

**FRANCIS TUTTLE TECHNOLOGY CENTER
SCHOOL DISTRICT NO. 21,
OKLAHOMA COUNTY, OKLAHOMA**

**FINANCIAL STATEMENTS
AND REPORTS OF INDEPENDENT AUDITOR**

JUNE 30, 2013

Audited by

**SANDERS, BLEDSOE & HEWETT
CERTIFIED PUBLIC ACCOUNTANTS, LLP**

BROKEN ARROW, OK

FRANCIS TUTTLE TECHNOLOGY CENTER
SCHOOL DISTRICT NO. 21, OKLAHOMA COUNTY
SCHOOL DISTRICT OFFICIALS
JUNE 30, 2013

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FRANCIS TUTTLE TECHNOLOGY CENTER
SCHOOL DISTRICT NO. 21, OKLAHOMA COUNTY
JUNE 30, 2013

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SANDERS, BLEDSOE & HEWETT

CERTIFIED PUBLIC ACCOUNTANTS, LLP

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education
Francis Tuttle Technology Center School District No. 21
Oklahoma City, Oklahoma 73142

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Francis Tuttle Technology Center School District No. 21 (the District), Oklahoma County, Oklahoma, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the Building Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and budgetary comparison information on pages 3-15 and 44-45, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The schedule of expenditures of federal awards is 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 is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2013, 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* in considering the District’s internal control over financial reporting and compliance.



Sanders, Bledsoe & Hewett
Certified Public Accounts, LLP

December 18, 2013

FRANCIS TUTTLE TECHNOLOGY CENTER DISTRICT NO. 21
Management's Discussion and Analysis (MD&A)

June 30, 2013

This section of Francis Tuttle Technology Center's annual financial report presents discussion and analysis of Francis Tuttle's financial performance during the fiscal year ended June 30, 2013. To fully understand Francis Tuttle's financial performance read it in conjunction with the basic financial statements and the notes to the financial statements.

Organization

Francis Tuttle Technology Center School District 21 (Francis Tuttle) is part of the public school system of Oklahoma under the general direction and control of the State Board of Career and Technology Education. The Francis Tuttle Technology Center School District includes all of the public school districts: Crescent, Deer Creek, Edmond, Millwood, Putnam City and Western Heights. The Francis Tuttle District includes portions of four counties: Oklahoma, Logan, Kingfisher and Canadian. Francis Tuttle provides educational opportunities to high school students and adults who reside or work in the District. Francis Tuttle operates three campuses; the Rockwell, Portland and Reno campuses. Each campus has a variety of services and programs to meet the needs of our customers.

Vision – to be the first choice for programs and services in career and technology education.

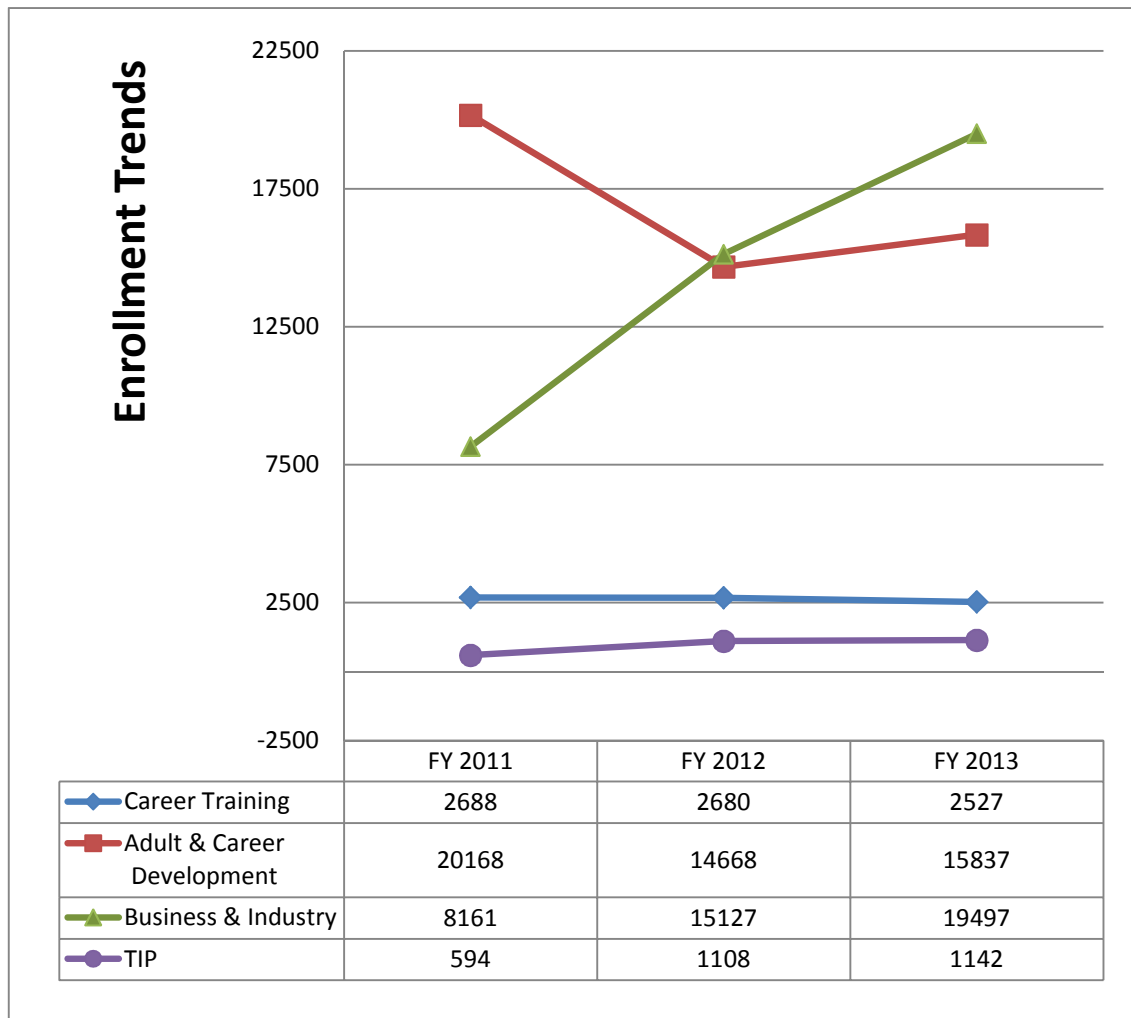
Mission – We prepare our customers for success in the workplace.

- ***Career Training Programs:*** Francis Tuttle offers forty different career training programs. These programs are designed to lead to industry certifications or licenses, employment or continuing education. These programs serve both high school students and adults. The career training programs fall into fifteen career clusters. Each career cluster is designed to offer students several choices of career major. Providing our students with many learning opportunities.
- ***Adult and Career Development Classes:*** Adult and Career Development (ACD) Classes are designed around specific curriculum and are designed to provide an introduction to or enhance knowledge of specific topics. Continuing education and licensing classes are offered in several areas including: real estate, insurance and health.
- ***Business and Industry Services:*** Francis Tuttle provides customized industry training to businesses and their employees in our District. This may include pre-employment, safety, skills based or management skills.

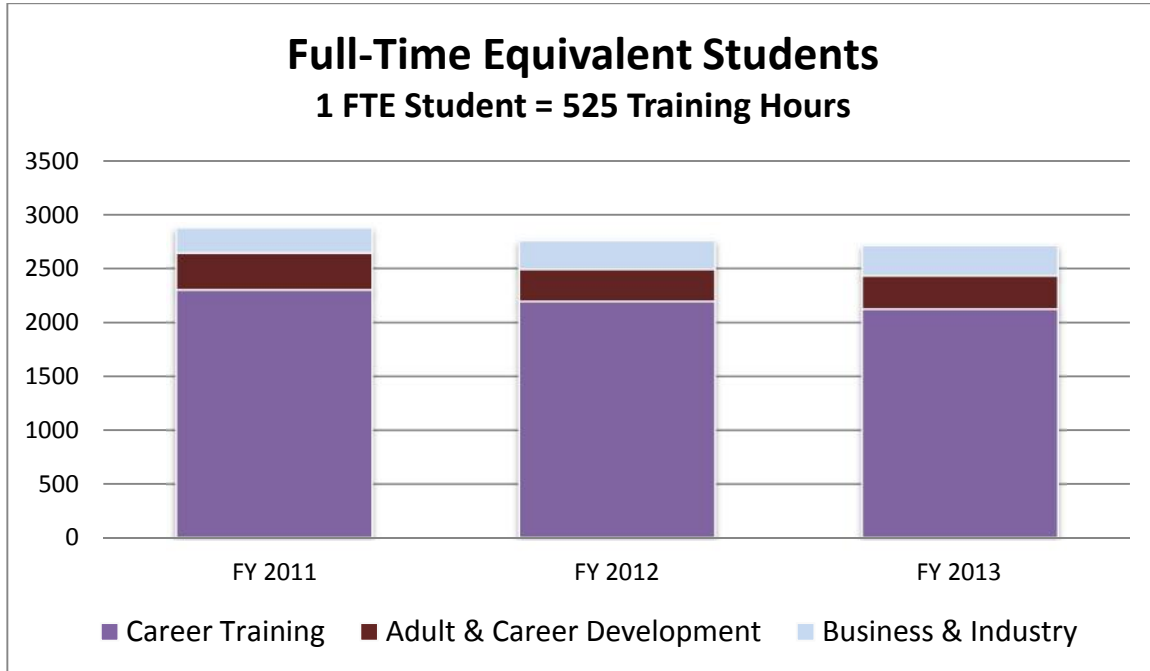
FINANCIAL HIGHLIGHTS

AdValorem property taxes are the largest source of revenue for Francis Tuttle. The growth rate in property valuations has a direct impact on the financial health of the District. Over the last five years the average growth in property valuation has been 4% per year. In FY 2013, the growth rate for property valuation was 2.5%. The District closely monitors property valuations, and adjusts spending accordingly.

Francis Tuttle measures activity in terms of students served. Important measures of students served include both the number of students enrolled and the number of full-time equivalent (FTE) students. Adult & Career Development and Business & Industry classes both have high enrollment in relatively short classes. Career Training classes have far fewer enrollments, but the classes last a full school year. Francis Tuttle contracts to provide special training for employers expanding their workforce through the Training for Industry Program (TIP).



All student training hours are converted into full-time equivalent (FTE) student counts. One FTE student is equal to the length of instruction for one high-school student for one school year (3 hours per day x 175 school days = 525 instructional hours).



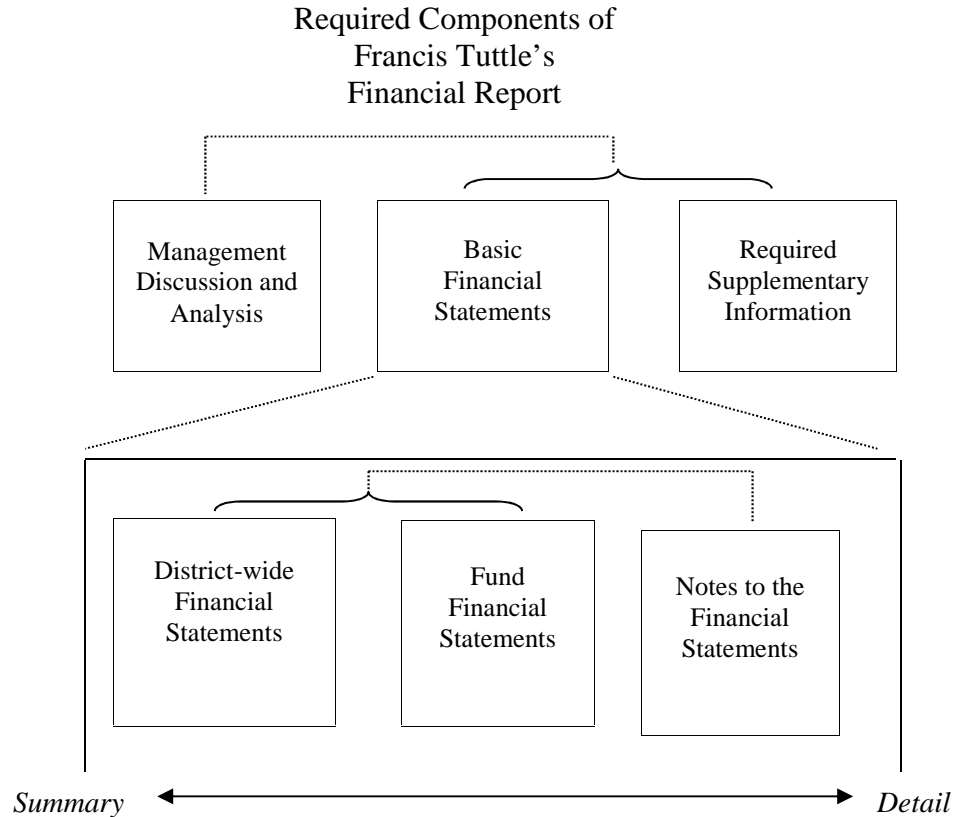
FINANCIAL STATEMENTS

The financial statements consist of three parts: management discussion and analysis, the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of Francis Tuttle. The first two statements are district-wide financial statements – the Statement of Net Assets and the Statement of Activities. These provide both long-term and short-term information about Francis Tuttle’s overall financial status.

The remaining statements are fund financial statements that focus on individual parts of Francis Tuttle’s operations in more detail than the district-wide statements.

- The governmental funds statements tell how basic services were financed in the short term as well as what remains for future spending. The governmental funds are the General and Building Funds.
- Proprietary fund statements offer short- and long-term financial information about the activities that are operated like a business. Francis Tuttle operates the Center for Municipal Excellence as a proprietary fund.
- Fiduciary fund statements provide information about financial relationships where Francis Tuttle acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong. The fiduciary funds for Francis Tuttle include the Student Activity, the Deferred Benefits and the Employee Benefits Funds.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and reports the financial statements with the comparison of Francis Tuttle’s budget for the year.



OVERVIEW OF FINANCIAL STATEMENTS

District-Wide Statements

The district-wide statements report information about Francis Tuttle 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 district-wide statements report Francis Tuttle's net assets and how they have changed. Net assets, the difference between Francis Tuttle's assets and liabilities, is one way to measure Francis Tuttle's financial health or position.

Over time, increases or decreases in Francis Tuttle's net assets are an indication of whether its financial health is improving or deteriorating, respectively. To assess the overall financial health of Francis Tuttle, you need to consider additional factors, such as changes in the Ad Valorem valuation and the projected student enrollment.

The district-wide financial statements of Francis Tuttle are all reported under governmental and business type activities.

- Governmental activities – All of Francis Tuttle's basic services are included here, such as instruction, business and industry services, administration, and community services. Local

property taxes, state appropriations, federal grants, tuition and fees finance most of these activities.

- Business type activities – Certain services, which are secondary to the basic operations of the district, and are accounted for in proprietary funds, are required to be reported as business type activities. Francis Tuttle, in partnership with the City of Edmond, operates the Center for Municipal Excellence as a proprietary fund.

Fund Financial Statements

Francis Tuttle's financial statements provide detailed information about each fund – not Francis Tuttle as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs; state law requires certain funds.

- Governmental funds – Most of Francis Tuttle's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. They are reported using an accounting method prescribed by Oklahoma Statutes. This statutory method of accounting provides for recording income (revenue) when received, and encumbering expenditures when the purchase commitment is made (purchase order is issued). The governmental fund statements provide a detailed short-term view of Francis Tuttle 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 Francis Tuttle'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.
- Proprietary funds – These funds are used to account for activities that are similar to business operations in the private sector; or where the reporting is on determining net income, financial position, changes in financial position, and a significant portion of funding through user charges. Francis Tuttle, in partnership with the City of Edmond, operates the Center for Municipal Excellence as a proprietary fund.
- Fiduciary funds – Francis Tuttle is the trustee, or fiduciary, for assets that belong to others, such as student activity funds or employee benefit funds. Francis Tuttle is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. Francis Tuttle excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF FRANCIS TUTTLE AS A WHOLE

Net Assets: Francis Tuttle's total net assets were \$88,001,143 at June 30, 2013 and \$87,770,439 at June 30, 2012.

**Net Assets
Fiscal Year ended June 30**

	<u>Governmental Activities</u>		<u>Business Type</u>		<u>Total</u>	
			<u>Activities</u>			
	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>
Current and other assets	\$ 22,507,541	\$ 24,106,243	\$427,972	\$500,546	\$ 22,935,513	24,606,789
Restricted Assets	902,880	0	0	0	902,880	0
Net capital assets	95,038,188	92,496,311	0	0	95,038,188	92,496,311
Total assets	118,448,609	116,602,554	427,972	500,546	118,876,581	117,103,100
Current and other liabilities	5,854,686	6,000,808	1,480	3,301	5,856,166	6,004,109
Long-term liabilities	25,249,976	23,097,848	0	0	25,249,976	23,097,848
Total Liabilities	31,104,662	29,098,656	1,480	3,301	31,106,142	29,101,957
Net Assets						
Invested in capital assets,						
Net of related debt	68,021,747	67,246,355	0	0	68,021,747	67,246,335
Restricted for capital related costs	2,995,971	4,457,847	0	0	2,995,971	4,457,847
Committed to fund temporary cash flow deficit	13,907,000	14,318,000	426,492	497,245	14,333,492	14,815,245
Assigned to Encumbrances	1,218,804	561,808	0	0	1,218,804	561,808
Unrestricted	1,200,425	919,908	0	0	1,200,425	919,908
Total Net Assets	87,343,947	87,503,898	426,492	497,245	87,770,439	88,001,143

The majority of Francis Tuttle's net assets are invested in capital assets (buildings, land, and equipment). These assets are not available for future spending. The restricted net assets are limited in use due to statutory restrictions on the Building fund. The Francis Tuttle Board has committed a portion of fund balance to fund the cash flow needs during the first half of the fiscal year. The temporary cash flow deficit is the result of the timing of property tax payments. The District assigns a portion of fund balance to honor the commitments made by the District for encumbrances (purchase orders) for which goods or services have not yet been received

Total revenues surpassed expenses, increasing net assets \$230,704 in FY 2013 \$1,694,517 in FY 2012. This figure includes an adjustment of \$(775,412) in FY 2013 and \$7,721,298 in FY 2012, which is the difference between the capital outlay expenditures for the year, the year's depreciation expense and the obligation for the lease purchase agreement.

Statement of Activities

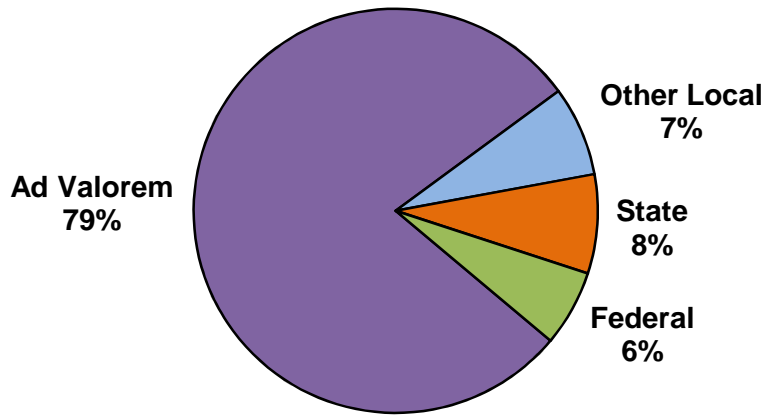
The results of this year's operations as a whole are reported in the Statement of Activities. All expenses are reported in the first column. Specific charges for services, grants, revenues and subsidies that directly relate to specific expense categories are identified to determine the final amount of Francis Tuttle's activities that are supported by other general revenues. The largest general revenue category is Property (Ad Valorem) taxes.

The table below takes the information from that Statement of Activities, rearranges it slightly, so you can see our total revenues for the year.

**Changes in Net Assets
Fiscal Year ended June 30**

	<u>Governmental Activities</u>		<u>Business Type</u>		<u>Total</u>	
	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>
Revenues						
<u>Program revenues</u>						
Charges for services	3,228,803	3,558,395	6,700	15,092	3,235,503	3,573,487
Operating grants and contributions	6,057,888	4,791,011	100,000	100,000	6,157,888	4,891,011
<u>General revenues</u>						
Property Taxes	43,087,985	44,847,584			43,087,985	44,847,584
State Formula Funding	3,604,865	3,482,250			3,604,865	3,482,250
Other	88,590	152,908			88,590	152,908
Transfer to Other Funds	(100,000)	(100,000)	100,000	100,000	0	0
Interest Income	278,267	184,131		42	278,267	184,173
Total revenues	56,246,398	56,916,279	206,700	215,134	56,453,098	57,131,413
Expenses						
Instruction	19,889,139	22,191,785	29,750	44,454	19,918,889	22,236,239
Instructional Support	7,315,992	7,503,985		68,808	7,315,992	7,572,793
Operational Support	20,514,954	20,468,323	26,895	31,119	20,541,849	20,499,442
Non-Instructional Services	2,117,578	2,412,229			2,117,578	2,412,229
Debt Service	1,269,192	1,213,384			1,269,192	1,213,384
Student Financial Aid and Other Uses	3,583,129	2,954,270			3,583,129	2,954,270
Repayments	11,952	12,352			11,952	12,352
Unallocated Depreciation	0	0			0	0
Total expenses	54,701,936	56,756,328	56,645	144,381	54,758,581	56,900,709
Increase (decrease) in net assets	\$ 1,544,462	\$ 159,951	150,055	70,753	\$ 1,694,517	\$ 230,704

Revenue by Source



The following shows the District's largest functions - instructional programs, instructional support, operational support, and student financial aid as well as each program's net cost. The net cost is the total cost less revenues generated by the activities and other grants, subsidies and contributions to show the remaining financial needs supported by state and local taxes and other miscellaneous revenue.

Fiscal Years ended June 30, 2013 and 2012 Net Cost of Governmental Activities

<u>Functions/Programs</u>	<u>FY 2012</u>		<u>FY 2013</u>	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Instruction	\$ 19,889,139	\$ 16,880,005	\$ 22,191,785	\$ 18,850,481
Instructional Support	7,315,992	5,549,666	7,503,985	6,904,088
Operational Support	20,514,954	17,506,622	20,468,323	20,209,336
Non-Instructional Services	2,117,578	518,509	2,412,229	1,192,469
Debt Service	1,269,192	1,196,578	1,213,384	1,213,384
Financial Aid and Other Uses	3,583,129	54,556	2,954,270	37,164
Repayments	11,952	0	12,352	0
Total governmental activities	\$ 54,701,936	\$ 41,705,936	\$ 56,756,328	\$ 48,406,922

Fiscal Years ended June 30, 2013 and 2012 Net Cost of Business Type Activities

<u>Functions/Programs</u>	<u>FY 2012</u>		<u>FY 2013</u>	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Center for Municipal Excellence	\$ 56,645	\$(50,055)	\$ 144,381	\$(29,289)
Total business type activities	\$ 56,645	(50,055)	\$144,381	(29,289)

FINANCIAL ANALYSIS OF FRANCIS TUTTLE'S FUNDS

Francis Tuttle's governmental funds reported a combined fund balance of \$20,257,563 at June 30, 2013 and \$19,322,200 at June 30, 2012. The increase in fund balance was due to setting aside funds in the Building Fund to address a large HVAC upgrade project. The primary source of revenue for the governmental funds is property tax. The property tax is not received evenly throughout the fiscal year. The majority of property tax revenues are received between December 15 and March 31st of each year. The governmental funds must carry forward a fund balance large enough to finance the negative cash flow during the first five months of each fiscal year.

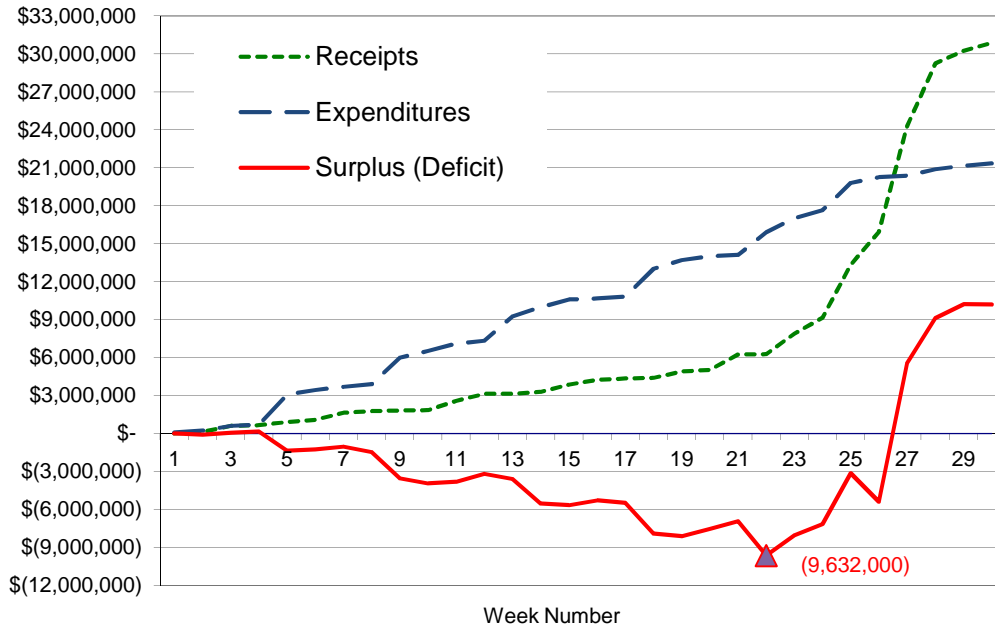
The Center for Municipal Excellence (CME) reported total fund balance of \$497,245 on June 30, 2013 and \$426,492 on June 30, 2012. The majority of revenue reported by CME continues to be partner contributions. Once operational, the primary source of revenue will be tuition and fees for classes.

The Fiduciary Funds reported total net restricted fund balances of \$1,747,811 on June 30, 2013 and \$1,977,504 on June 30, 2012.

General Fund:

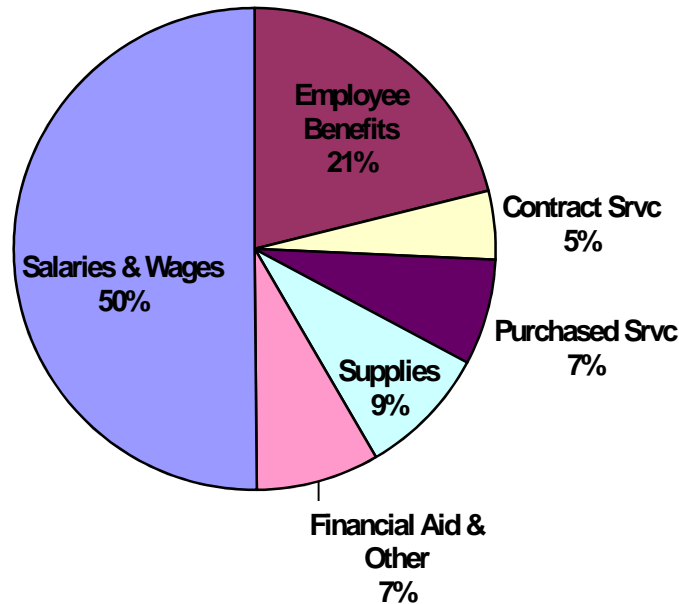
The General Fund balance is set at a level to fund the cash flow needs of the first half of the fiscal year. Expenditures are generally even throughout the year. Cash receipts lag behind expenditures during the first five months of the fiscal year. The collection of property taxes occurs mainly in December through March. This creates a cash flow deficit during the first part of each fiscal year. The committed fund balance is used to finance this cash flow deficit.

**Cumulative Cash Flow
 General Fund**



Francis Tuttle is a service entity and as such is labor intensive. Over 70% of general fund expenditures are for personnel costs (including salaries & wages, employee benefits and contract services).

General Fund Expenditures By Object FY 2013



Building Fund:

Francis Tuttle uses the building fund to purchase equipment; pay for utilities; maintain, remodel and build facilities and to support our instructional programs.

Francis Tuttle purchased a building site in the City of Edmond during FY 2012. Francis Tuttle entered into agreements with a developer to build the Francis Tuttle Business Innovation Center. The Business Innovation Center opened in July 2013. It will house short-term classes, business training, the Center for Municipal Excellence, and a business incubator.

BUDGETARY HIGHLIGHTS

Francis Tuttle prepares budgets in compliance with Oklahoma statutes and in accordance with the School District Budget Act. The first operating budget is prepared prior to the beginning of the school year when certain factors are uncertain, such as the final net assessed property values. The Board approves budget amendments as needed. These budget amendments included the following changes:

- Certification of net assessed property values and the related effect on property tax budgets
- Changes in State formula and grant funding
- Additions to or adjustments of operating grants
- Changes in premiums for health and dental insurance

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2013, Francis Tuttle had \$92.5 million in Governmental Funds invested in a broad range of capital assets, including land, school buildings, furniture and equipment. This amount represents a net increase (including additions, deletions and depreciation) of \$2.5 million from June 30, 2012, with depreciation expense exceeding new investments in capital assets.

Governmental Activities
 Capital assets - net of depreciation

	2012	2013
Land	\$ 4,392,954	\$ 4,392,954
Land Improvements	5,308,303	5,395,967
Buildings	73,384,135	70,850,060
Building Improvements	3,885,952	5,108,952
Equipment	5,515,386	5,577,145
Furniture & Fixtures	889,010	876,683
Vehicles	415,405	294,550
Construction In Progress	1,247,043	0
Total assets:	\$ 95,038,188	\$ 92,496,311

Debt Administration

Bond Obligations –Francis Tuttle had no outstanding bond obligations as of June 30, 2013 and 2012.

Leases – Francis Tuttle has entered an operating lease for the Francis Tuttle Business Innovation Center.

BOA Tranche I On November 28, 2008, Francis Tuttle entered into a ground lease of certain property at the Rockwell campus from Francis Tuttle to Bank of America. In addition, a lease purchase agreement from Bank of America to Francis Tuttle was executed. The lease purchase agreement provides construction financing for the Business and Industry Services Building being constructed on the Rockwell campus. The total amount financed under this agreement was \$10,000,000.

The lease-purchase calls for twenty-four semi-annual payments starting January 2010. The payments will be made out of the building fund. Francis Tuttle will gain ownership to the building incrementally as each payment is made.

BOA Tranche II On October 15, 2009, Francis Tuttle entered into a ground lease of certain property at the Rockwell campus from Francis Tuttle to Bank of America. In addition, a lease purchase agreement from Bank of America to Francis Tuttle was executed. The lease purchase agreement provides construction financing for the Culinary Arts Building on the Rockwell campus. The total amount financed under this agreement was \$20,000,000.

The lease-purchase calls for twenty-four semi-annual payments starting July 2011. The payments will be made out of the building fund. Francis Tuttle will gain ownership to the building incrementally as each payment is made.

FRANCIS TUTTLE TECHNOLOGY CENTER
Management's Discussion and Analysis (MD&A)

The lease payments will be as follows:

<u>Fiscal Year</u>	<u>BOA Tranche I</u>	<u>BOA Tranche II</u>	<u>Total</u>
2012-13	\$1,000,000	\$2,000,000	\$3,000,000
2013-14	\$1,000,000	\$2,300,000	\$3,300,000
2014-15	\$1,000,000	\$2,300,000	\$3,300,000
2015-16	\$1,000,000	\$2,300,000	\$3,300,000
2016-17	\$1,000,000	\$2,300,000	\$3,300,000
2017-18	\$1,000,000	\$2,300,000	\$3,300,000
2018-19	\$1,000,000	\$2,300,000	\$3,300,000
2019-20	\$1,000,000	\$2,300,000	\$3,300,000
2020-21	\$1,000,000	\$2,300,000	\$3,300,000
2021-22	\$ 575,019	\$2,300,000	\$2,875,019
2022-23		\$2,339,207	\$2,339,207

Other obligations include accrued vacation pay and sick leave for specific employees of Francis Tuttle.

FACTORS BEARING ON FRANCIS TUTTLE TECHNOLOGY CENTER'S FUTURE

There are many factors that may have a positive or negative impact on Francis Tuttle financial status in the future. The District is not aware of any factors, that have a reasonable possibility of occurring, which will negatively impact the District's future operations.

CONTACTING FRANCIS TUTTLE FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, parents, students and creditors with a general overview of Francis Tuttle's finances and to show accountability for the money it receives. If you have questions about this report or wish to request additional financial information, please contact the Business Office, Francis Tuttle Technology Center, 12777 N Rockwell Ave, Oklahoma City, OK 73142.

Respectfully submitted,

Dr. Tom Friedemann
Superintendent

Carol Fadaiepour
Director of Finance

Francis Tuttle Technology Center School District No. 21
Oklahoma County, Oklahoma

Statement of Net Assets

June 30, 2013

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets-			
Cash and cash equivalents	\$ 1,217,758	\$ 120,503	\$ 1,338,261
Investments	21,947,495	380,043	22,327,538
Interest Receivable	30,800	0	30,800
Property Taxes Receivable	345,500	0	345,500
Receivables from Other Governments	525,854	0	525,854
Other Receivables	38,836	0	38,836
Total current assets	<u>24,106,243</u>	<u>500,546</u>	<u>24,606,789</u>
Capital assets-			
Land	4,392,954	0	4,392,954
Buildings and equipment	135,247,878	0	135,247,878
Less Accumulated depreciation	(47,144,521)	0	(47,144,521)
Total capital assets	<u>92,496,311</u>	<u>0</u>	<u>92,496,311</u>
 Total assets	 <u>116,602,554</u>	 <u>500,546</u>	 <u>117,103,100</u>
LIABILITIES			
Current liabilities-			
Accounts Payable	1,325,696	223	1,325,919
Salaries & Wages Payable	1,702,511	3,078	1,705,589
Accrued Interest Payable	533,223	0	533,223
Current Portion of Lease Purchase Agreement	2,152,128	0	2,152,128
Compensated leave	287,250	0	287,250
Total current liabilities	<u>6,000,808</u>	<u>3,301</u>	<u>6,004,109</u>
Non-current liabilities-			
Lease Purchase Agreement	23,097,848	0	23,097,848
Total non-current liabilities	<u>23,097,848</u>	<u>0</u>	<u>23,097,848</u>
 Total liabilities	 <u>29,098,656</u>	 <u>3,301</u>	 <u>29,101,957</u>
NET ASSETS			
Invested in capital assets, net of related debt	67,246,335	0	67,246,335
Restricted for capital related costs	4,457,847	0	4,457,847
Committed to fund temporary cash flow deficit	14,318,000	497,245	14,815,245
Assigned to encumbrances	561,808	0	561,808
Unassigned	919,908	0	919,908
Total net assets	<u>\$ 87,503,898</u>	<u>\$ 497,245</u>	<u>\$ 88,001,143</u>

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

Francis Tuttle Technology Center School District No. 21
Oklahoma County, Oklahoma
Statement of Activities
July 1, 2012 to June 30, 2013

Function/Programs	Expenses	Program Revenues		Net (Expense)/ Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction	\$ 22,191,785	2,338,635	1,002,669	(18,850,481)		(18,850,481)
Support services - instructional	7,503,985		599,897	(6,904,088)		(6,904,088)
Support services - operational	20,468,323		258,987	(20,209,336)		(20,209,336)
Operation of non-instruction services	2,412,229	1,219,760		(1,192,469)		(1,192,469)
Dept Service	1,213,384			(1,213,384)		(1,213,384)
Financial Aid and other uses	2,954,270		2,917,106	(37,164)		(37,164)
Repayments	12,352		12,352	0		0
Total governmental activities	<u>56,756,328</u>	<u>3,558,395</u>	<u>4,791,011</u>	<u>(48,406,922)</u>		<u>(48,406,922)</u>
Business Type Activities:						
Center for Municipal Excellence	144,381	15,092	100,000		(29,289)	(29,289)
Total primary government	<u>56,900,709</u>	<u>3,573,487</u>	<u>4,891,011</u>		<u>(29,289)</u>	<u>(48,436,211)</u>
General revenues:						
Taxes -						
Property taxes, levied for capital related costs				15,122,533		15,122,533
Property taxes, levied for general purposes				29,725,051		29,725,051
State aid - formula grants				3,482,250		3,482,250
Other local				152,908		152,908
Interest				184,131	42	184,173
Special items -						
Transfers to other funds				(100,000)	100,000	0
Total general revenues and special items				<u>48,566,873</u>	<u>100,042</u>	<u>48,666,915</u>
Change in net assets				159,951	70,753	230,704
NET ASSETS, beginning				<u>87,343,947</u>	<u>426,492</u>	<u>87,770,439</u>
NET ASSETS, ending				<u>\$ 87,503,898</u>	<u>\$ 497,245</u>	<u>\$ 88,001,143</u>

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

Francis Tuttle Technology Center School District No. 21
Oklahoma County, Oklahoma
Balance Sheet - Governmental Funds
June 30, 2013

	General Fund	Building Fund	Total Governmental Funds
<u>ASSETS</u>			
Current Assets			
Cash and cash equivalents	\$ 1,200,397	17,361	1,217,758
Investments	10,767,823	11,179,672	21,947,495
Interest Receivable	16,450	14,350	30,800
Property Taxes Receivable	230,500	115,000	345,500
Receivables from Other Governments	525,854	0	525,854
Other Receivables	38,836	0	38,836
Total current assets	12,779,860	11,326,383	24,106,243
Total assets	\$ 12,779,860	11,326,383	24,106,243
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Accounts Payable	\$ 329,899	995,797	1,325,696
Salaries & Wages Payable	1,702,511	0	1,702,511
Accrued Interest Payable	0	533,223	533,223
Compensated Leave	287,250	0	287,250
Total liabilities	2,319,660	1,529,020	3,848,680
Fund Balances			
Restricted for Capital Related Costs	0	4,457,847	4,457,847
Committed to fund temporary cash flow deficit	9,500,000	4,818,000	14,318,000
Assigned to encumbrances	40,292	521,516	561,808
Unassigned	919,908	0	919,908
Total fund balances	10,460,200	9,797,363	20,257,563
Total liabilities and fund balances	\$ 12,779,860	11,326,383	24,106,243

Amounts reported for governmental activities in the statement of 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.

Capital assets	\$139,640,832	
Less accumulated depreciation	(47,144,521)	92,496,311
Liability for Lease Purchase Agreement		(25,249,976)
Net assets of governmental activities		\$ 87,503,898

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

Francis Tuttle Technology Center School District No. 21
Oklahoma County, Oklahoma

Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
July 1, 2012 to June 30, 2013

	General Fund	Building Fund	Total Governmental Funds
REVENUES:			
Property taxes	\$ 29,725,051	15,122,533	44,847,584
Other local sources	3,889,779	17,882	3,907,661
State sources	4,512,040		4,512,040
Federal sources	3,466,608		3,466,608
Reimbursements	98,255		98,255
Interest	45,112	139,019	184,131
Total revenues	41,736,845	15,279,434	57,016,279
EXPENDITURES:			
Instruction	17,220,091	2,480,145	19,700,236
Support services- instructional	6,544,175	163,519	6,707,694
Support services- operational	12,514,431	3,940,836	16,455,267
Non-instructional services	2,159,693	5,994	2,165,687
Capital outlay	425,415	4,580,147	5,005,562
Debt service	0	2,979,848	2,979,848
Financial Aid and other uses	2,954,270	0	2,954,270
Repayments	10,816	1,536	12,352
Total expenditures	41,828,891	14,152,025	55,980,916
Excess (deficiency) of revenues over expenditures	(92,046)	1,127,409	1,035,363
OTHER FINANCING SOURCES (USES):			
Transfer to other funds	(100,000)		(100,000)
Total other financing sources (uses)	(100,000)	0	(100,000)
NET CHANGE IN FUND BALANCES	(192,046)	1,127,409	935,363
FUND BALANCES, beginning	10,652,246	8,669,954	19,322,200
FUND BALANCES, ending	\$ 10,460,200	9,797,363	20,257,563

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

Francis Tuttle Technology Center School District No. 21
Oklahoma County, Oklahoma

Statement of Revenues, Expenditures and
 Changes in Fund Balances - Governmental Funds
 July 1, 2012 to June 30, 2013

Net change in fund balances - governmental funds 935,363

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

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 outlay expenditures	2,388,972	
Depreciation expense	<u>(4,930,849)</u>	(2,541,877)

Principal payment on lease purchase agreement		<u>1,766,465</u>
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Changes in net assets of governmental activities 159,951

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

Francis Tuttle Technology Center School District No. 21
Oklahoma County, Oklahoma
 Balance Sheet - Proprietary Funds
 June 30, 2013

	<u>Enterprise Fund- Center for Municipal Excellence</u>
<u>ASSETS</u>	
Current Assets	
Cash and cash equivalents	\$ 120,503
Investments	<u>380,043</u>
Total current assets	<u><u>\$ 500,546</u></u>
 <u>LIABILITIES AND FUND BALANCES</u>	
Liabilities	
Accounts Payable	\$ 223
Salaries & Wages Payable	<u>3,078</u>
Total liabilities	<u>3,301</u>
Fund Balances	
Partners' Equity	<u>497,245</u>
Total fund balances	<u>497,245</u>
Total liabilities and fund balances	<u><u>\$ 500,546</u></u>

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

Francis Tuttle Technology Center School District No. 21
Oklahoma County, Oklahoma

Statement of Revenues, Expenditures and
Changes in Fund Balances - Proprietary Funds
July 1, 2012 to June 30, 2013

	Enterprise Fund- Center for Municipal Excellence
OPERATING REVENUES:	
Tuition and fees	\$ 15,092
Interest	42
Total operating revenues	15,134
OPERATING EXPENSES:	
Instruction	44,454
Support services	99,927
Total operating expenditures	144,381
Operating Income (Loss)	(129,247)
NONOPERATING REVENUE (EXPENSES)	
Partner Contributions	200,000
Total nonoperating revenue (expense)	200,000
NET CHANGE IN NET ASSETS	70,753
TOTAL NET ASSETS, beginning	426,492
TOTAL NET ASSETS, ending	\$ 497,245

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

Francis Tuttle Technology Center School District No. 21
Oklahoma County, Oklahoma

Statement of Cash Flows - Proprietary Funds
July 1, 2012 to June 30, 2013

**Enterprise Fund-
Center for
Municipal Excellence**

CASH FLOWS FROM OPERATING ACTIVITES:

Training fees paid by clients	\$ 16,367
Interest Income	42
Payments to employees	(95,717)
Payments for instruction	(15,724)
Payments for support services	(31,119)
Net cash provided (used) by operations	<u>(126,151)</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:

Partner Contributions	200,000
Net increase (decrease) in cash and cash equivalents	<u>73,891</u>
Balance, beginning of year	<u>426,697</u>
Balance, end of year	<u>\$ 500,588</u>

**RECONCILIATION OF OPERATING INCOME (LOSS) TO
NET CASH PROVIDED (USED) BY OPERATING ACTIVITY**

Operating income (loss)	(129,247)
Adjustments to reconcile operating income to net cash provided by operating activities:	
(Increase) Decrease in accounts receivable	1,275
(Decrease) Increase in accounts payable	<u>1,821</u>
Net cash provided (used) by operating activities	<u>\$ (126,151)</u>

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

Francis Tuttle Technology Center School District No. 21
Oklahoma County, Oklahoma

Statement of Fiduciary Net Assets

June 30, 2013

	Employee Benefits	Deferred Benefits	Agency	Total
<u>ASSETS</u>				
Current assets-				
Cash and cash equivalents	\$ 335,778	2,401	181,219	519,398
Investments	939,149	864,611	50,000	1,853,760
Miscellaneous accounts receivable	17,226			17,226
Accrued interest receivable	1,500			1,500
Total current assets	1,293,653	867,012	231,219	2,391,884
<u>LIABILITIES</u>				
Current liabilities-				
Accounts payable	180	674	47,979	48,833
Due to General fund			38,836	38,836
Claims payable	412,000			412,000
Funds held for school organizations			144,404	144,404
Total current liabilities	412,180	674	231,219	556,404
<u>NET ASSETS</u>				
Restricted for benefits	881,473	866,338		1,747,811
Total net assets	\$ 881,473	866,338	0	1,747,811

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

Francis Tuttle Technology Center School District No. 21
Oklahoma County, Oklahoma

Statement of Changes in Fiduciary Net Assets
For the year ended June 30, 2013

	<u>Employee Benefits</u>	<u>Deferred Benefits</u>	<u>Total</u>
ADDITIONS			
Premiums	\$ 3,077,875		3,077,875
Insurance loss recoveries	199,164		199,164
Interest	11,032	5,855	16,887
Refunds	36,728		36,728
Total additions	<u>3,324,799</u>	<u>5,855</u>	<u>3,330,654</u>
DEDUCTIONS			
Medical claims	2,213,207		2,213,207
Prescriptions	561,526		561,526
HMO premiums	66,526		66,526
Dental claims	340,409		340,409
Wellness program	50,166		50,166
Administrative	326,920		326,920
Employee benefit payments		1,593	1,593
Total deductions	<u>3,558,754</u>	<u>1,593</u>	<u>3,560,347</u>
Change in Net Assets	(233,955)	4,262	(229,693)
Net Assets - beginning of year	<u>1,115,428</u>	<u>862,076</u>	<u>1,977,504</u>
Net Assets - ending of year	<u>\$ 881,473</u>	<u>866,338</u>	<u>1,747,811</u>

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

FRANCIS TUTTLE TECHNOLOGY CENTER
SCHOOL DISTRICT NO. 21, OKLAHOMA COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS –
FOR THE YEAR ENDED JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Francis Tuttle Technology Center School District No. 21, (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. 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 five 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 District has not identified any component units that should be included in the District’s reporting entity. The Francis Tuttle Foundation Inc. 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.

- 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 inter-fund 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 students or clients 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 classified as program revenues are reported as general revenues.

FRANCIS TUTTLE TECHNOLOGY CENTER
SCHOOL DISTRICT NO. 21, OKLAHOMA COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS –
FOR THE YEAR ENDED JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

B. Basic Financial Statements - cont'd

Funds

The District reports its financial activities through the use of fund accounting. This is a system of accounting wherein transactions are reported in self-balancing sets of accounts to reflect results of activities. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained, consistent with legal and managerial requirements. Funds are classified into three categories: Governmental, proprietary and fiduciary. Each category, in turn, is divided into separate “fund types.” A description of the activities of the various funds is provided below.

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 local property taxes and various state appropriations including funding through the State Aid Formula approved by the State Board of Career and Technology Education. 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 service on bonds and other long-term debt. The general fund includes federal and state restricted monies that must be expended for specific programs.

Special Revenue Funds – Special revenue funds include the District’s building and co-op funds.

Building Fund – The 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.

FRANCIS TUTTLE TECHNOLOGY CENTER
SCHOOL DISTRICT NO. 21, OKLAHOMA COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS –
FOR THE YEAR ENDED JUNE 30, 2013

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** – cont'd

B. Basic Financial Statements - cont'd

Co-op Fund – The co-op fund is established when the boards of education of two or more school districts enter into cooperative agreements and maintain joint programs. The revenues necessary to operate a cooperative program can come from federal, state, or local sources, including the individual contributions of participating school districts. The expenditures for this fund would consist of those necessary to operate and maintain the joint programs. The District did not maintain a co-op fund during the 2012-13 fiscal year.

Debt Service Fund – The debt service fund is the District's sinking fund and is used to account for the accumulation of financial resources for the payment of general long-term (including judgments) 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. The District did not maintain a sinking fund during the 2012-13 fiscal year.

Capital Projects Fund – The capital projects fund is the District's bond fund and is 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. The District did not maintain this fund during the 2012-13 fiscal year.

Permanent Fund – Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs. The District did not maintain this fund during the 2012-13 fiscal year.

Proprietary Fund Types

Proprietary funds are used to account for activities that are designed to be run like a business. In a proprietary fund the fees charged are intended to cover the operating expenses. Francis Tuttle (in partnership with the City of Edmond) is operating the Center for Municipal Excellence as a proprietary fund.

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. 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 operation.

FRANCIS TUTTLE TECHNOLOGY CENTER
SCHOOL DISTRICT NO. 21, OKLAHOMA COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS –
FOR THE YEAR ENDED JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

B. Basic Financial Statements – cont'd

Deferred Benefit Fund – The deferred benefit fund was established by the Board of Education to pay employee benefits whose payment is deferred until the employee resigns or retires. These benefits are the conditional sick leave payment and the annual leave bank

Employee Benefits Fund – The employee benefits fund accounts for revenues and expenditures for all types of self-funded health insurance coverage.

Agency Funds – Agency funds include the school district activity fund.

Activity Fund - The activity fund is used to account for monies collected principally through the fundraising efforts of students and District-sponsored groups. The administration is responsible, under the authority of the Board, for collecting, disbursing and accounting for these activity funds.

Total Column

The total column on the government-wide and fund financial statements are presented only to facilitate financial analysis. Data in this column does not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

C. Measurement Focus and Basis of Accounting

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within 30 days of the fiscal year end.

FRANCIS TUTTLE TECHNOLOGY CENTER
SCHOOL DISTRICT NO. 21, OKLAHOMA COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS –
FOR THE YEAR ENDED JUNE 30, 2013

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** – cont'd

C. Measurement Focus and Basis of Accounting - cont'd

For this purpose, the District considers revenues, other than property taxes, that are susceptible to accrual to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. Some other significant differences are as follows:

The general and building funds record purchases of equipment and supplies as expenditures rather than as assets to be expensed when used.

Encumbrances are reported as a assignment of fund balances, since the obligation will be honored through subsequent year's budget appropriations.

D. Budgets and Budgetary Accounting

The District is required by state law to prepare an annual budget. The District prepares its budget in accordance with the Oklahoma School District Budget Act. A budget is legally adopted by the Board of Education for all funds (with the exception of the trust and agency funds) that includes revenues and expenditures. The approved budget creates an appropriation, which is the legal authority for the District to expend funds. In accordance with the School District Budget Act, the Board must adopt a budget by July 1 for the new fiscal year.

The original budget for FY 2012-13 was approved on June 22, 2012. The District amended the budget on September 10, 2012, February 11, 2013 and June 27, 2013.

Encumbrances represent obligations 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. Unencumbered appropriations lapse at the end of each fiscal year.

FRANCIS TUTTLE TECHNOLOGY CENTER
 SCHOOL DISTRICT NO. 21, OKLAHOMA COUNTY
 NOTES TO THE COMBINED FINANCIAL STATEMENTS –
 FOR THE YEAR ENDED JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

E. Assets, Liabilities and Fund Equity

Cash – Cash and cash equivalents consists of cash on hand, demand deposit accounts, and interest bearing checking accounts, less outstanding checks.

Investments – The District is allowed to invest in various instruments which are directly or indirectly guaranteed or insured by the United States government or the State of Oklahoma and warrants, bonds or judgments of the District. All investments are recorded at cost, which approximates market value.

Inventories – The value of consumable inventories at June 30, 2012, is not material to the combined financial statements.

Capital Assets – Capital assets, which include land, building, building improvements, equipment and fixtures, vehicles and construction in progress are reported in the government-wide financial statements. Land, buildings and building improvements are recorded at historical cost or estimated historical cost if purchased or constructed. The capitalization threshold for equipment and fixtures is \$1,000. Donated capital assets are recorded at estimated fair market value at date of donation.

The costs of normal maintenance and repairs that do not add to the value or utility of the asset or materially extend asset lives are not capitalized.

Building and building improvements, and equipment and fixtures are depreciated using the straight-line method beginning in the year they are placed into service. The District’s capital assets have the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and building improvements	20-50
Equipment and fixtures	5-15
Vehicles	8

Accounts Payable – Accounts payable represent amounts due to vendors for goods and services received by the District for which a check has not been issued.

Salaries & Wages Payable – Salaries and wages payable represent amounts due under employment contracts for which the services have been preformed but payment has not yet been made.

FRANCIS TUTTLE TECHNOLOGY CENTER
SCHOOL DISTRICT NO. 21, OKLAHOMA COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS –
FOR THE YEAR ENDED JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

E. Assets, Liabilities and Fund Equity – cont'd

Compensated Absences – The District reports compensated absences in accordance with provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. Vacation leave is accrued as a liability as the benefits are earned by the employees if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement. Sick leave is calculated using the vesting method. The balance reflects sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments. The accrual has been reduced to the maximum amount allowed by the District's policy as a termination payment.

Funds Held for School Organizations – Funds held for school organizations represent the funds received or collected from students or other cocurricular and extracurricular activities conducted in the District, control over which is exercised by the board of education. These funds are credited to the account maintained for the benefit of each particular activity within the school activity fund.

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.

Restricted Fund Balance – The Building Fund is restricted by statute to certain capital related costs, its fund balance is shown as restricted.

Committed Fund Balance – The District has committed a portion of fund balance in both the General and Building Fund for funding the cash flow needs during the first half of each fiscal year. The collection of property taxes occurs mainly in December through March. This creates a temporary cash flow deficit during the first part of each fiscal year. The committed fund balance is used to finance this temporary cash flow deficit.

Assigned Fund Balance – The District assigns a portion of Fund Balance to honor the obligations made by the District for encumbrances (purchase orders) for which goods or services have not yet been received.

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Unassigned Fund Balance - Fund balance represents the funds not restricted in use by Statute nor encumbered by purchase orders, legal contracts.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

F. Revenue and Expenditures

Local Revenues – Revenue from local sources is the money generated from within the boundaries of the District and available to the District for its use. 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. These property taxes are distributed to the District's general, building and sinking funds based on the levies approved for each fund. The County Assessor, upon receipt of the certification of tax levies from the county excise board, extends the tax levies on the tax rolls 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.

Other local sources of revenues include tuition, fees, rentals, disposals, commissions and reimbursements.

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 Career and Technology Education administers the allocation of state aid funds to technology center districts. The state aid funding formula includes the following factors: enrollment, number of school sites in the district, number of approved programs, transportation and local resources.

After review and verification of reports and supporting documentation, the State Department of Career and Technology Education may adjust subsequent fiscal period allocations of money for prior year errors disclosed by review. The failure of a program to meet minimum standards may result in an adjustment of funding. Normally, such adjustments are treated as reductions from or additions to the revenue of the year when the adjustment is made.

The District receives revenue from the state to administer certain categorical educational programs. State Board of Career and Technology 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 Career and Technology Education requires that categorical educational program revenues be accounted for in the general fund.

The aforementioned state revenues are apportioned to the District's general fund.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS –
FOR THE YEAR ENDED JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

F. Revenue and Expenditures – cont'd

Federal Revenues – Federal revenues consist of revenues from the federal government in the form of operating grants or entitlements. An operating grant is a contribution to be used for a specific purpose, activity or facility. A grant may be received either directly from the federal government or indirectly as a passthrough from another government, such as the state.

An entitlement is the amount of payment to which the District is entitled pursuant to an allocation formula contained in applicable statutes.

The majority of the federal revenues received by the District are apportioned to the general fund.

Interest Earnings – Represent compensation for the use of financial sources over a period of time.

Reimbursements – Reimbursements are receipts deposited into a fund that are not new revenues to the District, but the return of assets.

Instruction Expenditures – Instruction expenditures include the activities dealing directly with the interaction between instructors and students. Instruction may be provided for students in a classroom, in another location, such as a client's location, and in other learning situations, such as those involving cocurricular activities. It may also be provided through some other approved medium, such as internet, television, and correspondence. Included here are the activities of teacher assistants of any type (clerks, graders, teaching machines, etc.) which assist in the instructional process. The activities of tutors, translators and interpreters would be recorded here. Department chairpersons who teach for any portion of time are included here. Tuition/transfer fees paid to other LEAs would be included here.

Instructional Support Services Expenditures

Instructional support services expenditures provide technical and logistical support to facilitate and enhance instruction. These services include things such as counseling, library and media services, curriculum development, and student transportation. These services exist as adjuncts for fulfilling the objectives of instructional programs rather than as entities within themselves.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS –
FOR THE YEAR ENDED JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

F. Revenue and Expenditures – cont'd

Support Services – Operational Expenditures

Operational support services expenditures provide administrative, technical, and logistical support to facilitate and enhance instruction. These services include things such as business office, management information services, human resources, facility maintenance, and administration. These services exist as adjuncts for fulfilling the objectives of instruction, community services, and enterprise programs rather than as entities within themselves.

Non-Instructional Services Expenditures – Activities concerned with providing non-instructional services to students, staff or the community. These services are primarily resale operations.

Facilities Acquisition and Construction Services Expenditures – Consist of activities involved with the acquisition of land and buildings; remodeling buildings; the construction of buildings and additions to buildings; initial installation or extension of service systems and other built-in equipment; and improvements to sites.

Other Outlays Expenditures – A number of outlays of governmental funds are not properly classified as expenditures, but still require budgetary or accounting control. These are classified as Other Outlays. These include debt service payments (principal and interest).

Financial Aid Expenditures and Repayments – This includes scholarships provided by private gifts and endowments; student aid and staff awards supported by outside revenue sources (i.e., foundations). Also, expenditures for self-funded employee benefit programs administered either by the District or a third party administrator.

Repayment expenditures represent checks issued to outside agencies for refund or restricted revenue previously received for overpayment, non-qualified expenditures and other refunds to be repaid from District funds.

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. The District had one operating transfer, and no residual equity transfers during the 2012-13 fiscal year.

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2. CASH AND INVESTMENTS

The District's investment policies are governed by state statute. Permissible investments include direct obligations of the United States government, agencies and instrumentalities; obligations of the State of Oklahoma; certificates of deposit of savings and loan associations, banks and trust companies; savings accounts or savings certificates of savings and loan associations, banks, and trust companies; money market mutual funds which invest in obligations of the United States, its agencies and instrumentalities; qualified investment pools and warrants, bonds or judgments of the District. Collateral is required to be pledged with the state treasurer for demand deposits and certificates of deposit for all amounts not covered by federal deposit insurance.

Cash – The District's cash deposits at June 30, 2013, are categorized to give an indication of the level of risk assumed by the District at year end. The difference between the bank balance and book balance are the outstanding checks at June 30, 2013.

Investments – The District's investments consist of U.S. Agency and Instrumentality bonds, State of Oklahoma bonds, certificates of deposit, savings, money market mutual funds, and qualified investment pools at June 30, 2013, and are categorized to give an indication of the level of risk assumed by the District at year's end.

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FOR THE YEAR ENDED JUNE 30, 2013

2. CASH AND INVESTMENTS – cont'd

Credit Risk: Credit risk measures the ability of the issuer to meet its obligation. The District's investment policy is designed to minimize credit risk.

Deposit Categories of Credit Risk

- (A) Insured by Federal Deposit Insurance Corporation (FDIC).
- (B) Invested in government securities.
- (C) Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name.
- (D) Uncollateralized.

Deposit Categories of Credit Risk

Category	Cash	Investments	Total
A - FDIC	\$ 64,394	8,589,367	\$ 8,653,761
B - Government Securities	2,619,757	15,591,931	18,211,688
C - Collateralized	-	-	-
D - Uncollateralized	-	-	-
Total Bank Balance	\$ 2,684,151	24,181,298	\$ 26,865,449
Book Balance	\$ 1,857,659	24,181,298	\$ 26,038,957

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2. CASH AND INVESTMENTS – cont'd

Interest Rate Risk: Interest rate risk is the risk that changes in interest rate will adversely affect the fair value on an investment. The length of an investment has an inverse relationship with interest rate risk. Short-term investments have very little interest rate risk. As the length of an investment increases, the interest rate risk also increases. The District strives to maintain a balance between the investment yield and acceptable interest rate risk.

Category	Investment Maturities in Years with Average Yields				Total
	Less than One	One to Three	Three to Five	More than Five	
Cash & Equivalents	\$ 2,684,151 0.0%				\$ 2,684,151
Money Market & Pooled Accounts	10,329,326 0.1%				10,329,326
Certificates of Deposit	5,044,000 1.2%	1,142,000 2.0%	1,140,000 1.7%	337,000 6.4%	7,663,000
Oklahoma Bond Funds (OK GO, OHFA)	494,999 1.5%	584,995 1.1%	489,988 2.3%	1,447,898 4.3%	3,017,880
US Government Agencies (FHLB, FNMA, FHLMC)			200,000 1.2%	2,971,092 3.3%	3,171,092
Total Book Balance	\$ 18,552,476	\$ 1,726,995	\$ 1,829,988	\$ 4,755,990	\$ 26,865,449

Yields were calculated based on yield to maturity and original cost. A portion of the investments are callable – exercise of the call by the issuer may change the actual yield.

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FOR THE YEAR ENDED JUNE 30, 2013

3. CAPITAL ASSETS AND PROPERTY, PLANT AND EQUIPMENT

Capital assets activity for the year ended June 30, 2013, was as follows:

Class	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Land	\$ 4,392,954			4,392,954
Land improvements	8,184,563	593,365	(241,638)	8,536,290
Buildings	98,740,435		(4,693)	98,735,742
Building improvements	6,643,022	1,605,627	(104,491)	8,144,158
Equipment & Fixtures	19,154,181	1,416,124	(1,957,143)	18,613,162
Vehicles	1,214,746	20,898	(17,118)	1,218,526
Construction in Progress	1,247,043	43,148	(1,290,191)	-
Totals	<u>139,576,944</u>	<u>3,679,162</u>	<u>(3,615,274)</u>	<u>139,640,832</u>
Less accumulated depreciation for:				
Land improvements	(2,876,259)	(472,193)	208,129	(3,140,323)
Buildings	(25,356,298)	(2,531,608)	2,225	(27,885,681)
Building improvements	(2,757,070)	(379,533)	101,397	(3,035,206)
Equipment & Fixtures	(12,749,787)	(1,253,647)	1,844,099	(12,159,335)
Vehicles	(799,341)	(141,753)	17,118	(923,976)
Totals	<u>(44,538,755)</u>	<u>(4,778,734)</u>	<u>2,172,968</u>	<u>(47,144,521)</u>
Capital Assets, Net	<u>\$ 95,038,189</u>	<u>(1,099,572)</u>	<u>(1,442,306)</u>	<u>92,496,311</u>

Under the District's capitalization policy assets with a value of less than \$1,000, are not reported in the financial statements nor in depreciation calculations. As of June 30, 2013, the assets with a value of less than \$1,000, totaled \$13,445,097, which accounts for approximately 9% of total assets.

4. INTERFUND RECEIVABLES AND PAYABLES

On June 30, 2013, the Activity Fund had a balance due to the General Fund of \$38,836. This is shown as other receivables on the balance sheet of the General Fund.

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5. 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 can be approved by the voters and issued by the District for various capital improvements. These bonds are then required to be fully paid serially within 25 years of the date of issue.

General long-term debt of the District normally would consist of building bonds payable. Debt service requirements for bonds are payable solely from the fund balance and the future revenues of the debt service fund.

The District had no outstanding long-term debt as of June 30, 2013.

6. LEASE PURCHASE AGREEMENTS

Bank of America Tranche I: On November 28, 2008, Francis Tuttle entered into a ground lease of certain property at the Rockwell campus from Francis Tuttle to Bank of America. In addition, a lease purchase agreement from Bank of America to Francis Tuttle was executed. The lease purchase agreement provides construction financing for the Business and Industry Services Building being constructed on the Rockwell campus. The total amount financed under this agreement will be \$10,000,000.

The lease-purchase calls for twenty-four semi-annual payments starting January 2010. The payments will be made out of the building fund. Francis Tuttle will gain ownership to the building incrementally as each payment is made.

Bank of America Tranche II: On November 15, 2009, Francis Tuttle entered into a ground lease of certain property at the Rockwell campus from Francis Tuttle to Bank of America. In addition, a lease purchase agreement from Bank of America to Francis Tuttle was executed. The lease purchase agreement provides construction financing for the Culinary Arts Building being constructed on the Rockwell campus. The total amount financed under this agreement will be \$20,000,000.

The lease-purchase calls for twenty-four semi-annual payments starting July 2011. The payments will be made out of the building fund. Francis Tuttle will gain ownership to the building incrementally as each payment is made.

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FOR THE YEAR ENDED JUNE 30, 2013

6. LEASE PURCHASE AGREEMENTS – cont'd

The lease payments will be as follows:

<u>Fiscal Year</u>	<u>BOA</u> <u>Tranche I</u>	<u>BOA</u> <u>Tranche II</u>	<u>Total</u>
2013-14	\$1,000,000	\$2,300,000	\$3,300,000
2014-15	\$1,000,000	\$2,300,000	\$3,300,000
2015-16	\$1,000,000	\$2,300,000	\$3,300,000
2016-17	\$1,000,000	\$2,300,000	\$3,300,000
2017-18	\$1,000,000	\$2,300,000	\$3,300,000
2018-19	\$1,000,000	\$2,300,000	\$3,300,000
2019-20	\$1,000,000	\$2,300,000	\$3,300,000
2020-21	\$1,000,000	\$2,300,000	\$3,300,000
2021-22	<u>\$ 575,019</u>	\$2,300,000	\$2,875,019
2022-23		<u>\$2,339,207</u>	<u>\$2,339,207</u>
 Total Obligation	 \$8,575,019	 \$23,039,207	 \$31,614,226
 Less Amounts Representing Interest	 <u>(1,460,360)</u>	 <u>(4,903,889)</u>	 <u>(6,364,249)</u>
Lease Purchase Payable	\$7,114,659	\$18,135,318	\$25,249,677
 Current Portion of Lease Payable	 \$702,770	 \$1,449,358	 \$1,766,465

Operating Lease

The District has entered into a Lease Agreement for the Business Innovation Center. The initial Lease Term begins in July 2013 and continues through June 2023, depending upon annual ratification. During FY 2012-13 \$900,000 was expended for leasehold improvements on this property. The annual lease payments begin in FY 2013-14.

7. EMPLOYEE RETIREMENT SYSTEM

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 access on the Oklahoma Teachers' Retirement website at www.ok.gov/TRS.

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SCHOOL DISTRICT NO. 21, OKLAHOMA COUNTY
NOTES TO THE COMBINED FINANCIAL STATEMENTS –
FOR THE YEAR ENDED JUNE 30, 2013

7. EMPLOYEE RETIREMENT SYSTEM – cont'd

Basis of Accounting

The System's financial statements are prepared in accordance with generally accepted accounting principles and using the economic resources measurement focus. The System's financial statements are prepared using 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. Benefits and refunds are recognized when due and payable in accordance with the terms of Oklahoma Statutes. Administrative expenses are funded through investment earnings.

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; the District pays the employee contribution for full-time employees as allowed by Oklahoma Teachers' Retirement System. The District's contribution rate is 9.5% of total compensation. In addition, the District is required to match the State's contribution rate on salaries that are paid with federal funds.

Ten-year historical trend information is presented in the Teachers Retirement System of Oklahoma Annual Report for the year ended June 30, 2013. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due. Contributions to the fund are set by statute, not actuarially determined. Benefits, also set by Statute, are calculated based upon a defined benefit formula. As noted in the System's 2012 audited financial statement the system has an unfunded actuarial accrued liability (the UAAL) of approximately \$8.4 billion. Based upon the present funding schedule, TRS is reporting 22 year funding period. Under the present funding schedule, the statutory contribution rates are projected to be insufficient to amortize the UAAL.

Annual Pension Cost

The District's total contributions for 2013, 2012 and 2011, were \$3,631,475, \$3,444,761, and \$3,279,168.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS –
FOR THE YEAR ENDED JUNE 30, 2013

8. EMPLOYER FUNDED 403(b) PLAN

The District adopted an employer paid 403(b) plan, under Internal Revenue Code Section 403(b), for the benefit of a special class of employees, the senior management team. The Legend Group administers the plan. Contributions to the plan are part of the total compensation package for the senior management team. Members are fully vested in the contributions.

9. 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 risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

The District is a member of the Oklahoma Public Schools Unemployment Compensation Program. In this program the District is required to, and has, on deposit 1.6% of its taxable payroll for unemployment insurance. The funds for each District are kept separate and Districts can contribute more than 1.6% of their payroll if they elect to, but must contribute if their deposits fall below 1.6%. The money contributed by each District earns interest and is fully insured. If the District has claims in excess of the amount in its account, it will be liable for the excess.

10. CONTINGENCIES

Schedule of Expenditure of Federal Awards

The schedule shows the federal awards received and expended by the District during the 2013-14 fiscal year. The revised *OMB Circular A-133 Audits of States, Local Governments and Non-Profit Organizations*, established uniform audit requirements for nonfederal entities which expended more than \$500,000 in federal awards. Amounts received or receivable from grantor agencies are subject to audit and adjustments 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.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS –
FOR THE YEAR ENDED JUNE 30, 2013

10. CONTINGENCIES – cont'd

Litigation

School officials are not aware of any pending or threatened litigation, claims or assessments or unasserted claims or assessments against the District settlement of which would have a material effect on the financial statements of the District.

Subsequent Events

Management has evaluated subsequent events through December 18, 2013, which is the date the financial statements were available to be issued, and have determined that no additional information needs to be added to the financial statements.

FRANCIS TUTTLE TECHNOLOGY CENTER
SCHOOL DISTRICT NO. VT-21, OKLAHOMA COUNTY
COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND
CHANGES IN CASH FUND BALANCES - BUDGETED GOVERNMENTAL FUND TYPES - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2013

	GENERAL FUND			Variance with Final Budget Favorable (Unfavorable)
	Budget		Actual	
	Original	Final		
Revenues Collected:				
Property taxes	\$ 29,010,000	\$ 29,550,000	29,660,050	110,050
Other local sources	3,723,800	3,928,800	3,889,349	(39,451)
State sources	4,143,000	4,609,000	4,734,624	125,624
Federal sources	3,588,500	3,928,500	3,602,863	(325,637)
Interest earnings	175,000	175,000	73,412	(101,588)
Non-revenue receipts	30,000	80,000	98,255	18,255
Total revenues collected	<u>40,670,300</u>	<u>42,271,300</u>	<u>42,058,553</u>	<u>(212,747)</u>
Expenditures:				
Instruction	16,662,141	17,562,290	17,446,221	116,069
Support services - instructional	6,348,249	6,712,327	6,613,525	98,802
Support services - operational	12,559,523	12,832,104	12,788,876	43,228
Operation of non-instructional services	1,764,176	2,256,676	2,241,968	14,708
Facilities acquisition and construction services	383,777	428,880	427,500	1,380
Other outlays- Reimbursement	0	13,000	10,816	2,184
Financial aid and other uses	3,150,000	3,115,000	2,928,614	186,386
Total expenditures	<u>40,867,866</u>	<u>42,920,277</u>	<u>42,457,520</u>	<u>462,757</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	(197,566)	(648,977)	(398,967)	250,010
Other financing sources (uses) Transfer out	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>0</u>
Excess of revenues collected and other financing sources over (under) expenditures and other financing (uses)	(297,566)	(748,977)	(498,967)	250,010
Cash fund balance, beginning of year	<u>9,827,000</u>	<u>10,652,246</u>	<u>10,652,246</u>	<u>0</u>
Cash fund balance, end of year	<u>\$ 9,529,434</u>	<u>9,903,269</u>	<u>10,153,279</u>	<u>250,010</u>
Reconciliation of budget basis to GAAP basis:				
Revenue Accrual:				
Revenue Accrual Adjustments			(321,708)	
Liabilities :				
Reduce encumbrances to accounts payable			655,779	
Change in leave payable			<u>(27,150)</u>	
Fund balance end of year GAAP basis			<u>\$ 10,460,200</u>	

FRANCIS TUTTLE TECHNOLOGY CENTER
SCHOOL DISTRICT NO. VT-21, OKLAHOMA COUNTY
COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND
CHANGES IN CASH FUND BALANCES - BUDGETED GOVERNMENTAL FUND TYPES - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2013

	BUILDING FUND			Variance with Final Budget Favorable (Unfavorable)
	Budget		Actual	
	Original	Final		
Revenues Collected:				
Property taxes	\$ 14,220,000	14,680,000	15,089,533	409,533
Other local sources	0	0	17,882	17,882
Federal sources	0	0	0	0
Interest earnings	180,000	150,000	182,319	32,319
Non-revenue receipts	0	0	0	0
Total revenues collected	<u>14,400,000</u>	<u>14,830,000</u>	<u>15,289,734</u>	<u>459,734</u>
Expenditures:				
Instruction	3,057,000	3,112,200	2,591,882	520,318
Support services	4,681,325	5,580,825	4,410,462	1,170,363
Operation of non-instruction services	19,600	19,600	5,994	13,606
Facilities acquisition and construction services	3,700,000	5,650,000	5,099,806	550,194
Debt service	3,005,000	3,005,000	3,005,000	0
Correcting entry	0	10,000	1,536	8,464
Total expenditures	<u>14,462,925</u>	<u>17,377,625</u>	<u>15,114,680</u>	<u>2,262,945</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	<u>(62,925)</u>	<u>(2,547,625)</u>	<u>175,054</u>	<u>2,722,679</u>
Cash fund balance, beginning of year	<u>4,780,000</u>	<u>8,669,954</u>	<u>8,669,954</u>	<u>0</u>
Cash fund balance, end of year	<u>\$ 4,717,075</u>	<u>6,122,329</u>	<u>8,845,008</u>	<u>2,722,679</u>
Reconciliation of budget basis to GAAP basis:				
Accounts receivable :				
Property taxes			33,000	
Interest			(43,300)	
Liabilities:				
Reduce encumbrances to accounts payable			937,503	
Accrued interest payable			25,152	
Fund balance end of year GAAP basis			<u>\$ 9,797,363</u>	

FRANCIS TUTTLE TECHNOLOGY CENTER
SCHOOL DISTRICT NO. VT-21, OKLAHOMA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

Federal Grantor / Pass Through Grantor / Program Title	Federal CFDA Number	Federal Grantor's/ Pass-through No.	Program or Award Amount	Revenue Collected	Total Expenditures
<u>U.S. Department of Education</u>					
<u>Direct Programs:</u>					
*Pell grants - Aid Year 2011-2012	84.063	P063P113980	12,679	12,679	12,679
Pell grants - Aid Year 2011-2012 - prior year	84.063	P063P113980		337	
*Pell grants - Aid Year 2012-2013	84.063	P063P123980	1,485,747	1,484,279	1,484,279
Pell grants - Aid Year 2012-2013 - prior year	84.063	P063P123980		1,468	
*Pell grants - Aid Year 2013-2014	84.063	P063P133980	98,473	98,473	98,473
Pell grant administrative allowance	84.063	P063P103980	3,423	3,423	3,423
Direct Student Loans - Aid Year 2010-2011 - prior year	84.268	P268K113980		(403)	
*Direct Student Loans - Aid Year 2011-2012	84.268	P268K123980	387,476	155,223	155,223
Direct Student Loans - Aid Year 2011-2012 - prior year	84.268	P268K123980		375	
*Direct Student Loans - Aid Year 2012-2013	84.268	P268K133980	1,738,790	1,072,272	1,072,272
*Supplemental education opportunity grant	84.007	P007A1266077	12,670	14,848	14,848
Supplemental education opportunity grant - prior year	84.007	P007A1166077		809	
*College workstudy	84.033	P033A126077	15,000	11,363	11,355
College workstudy - prior year - Note	84.033	P033A116077		1,281	
College workstudy administrative allowance	84.033	P033A126077		534	
Sub Total			3,754,258	2,856,961	2,852,552
<u>Passed Through Oklahoma Department of Career and Technology Education:</u>					
Carl Perkins	84.048		219,828	2,455	196,517
Carl Perkins - prior year - Note	84.048			129,436	
Carl Perkins - Supplemental - prior year	84.048			10,757	
Temporary Assistance to Needy Families	93.558		241,084	177,613	243,394
Temporary Assistance to Needy Families - prior year	93.558			146,189	
Bid Assistance	12.002		12,909	11,997	12,909
Bid Assistance - Prior Year	12.002			6,538	
National Security Agency	47.076		1,500		
National Science Foundation- computer security(SCADA)	47.076		43,500	14,650	15,965
National Science Foundation- computer security(SCADA)-prior	47.076			17,203	
Sub Total			518,821	516,839	468,785
<u>Other Federal Financial Assistance</u>					
<u>Department of Commerce:</u>					
ARRA: NCCER training agreement - prior year	17.275			3,550	
BRAC: General Familiarization in the Aerospace Industry	17.260		20,669	10,334	10,415
Sub Total			20,669	13,884	10,415
<u>Department of Rehabilitation Services:</u>					
Project SEARCH	84.126	F003225	91,535	84,573	91,536
Project SEARCH - prior year	84.126			11,175	
Sub Total			91,535	95,748	91,536
<u>Federal Highway Administration</u>					
<u>Passed Through Assoc. Central OK Government:</u>					
Public Fleet Conversion - prior year	20.205		\$ 121,575	39,360	
Sub Total			121,575	39,360	0
Total Federal Assistance			\$ 4,506,858	3,522,791	3,423,288

*** Major programs**

Notes to schedule of expenditures of federal awards:

1. Prior year amounts represent reimbursements for prior year expenditures which were received in the current fiscal year.
2. The information in this schedule is presented in accordance with the requirements of *OMB Circular A-133, Audit of States, Local Governments, and Non-Profit Organizations*. This schedule of expenditures of federal awards is presented using the budgetary basis of accounting, which is considered an other comprehensive basis of accounting.



SANDERS, BLEDSOE & HEWETT
CERTIFIED PUBLIC ACCOUNTANTS, LLP

**INDEPENDENT AUDITOR'S 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**

December 18, 2013

The Honorable Board of Education
Francis Tuttle Technology Center School District No. 21
Oklahoma City Oklahoma 73142

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Francis Tuttle Technology Center School District No. 21 (the District), Oklahoma County, Oklahoma, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 18, 2013.

Internal Control Over Financial Reporting

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

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreement, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Sanders, Bledsoe & Hewett
Certified Public Accounts, LLP



SANDERS, BLEDSOE & HEWETT

CERTIFIED PUBLIC ACCOUNTANTS, LLP

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

December 18, 2013

The Honorable Board of Education
Francis Tuttle Technology Center School District No. 21
Oklahoma City Oklahoma 73142

Report on Compliance for Each Major Federal Program

We have audited Francis Tuttle Technology Center School District No. 21, Oklahoma City Oklahoma's, (the District), compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2013. The District's major federal programs are identified in the accompanying schedule of audit results, findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District, complied, in all material respects with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the District, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Sanders, Bledsoe & Hewett
Certified Public Accounts, LLP

FRANCIS TUTTLE TECHNOLOGY CENTER
SCHOOL DISTRICT NO. 21, OKLAHOMA COUNTY
DISPOSITION OF PRIOR YEAR'S SIGNIFICANT DEFICIENCIES AND MATERIAL
INSTANCES OF NON-COMPLIANCE
JUNE 30, 2013

There were no prior year significant deficiencies or material instances of non-compliance.

FRANCIS TUTTLE TECHNOLOGY CENTER
SCHOOL DISTRICT NO. 21, OKLAHOMA COUNTY
SCHEDULE OF AUDIT RESULTS, FINDINGS AND QUESTIONED COSTS
JUNE 30, 2013

Section 1 - Summary of Auditor's Results

1. An unqualified opinion was issued on the financial statements in respect to accounting principles generally accepted in the United States.
2. The audit disclosed no significant deficiencies in the internal controls over financial reporting.
3. The audit disclosed no instances of noncompliance which are material to the financial statements.
4. The audit disclosed no significant deficiencies in the internal controls over major programs.
5. An unqualified opinion report was issued on the compliance of major programs.
6. The audit disclosed no audit findings which are required to be reported under OMB Circular A-133 § 510(a).
7. Programs determined to be major were Pell grants (84.063), Direct Student Loans (84.268), Supplemental Educational Opportunity grants (84.007), and College Workstudy grants (84.033), which were clustered in the determination.
8. The dollar threshold used to determine between Type A and Type B programs was \$300,000.
9. The auditee was determined to be a low-risk auditee.

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

None

Section 3 – Findings and questioned costs for federal awards

None

FRANCIS TUTTLE TECHNOLOGY CENTER
SCHOOL DISTRICT NO. 21, OKLAHOMA COUNTY
SCHEDULE OF ACCOUNTANT’S PROFESSIONAL LIABILITY INSURANCE
AFFIDAVIT
JULY 1, 2012 TO JUNE 30, 2013

State of Oklahoma)
) ss
County of Tulsa)

The undersigned auditing firm of lawful ages, 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 Francis Tuttle Technology Center School for the audit year 2012-2013.

Sanders, Bledsoe & Hewett
Certified Public Accountants, LLP
Auditing Firm

By _____
Authorized Agent

Subscribed and sworn to before me
This 18th day of December, 2013

Notary Public (or Clerk or Judge)

My Commission Expires: 5/19/ 2016
Commission No. 00008621