

**CHISHOLM TRAIL TECHNOLOGY CENTER
#V-26
KINGFISHER COUNTY, OKLAHOMA**

**FINANCIAL STATEMENTS
JUNE 30, 2011**

With Independent Auditors'
Report Thereon

CHISHOLM TRAIL TECHNOLOGY CENTER #V-26
Omega, Kingfisher County, Oklahoma

School District Officials
June 30, 2011

Board of Education

President	Loren Parham
Vice-President	Kenneth Glazier
Clerk	Dennis Baker
Member	Debbie Biehler
Member	Jack Leitner
Treasurer	Bobby Jo Womack
Business Manager	Judy Schaffler

Superintendent
Max Thomas Jr.

**Chisholm Trail Technology Center #V-26
Omega, Kingfisher County, Oklahoma
June 30, 2011**

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**Chisholm Trail Technology Center #V-26
Omega, Kingfisher County, Oklahoma
June 30, 2011**

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INDEPENDENT AUDITOR'S REPORT

November 10, 2011

The Honorable Board of Education
Chisholm Trail Technology Center # V-26
Kingfisher County, Oklahoma

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Chisholm Trail Technology Center # V-26, Kingfisher County, Oklahoma (District), 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 the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Chisholm Trail Technology Center # V-26, Kingfisher County, Oklahoma, as of June 30, 2011, 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 our report dated November 10, 2011, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That 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.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it.

Chisholm Trail Technology Center # V-26
November 10, 2011

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Chisholm Trail Technology Center # V-26, Kingfisher County, Oklahoma taken as a whole. The combining and individual fund financial statements and the schedule of expenditures of federal awards are presented for the purposes of additional analysis, and are not a required part of the basic financial statements of the District. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Storm & Hauser, P.C.

Storm & Hauser, P.C.
Certified Public Accountants

CHISHOLM TRAIL TECHNOLOGY CENTER DISTRICT NO. V-26
KINGFISHER COUNTY, OKLAHOMA

Management's Discussion and Analysis
June 30, 2011

The Management Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, issued June 1999. certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Chisholm Trail Technology Center District No. V-26 (the District)

The District is a part of the public CareerTech system of Oklahoma, under the direction and control of the Oklahoma State Board of Career and Technology Education. The District is located in Omega, Oklahoma serving one main campus. The districts served are the former Hitchcock School District, Kingfisher, Lomega, and Watonga school districts. The District encompasses parts of Blaine and Kingfisher counties. The major instructional program areas are Health, Information Technology, Networking, and Automotive. The District has three basic areas of instruction:

Full-Time programs - the District offers full-time programs. These programs are designed to lead to industry certifications, licenses, employment, and/or continuing education.

Adult and Career Development - These classes are designed around specific curriculum and are designed to provide an introduction to or enhance knowledge of specific topics.

Business and Industry - This division strives to meet the training and development needs of business and industry.

Overview of the Financial Statements

The financial statements consist of three parts - Management's Discussion and Analysis, the Basic Financial Statements, and Required Supplementary Information. The three parts together provide a comprehensive overview of the financial condition of Chisholm Trail Technology Center. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives:

Government-wide Financial Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the District's assets and liabilities, with the difference reported as net assets. All of the

current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide statements report the District's net assets and how they have changed. Net assets, the difference between the assets and the liabilities, are one way to measure the District's financial health or position.

Over time, increases or decreases in the District net assets are an indicator of whether its financial health is improving or deteriorating, respectively.

To assess the overall health of the District, you need to consider additional non-financial factors such as changes in enrollment, changes in the property tax base, changes in funding by the federal and state governments, and the conditions of facilities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, not the District as a whole. Funds are accounting devices that the District uses to keep track of specific source of funding and spending for particular purposes. State law requires the use of certain funds.

The District has two kinds of funds:

Government Funds -- Most of the District's activities are included in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. The governmental fund statements provide a detailed short-term view of the District's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Fiduciary Funds -- The District is the trustee, of fiduciary, for the assets that belong to others. The district is responsible for ensuring that assets reported as these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operation.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data.

Financial Analysis of the district as a Whole

Net Assets

The District's total net assets were \$ 3,620,879 at June 30, 2011.

Net Assets
Fiscal Year Ended June 30, 2011

Assets:			
Cash		\$	1,677,164
Investments			-
Other			1,990,475
	Total Assets		3,667,639
Total Liabilities			(46,760)
Fund Balance			1,744,384
Capital Assets			1,876,495
Total Net Assets			3,620,879

Most of the District's net assets are invested in capita assets (buildings, land and equipment). The restricted assets are reserved for purchase commitments already made. The remaining net assets are unrestricted. These unrestricted funds are used to fund the cash flow needs during the first half of the fiscal year as well as to accumulate funds for future building and improvement projects.

Changes in Net Assets
Fiscal Year Ended June 30, 2011

Beginning Net Assets	July 1, 2010	\$	3,293,082
Net Assets	June 30, 2011		3,620,879
	Change in Net Assets		327,797

Government Activities

This section will show a condensed financial comparison of revenues and expenses and provide explanations for significant differences.

To aid in the understanding of the Statement of Activities, come additional explanation is provided. Of particular interest is the format that is significantly different than a typical Statement of Revenue, Expenditures and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues fro that particular program reported to the right. The result is a Net Revenue/(Expense). The reason for this kind of format is to highlight the relative financial burden of each of the functions on the District's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants. Some of the individual line item revenues reported for each function are:

District Sources of Revenue:

Ad Valorem property tax: Taxes for the current year and prior years, revenue in lieu of taxes

Interest:	Interest earnings on investments and taxes
Tuition:	tuition for full-time adult classes, short-term adult classes, safety training, and industry specific training
Local sources:	rental of school facilities, sale of surplus equipment, bookstore and live work revenue, and rebates
State Revenue:	Formula operations, Bid Assistance Program, Existing Industry Initiative, Training for Industry program, Safety Training, Professional Development, Innovative Grant
Federal Revenue:	Carl Perkins Grant, Student Financial Aid (PELL grants)

The District's Funds

The following schedule presents a summary of general, special revenue (building fund), and expenditures for the fiscal year ended June 30, 2011', and the amount and percentage of increases and decreases in relation to the prior year.

Revenues	FY '10	% of total	FY '11	% of total
Ad Valorem Taxes	\$ 1,101,002	39.13%	1,134,563	36.98%
Interest	5,691	0.20%	3,961	0.13%
Tuition & Resale	189,654	6.74%	200,312	6.53%
State Funds	1,155,024	41.05%	1,339,871	43.67%
Federal Funds	107,668	3.83%	106,455	3.47%
Federal - Financial Aid	104,610	3.72%	231,657	7.55%
Miscellaneous	149,830	5.33%	51,294	1.67%
Total Revenue	2,813,479	100.00%	3,068,113	100.00%

The net cost of all governmental activities this year was \$ 2,742,518 . The governmental activities of the District include instruction, support services, operation of non-instructional programs, site improvements, and other uses. Examples of the types of expenses that can be found in these categories include:

Instruction -- expenditures for direct classroom activities.

Support Services -- expenditures to provide administrative, technical, and logistical support to facilitate and enhance education.

Non-instructional Services -- activities concerned with providing non-instructional services to students, staff, and community.

Facilities Acquisition and Construction -- expenditures involved with the acquisition of land, buildings, remodeling building, the construction of buildings and additions to buildings, installation or extension of service systems and other built-in equipment, and improvements to sites.

Expenditures	FY '10	% of total	FY '11	% of total
Instruction	861,914	34.71%	1,045,956	38.14%
Support Services	1,436,135	57.84%	1,415,113	51.60%
Non-instructional Services	52,226	2.10%	36,866	1.34%
Facilities Acquis. & Const.	-	0.00%	112,000	4.08%
Depreciation - unallocated	110,530	4.45%	116,264	4.24%
Other Outlays	22,190	0.89%	16,319	0.60%
Total Revenue	2,482,995	100.00%	2,742,518	100.00%

Financial Analysis of District's Fund Balance

At June 30, 2011, the District's governmental funds reported a combined fund balance of \$ 1,450,423. The two primary sources of revenue for the governmental funds is ad valorem property tax, which is not received evenly throughout the fiscal year, and formula funding from the State Department of Career Tech. the majority of property tax revenues are received between January 1 and April 30 of each year. Formula funding is provided once a month. The governmental funds must carry forward a fund balance large enough to finance the first six months of the fiscal year.

General Fund

The General Fund year-end balance is \$ 1,485,414 net of encumbrances. These unrestricted funds are required to meet the labor intensive and operating expenses for the first six months of the fiscal year 2011.

Building Fund

The Building Fund year-end balance is \$ 402,795 net of encumbrances. The remaining unrestricted funds are targeted for remodeling of current facilities, site improvements, new construction projects, equipment for the programs and building furniture needs.

Fiduciary Funds

The Fiduciary Funds (Activity Funds) reported total net restricted fund balance of \$ 47,603

Capital Assets

As of June 30, 2011, the District had \$ 1,876,495 in governmental funds invested in a broad range of capital assets, including land, buildings, furniture, and equipment, net of depreciation.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of Chisholm Trail Technology Center's financial position to show accountability for the money it receives. If you have questions about this report or need additional information, contact the Superintendent's Office at Chisholm Trail Technology Center at:

Rt. 1, Box 60, Omega, OK 73764.

Max K Thomas, Jr., Superintendent

Judy Schaffler, Business Manager

CHISHOLM TRAIL TECHNOLOGY CENTER DISTRICT NO. V-26
KINGFISHER COUNTY, OKLAHOMA

Statement of Net Assets
FOR THE YEAR ENDED JUNE 30, 2011

ASSETS

Current Assets

Cash and cash equivalents	\$ 1,677,164
Investments	0
Property taxes receivable	719
Due from other Governments	113,261
Other receivables	0

Total Current Assets 1,791,144

Noncurrent Assets

Capital Assets

Land	76,000
Buildings	3,250,059
Furniture & Fixtures	132,068
Vehicles	230,669
Less : Accumulated depreciation	(1,812,301)

Capital Assets, net of accumulated depreciation 1,876,495

Total Assets 3,667,639

LIABILITIES

Accounts Payable	46,760
Other liabilities	0

Total liabilities 46,760

Net Assets

Invested in Capital assets, net of related debt	1,876,495
Unrestricted	1,744,384

Total Net Assets 3,620,879

CHISHOLM TRAIL TECHNOLOGY CENTER DISTRICT NO. V-26
KINGFISHER COUNTY, OKLAHOMA

Statement of Activities
For the Year Ended June 30, 2011

Function/Programs	Expenses	Program Revenues			Net(Expense) Revenue Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Instruction	1,045,956	200,312	231,657		(613,987)
Support services	1,415,113				(1,415,113)
Non-Instructional Support	36,866		0		(36,866)
Facilities acquisition	112,000				(112,000)
Depreciation unallocated	116,264				(116,264)
Other Outlays	16,319				(16,319)
Other Uses	0				-
	<u>2,742,518</u>	<u>200,312</u>	<u>231,657</u>	<u>0</u>	<u>(2,310,549)</u>
General revenues:					
Property Taxes					1,134,563
Federal Aid					106,455
State Aid					1,339,871
Interest from investments					3,961
Other general revenues					44,727
Special items:					
Disposal of capital assets (net decrease)					0
Reduction in accrued compensation					2,202
Adjustment of fixed assets not included in prior years					0
Prior year outstanding warrants estopped					6,567
Change in net assets					<u>327,797</u>
Net Assets - Beginning					<u>3,293,082</u>
Net Assets - ending					<u>3,620,879</u>

CHISHOLM TRAIL TECHNOLOGY CENTER DISTRICT NO. V-26
KINGFISHER COUNTY, OKLAHOMA

Balance Sheet - Governmental Funds
FOR THE YEAR ENDED JUNE 30, 2011

ASSETS	<u>General</u>	<u>Building Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash and cash equivalents	\$ 1,352,368	\$ 324,795	\$ 1	1,677,164
Investments	-	-	-	0
Property Taxes Receivable	604	115	-	719
Due from other Governments	113,261	0	-	113,261
Other Receivables	0	0	-	0
Total Assets	<u><u>1,466,233</u></u>	<u><u>324,910</u></u>	<u><u>1</u></u>	<u><u>1,791,144</u></u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts Payable and accrued liabilities	15,811	30,949	-	46,760
Total liabilities	<u>15,811</u>	<u>30,949</u>	<u>0</u>	<u>46,760</u>
Fund Balance				
General Fund - Unrestricted	1,450,422		1	1,450,423
Special Revenue Fund - Unrestricted		293,961		293,961
Total Liabilities and Fund Equity	<u><u>1,466,233</u></u>	<u><u>324,910</u></u>	<u><u>1</u></u>	<u><u>1,791,144</u></u>

Reconciliation to Statement of Net Assets to Fund Balances:

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

Capital assets used in governmental activities of \$ 3,688,796 , net of accumulated depreciation of \$ 1,812,301 are not financial resources and , therefore, are not reported in the funds.	1,876,495
Other long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.	
Accrued Compensation	0
Prior period adj	0
Net Assets of Governmental activities	3,620,879

Fund Balance 1,744,384

CHISHOLM TRAIL TECHNOLOGY CENTER DISTRICT NO. V-26
 KINGFISHER COUNTY, OKLAHOMA
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Governmental Funds
 For the Year Ended June 30, 2011

	General Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	938,649	195,914	-	1,134,563
Tuition and Fees	200,312	-	-	200,312
State sources	1,339,208	663		1,339,871
Federal sources	106,455		231,657	338,112
Local sources	44,722	5		44,727
Interest Income	3,961			3,961
Total Revenue	2,633,307	196,582	231,657	3,061,546
Expenditures				
Instruction	809,827	4,472	231,657	1,045,956
Support services	1,422,130	61,906		1,484,036
Non-Instructional services	36,866	-		36,866
Facilities acquisition and construction	2,132			2,132
Other Outlays	16,319			16,319
Total Expenditures	2,287,274	66,378	231,657	2,585,309
Excess (deficiency) of Revenues over Expenditures	346,033	130,204	-	476,237
Ajustments to prior Cash Balances	6,156	411	-	6,567
Net Change in Fund Balances	352,189	130,615	-	482,804
Fund balance - Beginning of Year	1,133,225	272,180	1	1,405,406
Fund balance - End of Year	1,485,414	402,795	1	1,888,210
Net Changes in fund balances- total governmental funds				482,804

Amounts reported for governmental activities in the Statement of Activities are different because:

-Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Revenues and Expenditure changes-net	(107,666)
Changes in accrued compensated absences	
Disposal of capital assets (net of depreciation)	-

-Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. The amount which capital outlays exceed depreciation for the year is:

Capital outlays which were capitalized	68,923
Depreciation expense	(116,264)
	(47,341)

Change in Net Assets of Governmental Activities

327,797

CHISHOLM TRAIL TECHNOLOGY CENTER DISTRICT NO. V-26
 KINGFISHER COUNTY, OKLAHOMA
 Statement of Net Assets
 Fiduciary Funds
 FOR THE YEAR ENDED JUNE 30, 2011

ASSETS

Cash and cash equivalents	\$	47,603
Investments		0

Total Assets		<u>47,603</u>
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LIABILITIES AND NET ASSETS

Accounts Payable	\$	2,226
Due to Student Groups		45,377

Total liabilities		<u>47,603</u>
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Net Assets

Reserved		0
Unreserved/undesignated		0

Total Net Assets		<u>0</u>
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Total Liabilities and Net Assets	\$	<u>47,603</u>
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**CHISHOLM TRAIL TECHNOLOGY CENTER #V-26
Kingfisher County, Oklahoma**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Chisholm Trail Technology Center #V-26, Kingfisher County, Oklahoma (the "District") complies with generally accepted accounting principles (GAAP). GAAP included all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless the pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

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 Career and Technology Education and is financially dependent on State of Oklahoma support. 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 (Board) composed of five elected members. The appointed superintendent is the executive officer of the District. The Board, constituting an on-going entity, is the level of government, which has governance responsibilities over all activities, related to secondary and post secondary school education within the jurisdiction of the Local Independent School District. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the District is not included in any other government "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards, since Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

The School Education Foundation is not included in the reporting entity. The District does not appoint any of the board members or exercise any oversight authority over the Foundation.

The District's financial reporting entity comprises the following:

Primary Government: Chisholm Trail Technology Center #V-26

Component Units: There are no component units

**CHISHOLM TRAIL TECHNOLOGY CENTER #V-26
Kingfisher County, Oklahoma**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. A. Reporting Entity (continued)

In determining the financial reporting entity, the District complies with the provisions of GASB Statement No. 34, "The Financial Reporting Entity," and includes component units of which the District appointed a voting majority of the units' board; the District is either able to impose its will on the unit or a financial benefit or burden relationship exists. Based upon the application of these criteria, there are no potential component units included in the District reporting entity.

B. Measurement Focus

Government-wide Financial Statements:

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental proprietary categories. A fund is considered major if it is the primary operating fund of the school or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds or that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

CHISHOLM TRAIL TECHNOLOGY CENTER #V-26
Kingfisher County, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus (Continued)

Governmental Funds:

General fund – is the general operating fund of the District. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Major revenue sources include local property taxes and federal and state funding. Expenditures include all costs associated with the daily operations of the schools except for programs funded for building repairs and maintenance, school construction, and debt services on bonds and other long-term debt. The General Fund also accounts for federal and state financed programs where restricted monies must be expended for specific programs.

Special Revenue funds – The special revenue funds are the District's Building Fund and the Student Financial Aid Fund.

Building fund – consists mainly of monies derived from property taxes levied for the purpose of erecting, remodeling, repairing, or maintaining school buildings and for purchasing furniture, equipment and computer software to be used on or for school district property, for paying energy and utility costs, for purchasing telecommunications services, for paying fire and casualty insurance premiums for school facilities, for purchasing security systems, and for paying salaries of security personnel.

Student Financial Aid fund – consists of federal and state monies to be used for student aid.

Fiduciary funds – 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 non-expendable trust fund or an expendable trust fund is used. The terms "non-expendable" 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.

CHISHOLM TRAIL TECHNOLOGY CENTER #V-26
Kingfisher County, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus (Continued)

Fiduciary funds (Continued)

Agency fund – The Agency fund is custodial in nature and does not present results of operations or has a measurement focus. Agency funds are accounted for using the cash basis of accounting. This fund is the School Activities Fund 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, of collecting, disbursing and accounting for these activity funds.

Account groups – are not funds and consist of a self-balancing set of accounts used only to establish accounting control over long-term debt.

General Long-term Debt Account Group – accounts for the outstanding principal balances of all long-term debt of the District, which is offset by the amount available in the debt service fund and the amount to be provided in future years to complete retirement of the debt principal.

Major and Nonmajor Funds

The funds are further classified as major or major as follows:

Major Funds	Brief Description
General fund	See above for description

Special Revenue Fund:	
Building Fund	See above for description

Nonmajor Funds

Special Revenue Fund:	
Student Financial Aid Fund	See above for description

C. **Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

**CHISHOLM TRAIL TECHNOLOGY CENTER #V-26
Kingfisher County, Oklahoma**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balances as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Propriety fund equity is classified as net assets.
- c. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

D. Basis of Accounting and Presentation

In the government-wide Statement Of Net Assets and the Statement of Activities, government activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recorded when due.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

**CHISHOLM TRAIL TECHNOLOGY CENTER #V-26
Kingfisher County, Oklahoma**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Fund Balance, Revenue and Expenditures

1. Cash and Investments

State statutes govern the District's investment policy. Permissible investments include direct obligations of the United States Government and Agencies; certificates of deposit of savings and loan associations, and bank and trust companies; and savings accounts or savings certificates of savings and loan associations, and trust companies. Collateral is required for demand deposits and certificates of deposit for all amounts not covered by federal deposit insurance. Investments are stated at cost. The School District invests entirely in certificates of deposit, U.S. Treasury Securities, and participates in the Secured Investment Program of Oklahoma State School Boards Association, as authorized by Oklahoma Statutes Title 62, Section 348.

2. Fair Value of Financial Instruments

The District's financial instruments include cash and investments. The District's estimate of the fair value of all financial instruments does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

3. Estimates

The preparation of financial statements in conformity with the regulatory basis of accounting required management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

4. Interfund Transactions

Interfund 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. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. There were not any interfund receivables or payables.

**CHISHOLM TRAIL TECHNOLOGY CENTER #V-26
Kingfisher County, Oklahoma**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**D. Assets, Liabilities, Fund Balance, Revenue and Expenditures
(Continued)**

5. Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. All accounts receivable are considered collectable at year-end. Major receivable balances for the governmental activities include property taxes, grants, and contracts.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property tax, grants and contracts and other similar intergovernmental revenue since they are usually both measurable and available. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available.

6. Inventories

Inventories consist of minimal amounts of expendable supplies held for consumption. The value of consumable inventories at year-end is not material to the District's financial statements. The costs of inventories are recorded as expenditures when encumbered and purchased rather than when consumed.

7. Fixed Assets

The accounting treatment over property plant & equipment (fixed assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Statements – In the government-wide statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair market value at the date of donation. Estimated historical cost was used to report the majority of the building and infrastructures. Historical cost was used to report land, furniture, and equipment.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

**CHISHOLM TRAIL TECHNOLOGY CENTER #V-26
Kingfisher County, Oklahoma**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011**

7. Fixed Assets (continued)

- Buildings	25-40 years
- Improvements	7-40 years
- Machinery & Equipment	7-25 years

In the government-wide financial statements, all machinery, equipment, furniture, and automobiles costing \$2,500 or more have been capitalized and depreciated over the estimated useful life. Repairs, remodeling, and/or construction costing \$25,000 or more has been capitalized and depreciated over the estimated useful life.

Fund Financial Statements - In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

8. Compensated Absences

The District's policies regarding vacation time permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as long-term debt in the government wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources.

9. Equity Classifications

Government-Wide Statements

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net or related debt".

**CHISHOLM TRAIL TECHNOLOGY CENTER #V-26
Kingfisher County, Oklahoma**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011**

9. Equity Classifications (Continued)

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

10. Property Taxes and Other Local 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. Property taxes are levied on November 1 and are due on receipt of the tax bill. 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. Second half taxes become delinquent on April 1 of the year following the assessment. If not paid by the following October 1, the property is offered for sale for the amount of the 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. No provision has been made for uncollected taxes, as all taxes are deemed collectible. Other local sources of revenues include tuition, fees, rentals, disposals, commissions and reimbursements.

11. Intermediate Revenues

Revenue from intermediate source is the amount of money from funds collected by an intermediate administrative unit, or a political subdivision between the district and the state, and distributed to districts in amounts that differ in proportion to those which were collected within such systems.

12. State Revenues

Revenues from state sources for current operations are primarily governed by state aid formula under the provisions of Article XVIII, Title 70, Oklahoma Statutes. The State Board of Career and Technology 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 year errors disclosed by review. Normally, such adjustments are treated as reductions or additions of revenue of the year when the adjustment is made.

**CHISHOLM TRAIL TECHNOLOGY CENTER #V-26
Kingfisher County, Oklahoma**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Fund Balance, Revenue and Expenditures (Continued)

12. State Revenues (Continued)

The District receives revenue for the State to administer certain categorical educational programs. State Board of Career and Technology Education rules require that revenue ear-marked 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 to be carried forward into the following year to be expended for the same categorical program. The State Board of Career and Technology Education requires that categorical educational program revenues be accounted for in the General Fund.

Expenditure/Expenses

In the government-wide financial statements, expenses are classified by function of governmental activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds – by Character:

Current (further classified by function)
Debt Service
Capital Outlay

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The District is required by state law to prepare an annual budget. A preliminary budget is submitted to the Board of Education by December 31 for the fiscal year beginning the following July 1. The electors of the District have voted on the question to make the ad valorem levy for emergency levy and local support levy permanent; therefore, an annual mileage election (normally the first Tuesday in February) is not necessary.

Under current Oklahoma Statutes, a formal Estimate of Needs (Budget) is required for all funds except for trust and agency funds. Budgets are presented for all funds that include the originally approved budgeted appropriations for expenditures and final budgeted appropriations as adjusted for supplemental appropriations and approved transfers between budget categories. The annual Estimate of Needs, when approved by the Board and subsequently filed with the County Clerk and approved by the County Excise Board becomes the legal budget. Supplemental appropriations, if

**CHISHOLM TRAIL TECHNOLOGY CENTER #V-26
Kingfisher County, Oklahoma**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011**

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

required, were made during the year and are reflected on the budget vs. actual presentations shown as original budget and final budget.

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. Purchase orders or contracts document encumbrances for goods or purchased services. Under Oklahoma law, unencumbered appropriations lapse at year-end.

3. DETAILED NOTES CONCERNING THE FUNDS

a. Deposits and Investments

Custodial Credit Risk

At June 30, 2011, the District held deposits of approximately \$ 1,677,164 at financial institutions. The District's cash deposits, including interest-bearing certificates of deposit, are entirely covered by Federal Depository Insurance (FDIC) or direct obligation of the U.S. Government insured or collateralized with securities held by the District or by its agent in the District's name.

Investment Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Investment Credit Risk

The District has no policy that limits its investment choices other than the limitation of state law as follows:

1. 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.
2. Certificates of deposits 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.
3. With certain limitation, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper and repurchase agreements with certain limitations.
4. County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.

**CHISHOLM TRAIL TECHNOLOGY CENTER #V-26
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**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011**

3. DETAILED NOTES CONCERNING THE FUNDS (Continued)

a. Deposits and Investments (continued)

5. Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
6. Money market funds regulated by the SEC and in which investments consist of the investments mentions in the previous paragraphs (1-5).

The District's cash deposits and investments, including interest-bearing certificates of deposit, are entirely covered by Federal Depository Insurance (FDIC) or direct obligation of the U.S. Government insured or collateralized with securities held by the District or by its agent in the District's name.

Therefore, the District's cash deposits and investments were not exposed to custodial credit risk, investment credit risk, investment interest rate risk, or concentration of investment credit risk.

b. Long-term Debt

General Obligation Bonds

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. Debt service requirements for bonds are payable solely from fund balance and future revenues of the debt service fund.

3. OTHER INFORMATION

a. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; or acts of God. The District purchases commercial insurance to cover these risks, including general and auto liability, property damage, and public officials liability. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

The School also participates in a risk pool for Workers' Compensation coverage in which there is a transfer or pooling of risks among the participants of that pool. In accordance with GASB No. 10, the School reports the required contribution to the pool, net of refunds, as insurance expense. The risk pool is the Oklahoma School Assurance Group (OSAG), an organization formed for the purpose of providing workers' compensation coverage to participating schools in the State of Oklahoma. In that capacity, OSAG is responsible for providing loss control services and certain fiscal activities, including obtaining contract arrangements for the

**CHISHOLM TRAIL TECHNOLOGY CENTER #V-26
Kingfisher County, Oklahoma**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011**

3. OTHER INFORMATION (Continued)

a. Risk Management (continued)

underwriting, excess insurance agreements, claims processing, and legal defense for any and all claims submitted to them during the plan year. As a member of OSAG, the District is required to pay fees set by OSAG according to an established payment schedule. A portion of the fees paid by the District goes into a loss fund for the District. The fee for the loss fund is calculated by projecting losses based on the schools losses for the last five years. OSAG provides coverage in excess of the Loss Fund so the District's liability for claim loss is limited to the balance of the loss fund. If the District does not use their loss fund in three years it is returned to them with no interest.

Surety Bonds – District and Activity

Bobby Jo Womack, District Treasurer, is bonded with the Old Republic Surety Company in the amount of \$50,000.00. The bond number is 2047792, dated July 1, 2008 ending indefinitely.

The District maintains a Public Employee Position Schedule Bond with the Old Republic Surety Company in the amount of \$10,000.00 each position. The bond number is LP01055038, dated April 25, 2011 to April 25, 2012. The positions covered are as follows:

Business Manager
Financial Aid Officer
Adult Education Secretary
School Secretary
Superintendent
Board Clerk
Board President
Activity Fund Custodian
Welfare to Work Coordinator

i. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. 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 amount, if any, to be immaterial.

**CHISHOLM TRAIL TECHNOLOGY CENTER #V-26
Kingfisher County, Oklahoma**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011**

4. OTHER INFORMATION (Continued)

i. Employee Retirement System and Plan

Description of Plan

The District participates in the state-administered Oklahoma Teachers' Retirement System, which is a cost sharing, multiple-employer defined benefit public employee retirement system (PERS), which is administered by the Board of Trustees of the Oklahoma Teachers' Retirement System (the "System"). The System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Title 70 Section 17 of the Oklahoma Statutes establishes 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. That report may be obtained by writing to the Oklahoma Teachers' Retirement System, P.O. Box 53624, Oklahoma City, OK 73152 or by calling 405-521-2387.

Basis of Accounting

The System's financial statements are prepared using the cash basis of accounting, except for accruals of interest income. Plan member contributions are recognized in the period in which the contributions are made. Benefits and refunds are recognized when paid. 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. There are no actuarial valuations performed on individual school districts. The System has an underfunded pension benefit obligation as determined as part of the latest actuarial valuation.

Funding Policy

The District, the State of Oklahoma, and the participating employee make contributions. The contribution rates for the District and its employees are established by and may be amended by Oklahoma Statutes. The rates are not actuarially determined. The rates are applied to the employee's earnings plus employer-paid fringe benefits. The required contribution for the participating members is 7.0% of compensation. Additionally, OTRS receives "federal matching

CHISHOLM TRAIL TECHNOLOGY CENTER #V-26
Kingfisher County, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011

4. OTHER INFORMATION (Continued)

contributions" for positions whose funding comes from federal sources or certain grants. The District and State are required to contribute 11.55% of applicable compensation. Contributions received by the System from the State of Oklahoma are from 3.54% of its revenues from sales taxes, use taxes, corporate income taxes and individual income taxes. The District contributed 9.5% and the State of Oklahoma plus the federal contribution contributed the remaining. The District is allowed by the Oklahoma Teachers' Retirement System to make the required contributions on behalf of the participating members.

Annual Pension Cost

The total contributions for employees of the District for the year 2011, 2010 and 2009 were \$ 200,968, \$ 191,986 and \$ 192,060 respectively.

ii. Capital Assets

	<u>Balance at</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>June 30, 2011</u>
<u>Governmental activities:</u>				
Land	\$ 76,000		-	76,000
Buildings	3,250,059		-	3,250,059
Furniture & Fixtures	132,068		-	132,068
Automobiles	180,222	68,923	(18,476)	230,669
Totals at historic Cost	<u>3,638,349</u>	<u>68,923</u>	<u>(18,476)</u>	<u>3,688,796</u>
Less accumulated depreciation				
Buildings	(1,505,806)	(82,588)	-	(1,588,394)
Furniture & Fixtures	(97,381)	(9,250)	-	(106,631)
Automobiles	(111,326)	(24,426)	18,476	(117,276)
Total accumulated depreciation	<u>(1,714,513)</u>	<u>(116,264)</u>	<u>18,476</u>	<u>(1,812,301)</u>

CHISHOLM TRAIL TECHNOLOGY CENTER DISTRICT NO. V-26
KINGFISHER COUNTY, OKLAHOMA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE -BUDGET AND ACTUAL - REGULATORY BASIS

FOR THE YEAR ENDED JUNE 30, 2011

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenue Collected:			
Local Sources	100,000	248,994	(148,994)
Intermediate Sources	923,009	1,018,346	(95,337)
State Sources	1,052,161	1,225,947	(173,786)
Federal Sources	105,896	106,455	(559)
Total Revenue Collected	<u>2,181,066</u>	<u>2,599,742</u>	<u>(418,676)</u>
Expenditures Paid:			
Instruction	1,090,372	785,958	304,414
Support Services	1,866,605	1,504,717	361,888
Non Instruction Services	43,742	43,742	0
Capital Outlay	2,132	2,132	0
Other Outlays	16,319	16,319	0
Total Expenditures Paid	<u>3,019,170</u>	<u>2,352,868</u>	<u>666,302</u>
Excess of Revenues Collected Over (Under) Expenses Paid	(838,104)	246,874	(1,084,978)
Adj. to Prior Year Encumbrances	<u>0</u>	<u>6,156</u>	<u>(6,156)</u>
Other Financing Sources (Uses):			
Operating Transfers	0	0	0
Operating Transfers	0	0	0
Total Other Fin. Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenue Collected Over Expend. Paid and Other Fin. Sources (Uses)	(838,104)	253,030	<u>(1,091,134)</u>
Cash Fund Balance, July 1, 2010	838,104	838,104	
Cash Fund Balance, June 30, 2011	<u>0</u>	<u>1,091,134</u>	

Budgetary Comparison - Regulatory Basis is different
from GAAP basis presentation because:

Accounts Receivable not recognized as revenue:

Property Tax	604
Receivables from Other Governments	113,261
Other Receivables	0

Liabilities Payable recognized as expenditures:

Encumbrances Payable	245,423
	<u>1,450,422</u>

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

Special Revenue Funds

<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
0	5	(5)
187,898	197,880	(9,982)
0	663	(663)
<u>0</u>	<u>0</u>	<u>0</u>
<u>187,898</u>	<u>198,548</u>	<u>(10,650)</u>
4,472	4,472	0
134,576	34,576	100,000
0	0	0
282,416	109,868	172,548
<u>0</u>	<u>0</u>	<u>0</u>
<u>421,464</u>	<u>148,916</u>	<u>272,548</u>
(233,566)	49,632	(283,198)
<u>0</u>	<u>411</u>	<u>(411)</u>
0	0	0
0	0	0
<u>0</u>	<u>0</u>	<u>0</u>
(233,566)	50,043	<u>(283,609)</u>
233,566	233,566	
<u>0</u>	<u>283,609</u>	
	115	
	0	
	0	
	<u>10,237</u>	
	<u>293,961</u>	

CHISHOLM TRAIL TECHNOLOGY CENTER DISTRICT NO. V-26
 KINGFISHER COUNTY, OKLAHOMA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2011

FEDERAL GRANTOR / PASS THROUGH GRANTOR / PROGRAM TITLE	FEDERAL CFDA #	PASS- THROUGH GRANT #	PROGRAM AWARD AMOUNT	CASH OR DEFERRED REVENUE 07/01/2010	RECEIPTS OR REVENUE DISBURSEMENTS/ RECOGNIZED EXPENDITURES	CASH OR DEFERRED REVENUE 07/01/2011
<u>Passed Through State Department of</u>						
<u>Vocational Technical Education</u>						
TANF	93.558	452	55,357	-	55,537	-
Carl Perkins Tech Prep	84.243	428	72,124	45,000	50,753	-
<u>U.S. Department of Education - Direct</u>						
Pell Grant	84.063	474	241,162	-	231,657	-
Total Federal Financial Assistance						
				\$ 45,000	\$ 337,947	\$ -

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

CHISHOLM TRAIL TECHNOLOGY CENTER DISTRICT NO. V-26
KINGFISHER COUNTY, OKLAHOMA

SCHOOL ACTIVITY FUND
REVENUES, EXPENDITURES, AND BALANCES
FOR THE YEAR ENDED JUNE 30, 2011

	BALANCE				BALANCE
	<u>7/01/2010</u>	<u>Additions</u>	<u>Adj/Trans.</u>	<u>Deductions</u>	<u>6/30/2011</u>
Activity Funds:					
PETTY CASH	\$ -	\$ 388	\$ -	\$ 388	\$ -
CONCESSION	4,936	14,407	149	14,145	5,347
COSMETOLOGY LIVE WORK	-	4,358	-	4,358	-
HEALTH CAREERS HOSA	532	1,435	-	1,026	941
AUTOMOTIVE TECH VICA	1,748	1,286	-	1,402	1,632
SURPLUS AUCTION	-	1,050	-	1,050	-
TANF	9	-	-	-	9
PN TUITION	-	36,454	-	36,454	-
PN MATERIALS & FEES	3,000	10,414	-	10,433	2,981
PN HOSA	1,849	10,442	-	9,796	2,495
INTEREST	-	149	(149)	-	-
MISCELLANEOUS	-	217	-	217	-
ENROLLMENT FEES	4,857	3,215	-	43	8,029
NIGHT-TIME TUITION	-	29,280	-	29,280	-
NIGHT-TIME TEXTBOOKS	-	800	-	800	-
NIGHT-TIME MAT & FEES	300	1,984	-	1,984	300
PN TEXTBOOKS	-	10,495	-	10,495	-
COSMETOLOGY TUITION	-	25,282	-	25,282	-
COSMETOLOGY TEXTBOOKS	-	1,955	-	1,955	-
COSMETOLOGY MATERIALS/FEES	-	6,350	-	6,350	-
HOWELL/LEGAKO SCHOLARSHIP	5,341	4,050	-	1,615	7,776
HEALTH TESTING	2,148	565	-	500	2,213
AUTOMOTIVE TECH REPAIRS	1,713	2,598	-	1,906	2,405
COSMETOLOGY SKILLS USA	1,579	4,679	-	2,699	3,559
FULL-TIME TUITION	-	90,654	-	90,654	-
FULL-TIME TEXTBOOKS	-	16,958	-	16,958	-
FULL-TIME MAT & FEES	-	13,584	-	13,584	-
PN SCHOLARSHIP	15	-	-	-	15
COMPUTER/NETWORKING VICA	1,269	2,220	-	1,216	2,273
BPA BUSINESS PROF AMERICA	1,240	4,024	-	3,699	1,564
STUDENT FINACIAL AID	300	15,946	-	15,611	635
STUDENT ASSISTANCE FUND	3,000	664	-	503	3,161
NV-THS MISCELLANEOUS	191	-	-	150	41
GENERAL FUND REFUND	-	1,260	-	1,260	-
	\$ <u>34,027</u>	\$ <u>317,162</u>	\$ <u>-</u>	\$ <u>305,812</u>	\$ <u>45,377</u>

CHISHOLM TRAIL TECHNOLOGY CENTER DISTRICT NO. V-26
KINGFISHER COUNTY, OKLAHOMA

COMBINED STATEMENTS OF ASSETS, LIABILITIES & FUND BALANCES
- ALL FUND TYPES AND ACCOUNT GROUPS - REGULATORY BASIS

June 30, 2011

ASSETS	<u>Governmental Fund Types</u>		<u>Fiduciary</u> <u>Fund Types</u>	<u>Total</u> <u>(Memorandum</u> <u>Only)</u>
	<u>General</u>	<u>Special</u> <u>Revenue</u>	<u>Trust</u> <u>and</u> <u>Agency</u>	
Cash and cash equivalents	\$ 1,352,368	\$ 324,795	\$ 47,604	1,724,767
Investments	-	-	-	0
Amount available in Debt Service Fund	-	-	-	0
Amounts to be provided for retirement of general long term debt	-	-	-	0
Total Assets	<u>1,352,368</u>	<u>324,795</u>	<u>47,604</u>	<u>1,724,767</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Warrants payable	15,811	30,949	2,226	48,986
Encumbrances outstanding	245,423	10,237	-	255,660
Due to Student Groups	0	0	45,377	45,377
Long-term debt:				
Bonds Payable	-	-	-	0
Interest Payable	-	-	-	0
Leases Payable	-	-	-	0
Total liabilities	<u>261,234</u>	<u>41,186</u>	<u>47,603</u>	<u>350,023</u>
Fund Equity:				
Cash fund balances	1,091,134	283,609	1	1,374,744
Total Liabilities and Fund Equity	<u>1,352,368</u>	<u>324,795</u>	<u>47,604</u>	<u>1,724,767</u>

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

Chisholm Trail Technology Center # V-26
KINGFISHER COUNTY, OKLAHOMA
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL
LIABILITY INSURANCE AFFIDAVIT
JULY 1, 2010 TO JUNE 30, 2011

State of Oklahoma)
) ss
County of Kingfisher)

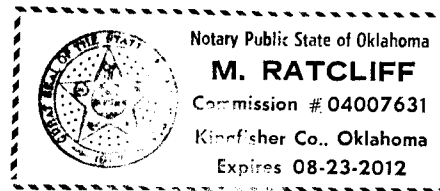
The undersigned auditing firm of lawful age, being first duly sworn on oath, says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with Chisholm Trail Technology Center # V-26 for the audit year 2010-2011.

STORM & HAUSER, P.C.
Auditing Firm

By *John A. Storm* CPA
Authorized Agent

Subscribed and sworn to before me this 10th day of November, 2011

M. Ratcliff
Notary Public



**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**

November 10, 2011

The Honorable Board of Education
Chisholm Trail Technology Center # V-26
Kingfisher County, Oklahoma

We have audited the financial statements of the Chisholm Trail Technology Center # V-26, Kingfisher County, Oklahoma (District), as of and for the year ended June 30, 2011, and have issued our unqualified report thereon dated November 10, 2011. 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 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 misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District'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 described 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. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Reportable Conditions and Responses that we consider to be significant deficiencies in internal control over financial reporting (Item 11-01). A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's combined 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

Chisholm Trail Technology Center # V-16
November 10, 2011

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*.

This report is intended solely for the information and use of the board of education and management, all applicable federal and state agencies, and those other Governments from which federal financial assistance was received and is not intended to be and should not be used by anyone other than these specified parties.

Storm & Hauser, P.C.

Storm & Hauser, P.C.
Certified Public Accountants

Chisholm Trail Technology Center # V-26
Kingfisher County, Oklahoma
July 1, 2010 to June 30, 2011

Disposition of Prior Year Reportable Conditions

Lack of Segregation of Duties

The finding that inherent limitations resulting from a small number of employees performing functions, which would normally be divided among a larger number of employees, prevented a proper segregation of accounting functions which is necessary in order to assure adequate internal accounting controls continued in the current fiscal year only in the Activity Funds and not District appropriated funds.

Chisholm Trail Technology Center # V-26
Kingfisher County, Oklahoma
July 1, 2010 to June 30, 2011

Schedule of Reportable Conditions

11-01

Section 1 - Summary of Auditor's Results

The audit disclosed one reportable condition in internal control which is not considered to be a material weakness but considered to be a significant deficiency in internal control over financial reporting.

Section 2 – Findings related to the financial statements required to be reported in accordance with GAGAS.

A good system of internal control provides for a proper segregation of the accounting functions. The Center has a small number of employees that perform duties for the Activity Fund which would normally be divided among a large number of employees. This precludes the adequate segregation of duties and could result in more than a low risk that errors or irregularities may occur and not be detected within a timely period. However, it may not be cost effective to hire the additional staff that would be necessary in order to adequately segregate the responsibilities.

Chisholm Trail Technology Center # V-26
Kingfisher County, Oklahoma
July 1, 2010 to June 30, 2011

Current Year Audit Exceptions and Recommendations

NONE

Prior Year Audit Exceptions and Recommendations

All prior year audit exceptions have since been resolved unless they are presented in the current year audit exceptions and recommendations followed by "A similar exception was presented in the previous years audit report".

Dr. Phil Berkenbile, State Director
Oklahoma Department of Career and Technology Education
1500 W. 7th Avenue, Stillwater, OK 74074

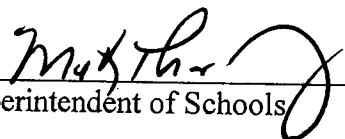
AUDIT ACKNOWLEDGEMENT

**Chisholm Trail Technology Center # V-26
Kingfisher County, Oklahoma
July 1, 2010 through June 30, 2011**

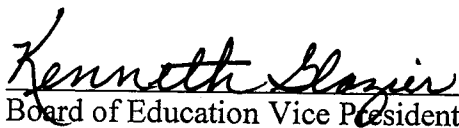
The annual independent audit for the Chisholm Trail Technology Center # V-26, was presented to the Board of Education in an Open Board Meeting on November 10, 2011, by Storm & Hauser, PC.

A copy of the audit, including this acknowledgement form, will be sent to the Oklahoma Department of Career and Technology Education within 30 days from its presentation, as stated in O.S. Paragraph 22-108:

“The local board of education shall forward a copy of the audit report to the State Department of Career and Technology Education within 30 days after receipt of said audit.”



Superintendent of Schools

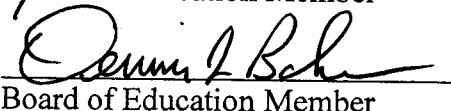


Board of Education Vice President

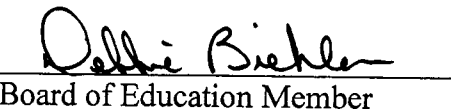
Board of Education President



Board of Education Member

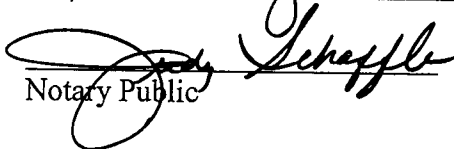


Board of Education Member



Board of Education Member

Subscribed and sworn to me this 14 day of November 10, 2011. My commission expires of the
7 day of June 2014.



Notary Public