

ANNUAL FINANCIAL REPORT
EASTERN OKLAHOMA COUNTY TECHNOLOGY CENTER
SCHOOL DISTRICT NO. 23
OKLAHOMA COUNTY, OKLAHOMA
FOR THE YEAR ENDED JUNE 30, 2011

**EASTERN OKLAHOMA COUNTY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 23
OKLAHOMA COUNTY, OKLAHOMA
FOR THE YEAR ENDED JUNE 30, 2011**

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**EASTERN OKLAHOMA COUNTY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 23
OKLAHOMA COUNTY, OKLAHOMA
FOR THE YEAR ENDED JUNE 30, 2011**

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PUTNAM & COMPANY, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

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EDMOND, OKLAHOMA 73103

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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 government-wide financial statements of Eastern Oklahoma County Technology Center School District No. 23, Oklahoma 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 Eastern Oklahoma County Technology Center School District No. 23, 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 January 26, 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 Eastern Oklahoma County Technology Center School District No. 23, 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 Eastern Oklahoma County Technology Center School District No. 23, 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.

A handwritten signature in cursive script that reads "Putnam & Company".

Putnam & Company, PLLC

Edmond, Oklahoma
January 26, 2012

EASTERN OKLAHOMA COUNTY TECHNOLOGY CENTER SCHOOL**DISTRICT NO. 23****OKLAHOMA COUNTY****CHOCTAW, OKLAHOMA****Management's Discussion and Analysis****Fiscal Year ending June 30, 2011**

Eastern Oklahoma County 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 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 2011, the District is able to report positive cash balance in all funds, with the General Fund balance being \$1,746,661. 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 2011 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, 2011

FUND BALANCES

As of the close of fiscal year 2010, the District funds reported a government-wide ending cash fund balance of \$5,098,166, an increase of \$113,747 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	\$ 2,036,466	1,746,661	(289,805)	(14.23%)
Building	<u>3,061,700</u>	<u>2,821,835</u>	<u>(239,865)</u>	<u>(7.83%)</u>
Total	<u>\$5,098,166</u>	<u>4,568,496</u>	<u>(529,670)</u>	<u>(10.39%)</u>

FISCAL YEAR 2011

Revenue collection amounts for the fiscal year ending 2011 exceeded the original (estimated) General Fund budget in the amount of \$1,080,573.

CAPITAL AND FIXED ASSETS

The District is in its ninth 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	\$11,286,814.	517,664		11,802,478.
Accumulated Depreciation	<u>(10,086,957.)</u>	<u>(186,749)</u>	<u> </u>	<u>(10,273,706.)</u>
Net Capital Assets	<u>\$ 1,197,857.</u>	<u>330,915</u>	<u> </u>	<u>1,528,772.</u>

During the past year, expenditures of \$517,664 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, 2011

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

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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
Eastern Oklahoma County Technology Center School District No. 23
Oklahoma 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 Eastern Oklahoma County Technology Center School District No. 23, 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 January 26, 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 Eastern Oklahoma County Technology Center School District No. 23 in a separate letter dated January 26, 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.

A handwritten signature in dark ink that reads "Putnam & Company". The script is cursive and fluid, with the ampersand being particularly stylized.

Putnam & Company, PLLC

Edmond, Oklahoma
January 26, 2012

GOVERNMENT-WIDE FINANCIAL STATEMENTS

EASTERN OKLAHOM COUNTY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 23
Oklahoma County, Oklahoma
Statement of Net Assets
June 30, 2011

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
ASSETS			
Current Assets -			
Cash and Cash Equivalents	\$6,075,460		6,075,460
Property Taxes Receivable	72,665		72,665
Receivables from Other Governments	33,841		33,841
Consumable Inventories	<u>66,770</u>		<u>66,770</u>
Total Current Assets	<u>6,248,736</u>	<u>0</u>	<u>6,248,736</u>
Non-Current Assets -			
Capital Assets			
Land	341,000		341,000
Equipment	1,625,775		1,625,775
Vehicle	539,233		539,233
Building	9,296,470		9,296,470
Less Accumulated Depreciation	<u>(10,273,706)</u>		<u>(10,273,706)</u>
Total Non-Current Assets	<u>1,528,772</u>	<u>0</u>	<u>1,528,772</u>
Total Assets	<u><u>\$7,777,508</u></u>	<u><u>0</u></u>	<u><u>7,777,508</u></u>
LIABILITIES			
Current Liabilities -			
Accounts Payable	\$197,376		197,376
Other Payables	454,879		454,879
Compensated Leave	<u>77,102</u>		<u>77,102</u>
Total Current Liabilities	<u>729,357</u>	<u>0</u>	<u>729,357</u>
Non-Current Liabilities -			
Bonds Payable			<u>0</u>
Total Liabilities	<u><u>\$729,357</u></u>	<u><u>0</u></u>	<u><u>729,357</u></u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	\$1,528,772		1,528,772
Unrestricted	<u>5,519,379</u>		<u>5,519,379</u>
Total Net Assets	<u><u>\$7,048,151</u></u>	<u><u>0</u></u>	<u><u>7,048,151</u></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, 2010 to June 30, 2011

Function/Programs	Governmental Activities	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental Activities:			
Instruction	\$4,081,893	314,732	101,820
Support Services - Instructional	356,904		
Support Services - Operational	2,842,089		
Operation of Non-Instruction Services	343,831	92,045	
Facilities Acquisition and Construction Services	833,246		
Other Outlays	52,781		
Other Uses	239,739		
Repayments and Financial Aid			210
Debt Service	170,325		
Compensated Absences	77,102		
Compensated Absences - Prior Year	(73,689)		
Depreciation	186,748		
Total Governmental Activities	9,110,969	406,777	102,030
General Revenues:			
Taxes -			
Property Taxes, Levied for Building Purposes			1,577,095
Property Taxes, Levied for General Purposes			3,290,122
Property Taxes, Levied for Debt Service Purposes			172,480
Federal Aid			386,223
State Aid - Formula			1,815,486
Other Local Sources			386,165
Other State Sources			235,680
Interest			13,325
Special Items -			
Increase in Capital Assets			517,664
Consumable Inventories			66,770
Consumable Inventories - Prior Year			(39,583)
Return of Assets			32
Proceeds From Sale of Bonds			760,000
Estopped Warrants			868
Adjustments to Prior Year's Encumbrances			27,403
Total General Revenues and Special Items			9,209,730
Change in Net Assets			607,568
Net Assets, beginning			6,440,583
Net Assets, ending			7,048,151

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, 2011**

	General	Special Revenue Fund Building	Capital Projects	Sinking	Totals (Memorandum Only)
<u>ASSETS</u>					
Cash and Cash Equivalents	\$2,097,535	3,123,216	846,359	8,350	6,075,460
Property Tax Receivable	46,942	23,108		2,615	72,665
Receivable From Other Governments	33,841				33,841
Consumable Inventories	66,770				66,770
Total Assets	\$2,245,088	3,146,324	846,359	10,965	6,248,736
<u>LIABILITIES</u>					
Warrants Payable	\$324,897	129,982			454,879
Reserved for encumbrances	25,977	171,399			197,376
Compensated Absences	77,102				77,102
Long-Term Debt					
Bonds Payable					0
Interest Payable					0
Total Liabilities	427,976	301,381	0	0	729,357
<u>NET ASSETS</u>					
Fund Balances					
Unreserved					
Undesignated	1,817,112	2,844,943			4,662,055
Designated for Capital Projects			846,359		846,359
Designated for Debt Service				10,965	10,965
Total Fund Balance	1,817,112	2,844,943	846,359	10,965	5,519,379
Total Liabilities and Fund Balance	\$2,245,088	3,146,324	846,359	10,965	6,248,736

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 \$11,802,478, and
the accumulated depreciation is \$(10,273,706).

1,528,772

Net Assets of Governmental Activities

\$7,048,151

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, 2011

	Governmental Fund Types				Totals
	General	Special Revenue	Capital Projects	Sinking	(Memorandum Only)
REVENUES:					
Property Taxes	\$3,290,122	1,577,095		172,480	5,039,697
Tuition & Fees	314,732				314,732
Miscellaneous	468,210	10,000			478,210
Investment Income	5,378	6,713	230	1,004	13,325
State Sources	2,103,639	49,347			2,152,986
Federal Sources	386,433				386,433
Total Revenues Collected	6,568,514	1,643,155	230	173,484	8,385,383
EXPENDITURES:					
Instruction	3,485,952	595,941			4,081,893
Support Services	2,739,923	459,070			3,198,993
Non-Instructional Services	343,831				343,831
Facilities Acquisition & Construction Services	5,081	828,165			833,246
Other Outlays	52,781				52,781
Other Uses	239,739				239,739
Repayments					0
DEBT SERVICE					
Principal Retirement				164,000	164,000
Interest Paid				6,325	6,325
Total Expenditures	6,867,307	1,883,176	0	170,325	8,920,808
Revenues Over (Under) Expenditures	(298,793)	(240,021)	230	3,159	(535,425)
OTHER FINANCING SOURCES (USES):					
Return of Assets	32				32
Proceeds From Sale of Bonds			760,000		760,000
Estopped Warrants	868				868
Deobligation of Prior Year Funds	26,520	883			27,403
Total Other Financing Sources (Uses):	27,420	883	760,000	0	788,303
Revenue and Other Sources Over (Under) Expenditures and Other Uses	(271,373)	(239,138)	760,230	3,159	252,878
Fund Balance Unreserved, Beginning of Year	2,088,485	3,084,081	86,129	7,806	5,266,501
Fund Balance Unreserved, End of Year	\$1,817,112	2,844,943	846,359	10,965	5,519,379

Net change in fund balances-governmental funds

\$252,878

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
Change in Consumable inventories

(3,413)
27,187

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
Depreciation

517,664
(186,748)

Changes in net assets of governmental activities

\$607,568

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, 2011

	<u>ACTIVITY FUND</u>	<u>TOTALS (Memorandum Only)</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	<u>\$27,620</u>	<u>27,620</u>
Total Assets	<u><u>27,620</u></u>	<u><u>27,620</u></u>
<u>LIABILITIES AND FUND EQUITY</u>		
Liabilities:		
Reserves	<u>\$0</u>	<u>0</u>
Total Liabilities	<u>0</u>	<u>0</u>
Fund Equity:		
Reserved for Student Activities	23,064	23,064
Reserved for Administrative Activities	<u>4,556</u>	<u>4,556</u>
Total Fund Equity	<u>27,620</u>	<u>27,620</u>
Total Liabilities and Fund Equity	<u><u>\$27,620</u></u>	<u><u>27,620</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, 2011

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, 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.

EASTERN OKLAHOMA COUNTY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 23
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

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, 2011

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, 2011

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, 2011 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, 2011**

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, 2011 are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets	\$11,284,814	517,664		11,802,478
Less accumulated Depreciation	<u>(10,086,957)</u>	<u>(186,749)</u>	<u> </u>	<u>(10,273,706)</u>
	<u>\$ 1,197,857</u>	<u>330,915</u>	<u> </u>	<u>1,528,772</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, 2011

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 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.

EASTERN OKLAHOMA COUNTY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 23
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

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, 2011, 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, 2011 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, 2011:

	<u>Bonds</u> <u>Payable</u>	<u>Interest</u> <u>Requirements</u>	<u>Total</u>
Balance, July 1, 2010	\$220,000	\$7,590	\$227,590
Additions	760,000	42,400	802,400
Retirements	<u>(220,000)</u>	<u>(7,590)</u>	<u>(227,590)</u>
Balance, June 30, 2011	<u>\$760,000</u>	<u>\$ 42,400</u>	<u>\$802,400</u>

EASTERN OKLAHOMA COUNTY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 23
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

3. General Long-Term Debt

A brief description of the outstanding general obligation bond issues at June 30, 2011, is set forth below:

	<u>Amount Outstanding</u>
General Obligation Building Bonds, Series 2011, 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>\$760,000</u>
Total	<u>\$760,000</u>

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

<u>Year ending June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012		12,200	12,200
2013	160,000	12,200	172,200
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>760,000</u>	<u>42,400</u>	<u>802,400</u>

Interest expense on general long-term debt incurred during the current year totaled \$6,325.

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, 2011

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, 2011.

EASTERN OKLAHOMA COUNTY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 23
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 \$332,656.34. The District's total payroll for fiscal year 2010-11 was \$3,418,155.72.

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 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, 2011

9. SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 26, 2012, 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, 2011**

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:						
Local Sources	\$3,226,786	4,072,051	845,265	1,435,387	1,593,081	157,694
State Sources	2,051,298	2,103,639	52,341		49,347	49,347
Federal Sources	191,425	374,392	182,967			0
Total Revenues	5,469,509	6,550,082	1,080,573	1,435,387	1,642,428	207,041
EXPENDITURES :						
Instruction	3,795,125	3,485,952	309,173	1,951,087	595,941	1,355,146
Support Services	3,001,781	2,739,923	261,858	552,930	459,070	93,860
Non-Instructional Services	414,822	343,831	70,991			0
Facilities Acquisition & Constr. Service	12,730	5,081	7,649	1,993,070	828,165	1,164,905
Other Outlays	54,385	52,781	1,604			0
Other Uses	227,132	239,739	(12,607)			0
Total Expenditures	7,505,975	6,867,307	638,668	4,497,087	1,883,176	2,613,911
Revenues Over (Under) Expenditures	(2,036,466)	(317,225)	1,719,241	(3,061,700)	(240,748)	2,820,952
OTHER FINANCING SOURCES (USES):						
Estopped Warrants		868	868		883	883
Deobligation of Prior Year Funds		26,520	26,520			0
Return of Assets		32	32			0
Total Other Financing Sources (Uses)	0	27,420	27,420	0	883	883
Revenue and Other Sources Over (Under) Expenditures and Other Uses	(2,036,466)	(289,805)	1,746,661	(3,061,700)	(239,865)	2,821,835
Fund Balance, Beginning of Year	2,036,466	2,036,466	0	3,061,700	3,061,700	0
Fund Balance, End of Year	\$0	1,746,661	1,746,661	0	2,821,835	2,821,835

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, 2011**

	Federal CFDA Number	Program or Award Amount	Cash/ Beginning Balance at July 1, 2010	Federal Receipts	Federal Expenditures	Other Expenditures	Cash/ Ending Balance at June 30, 2011
<u>Direct Programs:</u>							
U.S. Department of Education:							
Pell Grants	84.063	\$151,488.00		151,488.00	142,568.00	8,920.00	0.00
Pell Grants - Prior Year	85.063		(1,962.00)	1,962.00			0.00
Pell Grants - Administrative Fee	84.063	210.00		210.00	210.00		0.00
Medicaid ADC	93.778	73,753.23		73,753.23	73,753.23		0.00
Total Direct		<u>225,451.23</u>	<u>(1,962.00)</u>	<u>227,413.23</u>	<u>216,531.23</u>	<u>8,920.00</u>	<u>0.00</u>
 <u>Passed Through Department of Vocational and Technical Education:</u>							
Carl D. Perkins							
Vocational & Applied Tech.	84.048	77,619.00		66,580.35	77,619.00		(11,038.65)
Tech Prep	84.243	45,000.00		32,078.28	40,405.83		(8,327.55)
Tech Prep - Prior Year	84.243		(6,656.80)	6,656.80			0.00
Total Vo-Tech Dept		<u>122,619.00</u>	<u>(6,656.80)</u>	<u>105,315.43</u>	<u>118,024.83</u>	<u>0.00</u>	<u>(19,366.20)</u>
 <u>Passed Through State Department of Education:</u>							
U.S. Department of Agriculture							
Food Service Program	10.558	6,197.28		5,729.04	6,197.28		(468.24)
Food Service Program - Prior Year	10.558						0.00
Total State Dept of Education		<u>6,197.28</u>	<u>0.00</u>	<u>5,729.04</u>	<u>6,197.28</u>	<u>0.00</u>	<u>(468.24)</u>
 <u>Passed Through State Department of Human Services:</u>							
Child Day Care Services	93.667	7,050.00		6,424.50	7,050.00		(625.50)
Child Day Care Services - Prior Year	93.667		(94.91)	94.91			0.00
Geriatric Day Care Services	93.667	103,919.52		90,462.00	95,795.75		(5,333.75)
Geriatric Day Care Services - Prior Year	93.667		(9,309.40)	9,309.40			0.00
Total DHS		<u>110,969.52</u>	<u>(9,404.31)</u>	<u>106,290.81</u>	<u>102,845.75</u>	<u>0.00</u>	<u>(5,959.25)</u>
 <u>Passed Through State Department of Rehabilitation Services:</u>							
Career Transition Program - Students	84.126	40,204.95		32,157.46	40,204.95		(8,047.49)
Career Transition Program - Students - Prior Year	84.126		(3,777.25)	3,777.25			0.00
Total State Dept of Rehabilitation		<u>40,204.95</u>	<u>(3,777.25)</u>	<u>35,934.71</u>	<u>40,204.95</u>	<u>0.00</u>	<u>(8,047.49)</u>
 Total Federal Assistance							
		<u>\$505,441.98</u>	<u>(21,800.36)</u>	<u>480,683.22</u>	<u>483,804.04</u>	<u>8,920.00</u>	<u>(33,841.18)</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, 2011**

	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)
<u>ASSETS</u>							
Cash and Cash Equivalents	\$2,097,535	3,123,216	846,359	8,350	131,153		6,206,613
Amount Available for Debt Service						8,350	8,350
Amount to be Provided for General Long-Term Debt						794,050	794,050
Total Assets	<u>\$2,097,535</u>	<u>3,123,216</u>	<u>846,359</u>	<u>8,350</u>	<u>131,153</u>	<u>802,400</u>	<u>7,009,013</u>
<u>LIABILITIES</u>							
Warrants Payable	\$324,897	129,982			103,533		558,412
Long-Term Debt							
Bonds Payable						760,000	760,000
Interest Payable						42,400	42,400
Total Liabilities	<u>324,897</u>	<u>129,982</u>	<u>0</u>	<u>0</u>	<u>103,533</u>	<u>802,400</u>	<u>1,360,812</u>
<u>FUND EQUITY</u>							
Fund Equity:							
Reserved for Encumbrances	25,977	171,399					197,376
Designated for Capital Projects			846,359				846,359
Designated for Debt Service				8,350			8,350
Designated for Student Activities					27,620		27,620
Fund Balance	<u>1,746,661</u>	<u>2,821,835</u>					<u>4,568,496</u>
Total Fund Equity	<u>1,772,638</u>	<u>2,993,234</u>	<u>846,359</u>	<u>8,350</u>	<u>27,620</u>	<u>0</u>	<u>5,648,201</u>
Total Liabilities and Fund Equity	<u>\$2,097,535</u>	<u>3,123,216</u>	<u>846,359</u>	<u>8,350</u>	<u>131,153</u>	<u>802,400</u>	<u>7,009,013</u>

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, 2011**

	Governmental Fund Types				Fiduciary Fund Types	Totals
	General	Special Revenue	Capital Projects	Debt Service	Trust and Agency	(Memorandum Only)
REVENUES:						
Local Sources	\$4,072,051	1,593,081	230	173,010	1,101,052	6,939,424
State Sources	2,103,639	49,347				2,152,986
Federal Sources	374,392					374,392
Total Revenues Collected	6,550,082	1,642,428	230	173,010	1,101,052	9,466,802
EXPENDITURES:						
Instruction	3,485,952	595,941				4,081,893
Support Services	2,739,923	459,070				3,198,993
Non-Instructional Services	343,831				1,101,280	1,445,111
Facilities Aquisition & Construction Services	5,081	828,165				833,246
Other Outlays	52,781					52,781
Other Uses	239,739					239,739
DEBT SERVICE						
Principal Retirement				164,000		164,000
Interest Paid				6,325		6,325
Total Expenditures	6,867,307	1,883,176	0	170,325	1,101,280	10,022,088
Revenues Over (Under) Expenditures	(317,225)	(240,748)	230	2,685	(228)	(555,286)
OTHER FINANCING SOURCES (USES):						
Return of Assets	32					32
Proceeds From Sale of Bonds			760,000			760,000
Deobligation of Prior Year Funds	26,520	883				27,403
Estopped Warrants	868					868
Total Other Financing Sources (Uses):	27,420	883	760,000	0	0	788,303
Revenue and Other Sources Over (Under) Expenditures and Other Uses	(289,805)	(239,865)	760,230	2,685	(228)	233,017
Fund Balance Unreserved, Beginning of Year	2,036,466	3,061,700	86,129	5,665	27,848	5,217,808
Fund Balance Unreserved, End of Year	\$1,746,661	2,821,835	846,359	8,350	27,620	5,450,825

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, 2010 TO JUNE 30, 2011**

	Balance 7/01/10	Receipts	Transfers	Disbursed	Balance 6/30/11
ACD Tuition	\$0.00	49,279.19	0.00	49,279.19	0.00
ACD Resale	0.00	14,332.93	0.00	14,307.93	25.00
HS Credit Recovery Program	7,500.00	11,415.00	0.00	15,415.00	3,500.00
Ed 2 Go Tuition	0.00	660.00	0.00	660.00	0.00
Ed 2 Go Resale	0.00	4,495.00	0.00	4,495.00	0.00
EMT Tuition	0.00	11,779.18	0.00	11,779.18	0.00
EMT Resale	0.00	4,603.50	0.00	4,603.50	0.00
FT Related Tuition	0.00	66,020.10	0.00	66,020.10	0.00
FT Related Resale	0.00	17,515.00	0.00	17,515.00	0.00
CDC Services	0.00	148,165.15	0.00	148,165.15	0.00
CDC Resale	0.00	0.00	0.00	0.00	0.00
CDC Services - DHS	0.00	0.00	0.00	0.00	0.00
CDC Lab	507.85	1,766.65	(0.00)	1,851.17	423.33
ADC Services	0.00	63,219.57	0.00	63,219.57	0.00
ADC Services - DHS/DRS	0.00	99,591.40	0.00	99,591.40	0.00
ADC Services - VA	0.00	0.00	0.00	0.00	0.00
ADC - Activities	2,345.00	2,500.00	0.00	988.36	3,856.64
FTA Career Major Tuition	0.00	33,788.00	0.00	33,788.00	0.00
EMT Career Major Tuition	0.00	52,010.00	0.00	52,010.00	0.00
EMT Career Major Resale	0.00	18,212.25	0.00	18,212.25	0.00
FAC Career Major Tuition	0.00	174,758.00	0.00	174,758.00	0.00
FAC Career Major Resale	0.00	17,200.00	0.00	17,200.00	0.00
BIS Services	(50.00)	30,770.63	0.00	30,720.63	0.00
BIS Resale	(25.00)	1,883.00	0.00	1,858.00	0.00
SBM Services	0.00	4,969.50	0.00	4,969.50	0.00
SBM Resale	0.00	2,403.41	0.00	2,403.41	0.00
Bid Assist Services	0.00	2,917.00	0.00	2,917.00	0.00
Bid Assist Resale	0.00	110.70	0.00	110.70	0.00
Interest Income	58.19	875.79	0.00	933.98	0.00
Misc Income	0.00	104.00	0.00	104.00	0.00
Summer Tuition	0.00	0.00	0.00	0.00	0.00
Surplus Property Income	0.00	0.00	0.00	0.00	0.00
BIS Dev Center Income	0.00	0.00	0.00	0.00	0.00
BIS Dev Center Resale	0.00	0.00	0.00	0.00	0.00
Misc Reimbursement	0.00	21,580.73	0.00	21,580.73	0.00
Overpayment Reimbursements	0.00	1,001.14	0.00	1,001.14	0.00
DHS/DRS Reimb	0.00	0.00	0.00	0.00	0.00
DRS Reimb	0.00	35,934.71	0.00	35,934.71	0.00
Economic Dev Partership Reimb	0.00	28,583.27	0.00	28,583.27	0.00
EMT Dept of Health Reimb	0.00	10,800.00	0.00	10,800.00	0.00
Misc Resale	0.00	460.00	0.00	460.00	0.00
HVAC Resale	0.00	0.00	0.00	0.00	0.00
Automotive Technology Resale	0.00	11,300.78	0.00	11,300.78	0.00
Comp Repair/Network Resale	0.00	710.75	0.00	710.75	0.00
Admin Support Resale	0.00	1,312.76	0.00	1,312.76	0.00
Carpentry Resale	0.00	261.02	0.00	261.02	0.00
Electrical Trades Resale	0.00	0.00	0.00	0.00	0.00
Food Service Resale	0.00	106,125.93	0.00	106,125.93	0.00
Graphic Arts Resale	0.00	5,578.08	0.00	5,578.08	0.00
Health Careers Tech Resale	0.00	0.00	0.00	0.00	0.00
Masonry 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, 2010 TO JUNE 30, 2011

	Balance 7/01/10	Receipts	Transfers	Disbursed	Balance 6/30/11
Occupational Services Resale	0.00	0.00	0.00	0.00	0.00
Welding Resale	0.00	2,216.86	0.00	2,216.86	0.00
Digital Media Resale	0.00	63.00	0.00	63.00	0.00
Web Design Resale	0.00	0.00	0.00	0.00	0.00
Grants & Scholarships	0.00	8,571.00	0.00	8,571.00	0.00
Petty Cash	0.00	50.00	0.00	50.00	0.00
Vending Machine Account	2,215.06	7,763.01	0.00	5,422.10	4,555.97
HVAC SkillsUSA	2,814.89	80.00	24.52	2,108.17	811.24
Auto Technology Skills USA	1,226.00	2,482.15	24.52	1,905.18	1,827.49
BPA Info Mgmt/Admin	569.04	4,771.15	24.52	4,532.73	831.98
BPA Comp Rep/Web Design	917.11	431.81	24.52	455.75	917.69
Carpentry Skills USA	173.92	782.00	24.52	618.00	362.44
Electrical Trades Skills USA	142.70	60.00	24.52	133.50	93.72
FCCLA	412.26	1,661.70	24.52	1,226.90	871.58
Graphic Arts Skills USA	1,259.36	1,343.76	24.52	1,290.42	1,337.22
HOSA	630.15	0.00	49.04	0.00	679.19
Masonry Skills USA	140.46	605.00	24.52	348.00	421.98
NTHS	241.45	1,208.50	24.60	975.79	498.76
Svc Careers Skills USA	1,112.08	2,994.27	24.52	1,216.50	2,914.37
Welding Skills USA	3,412.26	687.67	24.52	1,924.95	2,199.50
Student Leadership Council	416.92	15.00	(416.92)	15.00	0.00
Emerengcy Svcs. Skills USA (EMS)	389.76	913.02	24.52	986.00	341.30
BPA - Digital Media	655.33	2,298.00	24.52	2,179.00	798.85
BPA - Web Design	783.09	3,060.00	24.52	3,515.40	352.21
Totals	<u>\$27,847.88</u>	<u>1,101,052.02</u>	<u>0.00</u>	<u>1,101,279.44</u>	<u>27,620.46</u>

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

**ACCOUNTANT'S PROFESSIONAL
LIABILITY INSURANCE AFFIDAVIT**

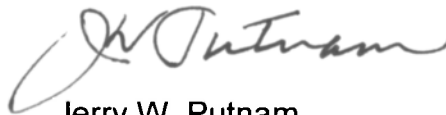
EASTERN OKLAHOMA COUNTY TECHNOLOGY CENTER SCHOOL DISTRICT NO. 23
OKLAHOMA COUNTY, OKLAHOMA
ACCOUNTANT'S PROFESSIONAL
LIABILITY INSURANCE AFFIDAVIT
FOR THE YEAR ENDED JUNE 30, 2011

State of Oklahoma)

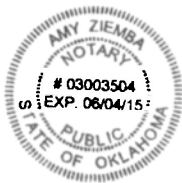
County of Oklahoma)

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 Eastern Oklahoma County Technology Center School District No. 23 for the audit year 2010-2011.

PUTNAM & COMPANY, PLLC



Jerry W. Putnam



Subscribed and sworn to before me this
26th day of January, 2012.



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 26, 2012

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

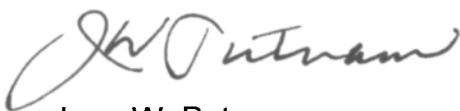
We have audited the financial statements of Eastern Oklahoma County Technology Center School District No. 23, Oklahoma County, Oklahoma, as of and for the year ended June 30, 2011, as listed in the table of contents, and have issued our report thereon dated January 26, 2012. As a part of our audit, we 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.

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 26, 2012 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,

A handwritten signature in dark ink, appearing to read "J. W. Putnam", with a stylized, flowing script.

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, 2011**

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:

<u>Findings</u>	<u>No. of Instances</u>
Invoice date before P.O. date	4
No Non-Kickback Affidavit	3

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:

<u>Findings</u>	<u>No. of Instances</u>
Invoice Date Before P.O. Date	3
Did Not Sign for Goods/Services	2
P.O. Not Available for Review	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.