of obtaining and maintaining supporting documentation for its payments.

**REVIEW OF ACTIVITY FUND TRANSACTIONS**

Our review of purchase orders and payment documentation indicated that the District was doing an adequate job of obtaining and maintaining supporting documentation for its payments.

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

The District has received the findings and recommendations and will review current procedures in order to implement necessary changes.