

**FINANCIAL STATEMENTS
AND REPORTS OF INDEPENDENT AUDITOR**

**GORDON COOPER TECHNOLOGY CENTER DISTRICT NO. 5
POTTAWATOMIE COUNTY, OKLAHOMA**

FOR THE YEAR ENDED JUNE 30, 2012

Audited by

WILSON, DOTSON & ASSOCIATES, P.L.L.C.

SHAWNEE, OK

**GORDON COOPER TECHNOLOGY CENTER DISTRICT NO. 5
Pottawatomie County**

**SCHOOL DISTRICT OFFICIALS
JUNE 30, 2012**

BOARD OF EDUCATION

President	Gary Crain
Vice-President	Dean Evans
Clerk	Anna Brown
Deputy Clerk	Bill Thompson
Member	Woody Pryor

MINUTES CLERK

Kellie Lee

SUPERINTENDENT

Marty Lewis

SCHOOL DISTRICT TREASURER

Kellie Lee

**GORDON COOPER TECHNOLOGY CENTER DISTRICT NO. 5
Pottawatomie County**

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Pottawatomie County**

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WILSON, DOTSON & ASSOCIATES, P.L.L.C.
Certified Public Accountants

American Institute of Certified Public Accountants
Members
Oklahoma Society of Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

January 31, 2013

The Honorable Board of Education
Gordon Cooper Technology Center District No. 5
Shawnee, Pottawatomie County, Oklahoma

We have audited the accompanying financial statements of the governmental activities and each major fund and the nonmajor fund information of the Gordon Cooper Technology Center District No. 5, Pottawatomie County, Oklahoma (District), as of and for the year ended June 30, 2012, as listed in the table of contents, which collectively comprise the District's basic financial statements. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund and the nonmajor fund of the District as of June 30, 2012, and the respective changes in financial position thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2013, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 32-34 and the schedule of funding progress on page 35 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 the appropriate operational, economic, or historical context. We have

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Gordon Cooper Technology Center District No. 5
January 31, 2013

applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United State of America, which consisted principally of inquiries of management regarding 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 in our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because of the limited procedures do not provide us with sufficient evidence to express and opinion or provide any assurance.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The accompanying 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 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Wilson, Dotson & Associates

Wilson, Dotson & Associates, PLLC
Certified Public Accountants

Management's Discussion and Analysis
June 30, 2012

This section of Gordon Cooper Technology Center's (the District's) annual financial report presents a discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2012. To fully understand the District's financial performance, read the management's discussion and analysis in conjunction with the basic financial statements and the notes to the financial statements.

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

THE TECHNOLOGY CENTER

Gordon Cooper Technology Center is governed by a five member board. Gordon Cooper is one of 29 technology center districts in the state under the jurisdiction of the Oklahoma State Board of Career and Technology Education. The District has three campuses, two in Shawnee, OK and one in Seminole OK. Gordon Cooper serves twenty six (26) public school districts, two (2) private schools, many homeschooled students along with hundreds of businesses and industries, and many post-secondary students in and around the District. Most career clusters, identified by the U.S. Department of Labor, are offered by Gordon Cooper for the benefit of the individuals and businesses in the region.

The District has three basic areas or types of instruction:

Full Time Programs - There are 82 distinct career majors offered all of which that are designed to lead to industry certification, licenses, employment in the area the student is trained, or continuing education.

Adult and Career Development – The classes offered in this area of instruction are designed around specific curriculum needed to provide an introduction or enhanced knowledge of a specific topic. The specific classes offered center on those areas that lead to certain high-demand licenses or general public interest.

Business and Industry Services – This area of instruction strives to meet the complex and critical training needs of the many businesses and industries in the region.

FINANCIAL HIGHLIGHTS

Gordon Cooper Technology Center has been hampered somewhat by continued lack of state and federal support of their many programs and services. Since 2008 the level of state and federal support has been relatively flat, with little or no increases in funding, while experiencing increased need for services and ongoing escalation of the “cost of doing business.” Utility costs, transportation costs, equipment needs, routine maintenance of the physical plant, and certainly personnel costs continue to rise. These costs have been increasing each and every year while revenues have not kept up with said costs. Fortunately local ad valorem revenues have increased some over the past five years, but not as much as other districts contiguous to the Oklahoma City metro area. Continued demand for services and the escalating costs of running a business will make our business and educational decisions complicated and at time precarious. Continued conservative planning and execution will be necessary to insure the fiscal soundness of the organization into the future.

The District has been helped by continued growth in property valuations and property tax collections. The District’s net assessed valuation grew to \$486,132,104 in the 2011 fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements consist of three parts: management's discussion and analysis, the basic financial statements, and required supplementary information. The three parts together provide a comprehensive overview of the financial condition of Gordon Cooper Technology Centers. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives:

- Government - wide financial statements, the Statement of Net Assets and the Statement of Activities provide both short-term and long-term information about the District's overall financial position.
- Fund financial statements focus on reporting the individual parts of the District's operations in more detail. The fund financial statements comprise the remaining statements.
 - Governmental funds statements tell how the District services were financed in the short term, as well as what remains for future spending. The governmental funds are the General Fund and Building Fund.
 - Fiduciary fund statements provide information about the financial relationships in which the District acts solely as trustee or agent for the benefit of others, to whom the resources belong. The fiduciary fund for the District is the School Activity Fund and the Film Fund.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The basic financial statements are followed by a

section of required supplementary information that further explains and supports the financial statements.

Government-wide Financial Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the District's assets and liabilities, with the difference reported as net assets. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

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

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional non-financial factors such as changes in enrollment, changes in the property tax base, and change in funding by the Federal and State governments, and the condition of facilities.

Fund Financial Statements

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

- **Governmental funds** -Most of the District's activities are included in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. The governmental fund statements provide a detailed short-term view of the District operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.
- **Fiduciary funds** -The District is the trustee, or fiduciary, for the assets that belong to others. The District is responsible for ensuring that assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF GORDON COOPER TECHNOLOGY CENTER
AS A WHOLE

Net Assets

The District's total net assets were \$19,269,031 and \$18,581,162 at June 30, 2012 and 2011, respectively.

Governmental Activities		
Net Assets		
	<u>June 30</u>	<u>June 30</u>
	2012	2011
Total Current Assets	\$ 7,806,992	7,505,031
Non-Current Assets	<u>11,645,554</u>	<u>11,520,343</u>
Total Assets	<u>19,452,546</u>	<u>19,025,374</u>
Total Current Liabilities	183,515	418,136
Total Long Term Liabilities	<u>-</u>	<u>26,076</u>
Total Liabilities	<u>183,515</u>	<u>444,212</u>
Net Assets	<u>\$ 19,269,031</u>	<u>18,581,162</u>

Changes in Net Assets

The following table organizes some of the information from the Statement of Activities in such a manner that the reader can view our total revenue for the year and the change in net assets.

Governmental Activities		
Statement of Activities		
	<u>June 30,</u>	
	<u>2012</u>	<u>2011</u>
Expenditures	\$ (13,186,234)	(12,982,837)
Charges for services	800,652	667,939
Operating grants & contributions	<u>1,327,713</u>	<u>1,880,223</u>
Net (expense) revenue and changes in net assets	(11,057,869)	(10,434,675)
General Revenues	<u>11,745,738</u>	<u>11,209,630</u>
Change in Net Assets	<u>\$ 687,869</u>	<u>774,955</u>

Governmental Activities

The net increase of all governmental activities this year was \$687,869 and a net increase of \$774,955 for the prior year. The governmental activities of the District include instruction, support services, operation of non-instructional programs, site improvements and other uses. Examples of the types of expenses that can be found in these categories include:

- Instruction - expenditures associated with activities that deal directly with the interaction between students and teachers. This includes secondary students, adult students, and businesses.
- Support Services - expenditures to provide administrative, technical and logistical support to facilitate and enhance instruction.

Support Services, students - expenditures associated with activities designed to assess and improve the well-being of students and to supplement the teaching process.

Support Services, instructional staff - expenditures associated with assisting the instructional staff with the content and process of providing learning experiences for students.

Support Services, general administrative - expenditures associated with the activities involving the establishment and administration of policy in connection with operation of the entire school district.

Support Services, school administration - expenditures associated with the activities concerned with the overall administrative responsibility for a single campus.

Support Services, business - expenditures associated with the activities relating to the fiscal services of the District.

- **Non-Instructional Services** - Activities concerned with providing non-instructional services to students, staff, and community.
- **Facilities Acquisition and Construction** - Expenditures involved with the acquisition of land and buildings, remodeling buildings, the construction of buildings and additions to buildings, installation or extension of service systems and other built-in equipment, and improvement to sites.
- **Other Outlays** - 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.

- **Repayments** - Repayment expenditures represent warrants 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.

FINANCIAL ANALYSIS OF DISTRICT'S FUNDS

At June 30, 2012, the District's governmental funds reported a combined fund balance-budget basis of \$6,606,149. The fund balance for the General Fund was \$3,311,857, the Building Fund was \$3,263,292 and COOP Fund was \$31,000. 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 January 1 and April 30 of each year. The governmental funds must carry forward a fund balance large enough to finance the first six months of the fiscal year.

General Fund

The General Fund balance-budget basis is \$3,311,857. This balance is required to meet the labor intensive and operating requirements for the first six months of fiscal year 2012.

Building Fund

The Building Fund balance-budget basis is \$3,263,292. This balance is targeted for activities involved with the future acquisition and construction of buildings, remodeling of current facilities, other site improvements, and equipment and furniture needs for such projects.

Fiduciary Fund

The fiduciary funds reported total liabilities and a net restricted fund balance of \$5,034.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2012, the District had \$ 33,608,805 in governmental funds invested in a broad range of capital assets, including, buildings, and furniture, equipment and building improvements. This amount represents an increase of \$ 1,057,893.

CONTACTING DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of Gordon Cooper Technology Center's financial position to show accountability for the money it receives. Additional details can be requested from Sandra Ladra, Gordon Cooper Technology Center, One John C. Bruton, Shawnee, OK 74804 or by calling (405) 273-7493.

GORDON COOPER TECHNOLOGY CENTER DISTRICT NO. 5
Pottawatomie County

STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS
JUNE 30, 2012

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Current Assets	
Cash & investments	\$ 7,486,926
Accounts receivable	<u>320,066</u>
Total current assets	<u>7,806,992</u>
Noncurrent Assets	
Capital assets	33,608,850
Less: accumulated depreciation	<u>(21,963,296)</u>
Total noncurrent assets	<u>11,645,554</u>
Total Assets	<u>19,452,546</u>
<u>LIABILITIES</u>	
Current Liabilities	
Accounts payable	157,439
Capital leases	<u>26,076</u>
Total current liabilities	<u>183,515</u>
<u>NET ASSETS</u>	
Investment in capital assets, net of related debt	11,619,478
Restricted	3,559,297
Unassigned	<u>4,090,256</u>
Total Net Assets	<u>\$ 19,269,031</u>

The accompanying notes are an integral part of the basic financial statements

GORDON COOPER TECHNOLOGY CENTER DISTRICT NO. 5
Pottawatomie County

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012

<u>Functions/Programs</u>	<u>Expenditures</u>	<u>Program Revenues</u>		<u>Net (Expense)</u> <u>Revenue and Changes</u> <u>in Net Assets</u>
		<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Total</u> <u>Governmental</u> <u>Activities</u>
Governmental Activities				
Instruction	\$ 4,901,814	800,652	205,821	(3,895,341)
Support services	5,974,518	-	242,804	(5,731,714)
Operation of non-instructional services	277,541	-	-	(277,541)
Other outlays	73,685	-	63	(73,622)
Other uses	902,350	-	879,025	(23,325)
Depreciation - unallocated	1,056,326	-	-	(1,056,326)
Total governmental activities	<u>\$ 13,186,234</u>	<u>800,652</u>	<u>1,327,713</u>	<u>(11,057,869)</u>
General Revenues				
Property taxes, levied for general purposes				7,427,475
State aid not restricted to specific purposes				3,858,024
Miscellaneous				460,239
Total general revenues				<u>11,745,738</u>
Change in Net Assets				687,869
Net Assets, Beginning of Year				<u>18,581,162</u>
Net Assets, End of Year				<u>\$ 19,269,031</u>

The accompanying notes are an integral part of the basic financial statements

GORDON COOPER TECHNOLOGY CENTER DISTRICT NO. 5
Pottawatomie County

STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES - GOVERNMENTAL FUNDS
JUNE 30, 2012

	<u>Major Funds</u>		<u>Nonmajor Fund</u>	<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Building Fund</u>	<u>COOP Fund</u>	
<u>ASSETS</u>				
Cash & investments	\$ 3,954,246	3,501,680	31,000	7,486,926
Accounts receivable	<u>287,056</u>	<u>33,010</u>	<u>-</u>	<u>320,066</u>
Total Assets	<u>\$ 4,241,302</u>	<u>3,534,690</u>	<u>31,000</u>	<u>7,806,992</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	\$ 151,046	<u>6,393</u>	<u>-</u>	<u>157,439</u>
Total liabilities	<u>151,046</u>	<u>6,393</u>	<u>-</u>	<u>157,439</u>
Fund balances				
Restricted	-	3,528,297	31,000	3,559,297
Unassigned	<u>4,090,256</u>	<u>-</u>	<u>-</u>	<u>4,090,256</u>
Total fund balances	<u>4,090,256</u>	<u>3,528,297</u>	<u>31,000</u>	<u>7,649,553</u>
Total Liabilities and Fund Balances	<u>\$ 4,241,302</u>	<u>3,534,690</u>	<u>31,000</u>	<u>7,806,992</u>

The accompanying notes are an integral part of the basic financial statements

**GORDON COOPER TECHNOLOGY CENTER DISTRICT NO. 5
Pottawatomie County**

**RECONCILIATION OF THE STATEMENT OF ASSETS, LIABILITIES
AND FUND BALANCES - GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF ASSETS,
LIABILITIES AND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012**

Total fund balances - total governmental funds \$ 7,649,553

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

Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds. The
cost of these assets are as follows:

Land	\$ 162,140	
Land improvements	983,838	
Buildings	27,126,665	
Machinery & equipment	5,336,207	
Less: accumulated depreciation	<u>(21,963,296)</u>	<u>11,645,554</u>

Lease purchase agreement was entered into and is considered a capital
asset. The amount financed by these sources is reported in
the governmental funds as a source of financing. For government
wide financial statements , the proceeds from the lease purchase
agreements are not revenues in the statement of revenues,
expenditures and changes in net assets, but rather constitute long-
term liabilities in the statement of assets, liabilities and net assets.

(26,076)

Net assets of governmental activities **\$ 19,269,031**

GORDON COOPER TECHNOLOGY CENTER DISTRICT NO.5
Pottawatomie County

**STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Building</u>	<u>Fund</u>	
	<u>Fund</u>	<u>Fund</u>	<u>COOP</u>	<u>Government</u>
			<u>Fund</u>	<u>Funds</u>
Revenues collected:				
Local sources	\$ 6,042,335	2,510,031	136,000	8,688,366
State sources	3,857,876	148	-	3,858,024
Federal sources	<u>1,327,713</u>	<u>-</u>	<u>-</u>	<u>1,327,713</u>
Total revenues collected	<u>11,227,924</u>	<u>2,510,179</u>	<u>136,000</u>	<u>13,874,103</u>
Expenditures:				
Instruction	4,756,841	39,973	105,000	4,901,814
Support services	4,956,268	1,330,809	-	6,287,077
Operation of non-instructional services	277,541	-	-	277,541
Facilities acquisition & construction services	-	881,060	-	881,060
Other outlays	73,685	-	-	73,685
Other uses	<u>902,350</u>	<u>-</u>	<u>-</u>	<u>902,350</u>
Total expenditures	<u>10,966,685</u>	<u>2,251,842</u>	<u>105,000</u>	<u>13,323,527</u>
Excess of revenues collected over (under) expenditures	261,239	258,337	31,000	550,576
Fund balance, beginning of year	<u>3,829,017</u>	<u>3,269,960</u>	<u>-</u>	<u>7,098,977</u>
Fund balance, end of year	<u>\$ 4,090,256</u>	<u>3,528,297</u>	<u>31,000</u>	<u>7,649,553</u>

The accompanying notes are an integral part of the basic financial statements

GORDON COOPER TECHNOLOGY CENTER DISTRICT NO. 5
Pottawatomie County

**RECONCILIATION OF THE STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012**

Net change in fund balances - total governmental funds \$ 550,576

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, in the statement of revenues collected, expenditures and changes in net assets - statutory basis the cost of these assets have not been reflected. This is the amount by which capital outlays exceed depreciation in the period.

Capital outlay expenditures	\$ 1,181,537	
Depreciation	<u>(1,056,326)</u>	125,211

Lease purchases are reported as in governmental funds. In the government wide financial statements lease purchases are as long term obligations	<u>12,082</u>
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Change in net assets of governmental activities \$ 687,869

GORDON COOPER TECHNOLOGY CENTER DISTRICT NO. 5
Pottawatomie County

STATEMENT OF FIDUCIARY FUND ASSETS, LIABILITIES AND NET ASSETS
JUNE 30, 2012

	Expendable Trust Funds	Agency Funds
 <u>ASSETS</u>		
Cash & investments	\$ 5,034	148,191
 <u>LIABILITIES</u>		
Due to student groups	\$ -	148,191
 <u>NET ASSETS</u>		
Fund balances		
Reserved for specific purposes	\$ 5,034	

The accompanying notes are an integral part of the basic financial statements

**GORDON COOPER TECHNOLOGY CENTER NO. 5
Pottawatomie County**

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012**

	Expendable Trust Funds
Additions	<u>\$ -</u>
Deductions	<u>-</u>
Change in Net Assets	-
Net Assets, Beginning of Year	<u>5,034</u>
Net Assets, End of Year	<u><u>\$ 5,034</u></u>

The accompanying notes are an integral part of basic financial statements

GORDON COOPER TECHNOLOGY CENTER DISTRICT NO. 5
Pottawatomie County

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basic Financial Statements

The basic financial statements of the Gordon Cooper Technology Center District No.5 (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units.

The Governmental Accounting Standard Board (GASB) establishes financial reporting requirements for state and local governments. One requirement is the inclusion of a Management Discussion and Analysis (MD&A) section. MD&A introduces the basic financial statements by presenting certain financial information as well as management's analysis of that information.

The District has adopted GASB-54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which redefines the fund balance classifications from the previous two (2) into a possible five (5) classifications.

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information for the entire government with the exception of fiduciary funds. Governmental activities are normally supported by taxes and intergovernmental revenues.

Statement of Net Assets – This statement reports the District's financial and capital resources. Liabilities are segregated between current liabilities (those that are due within one year) and long-term liabilities (those that are due in more than one year).

Statement of Activities – This statement demonstrates the degree to which the direct expenditures of a given function or segment are offset by program revenues. Direct expenditures are those that are clearly identifiable with a specific function or segment. Program revenues include charges for services, such as tuition and other fees, and restricted grants and contributions. General revenues include taxes, state aid, and other sources not included as program revenues.

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

The District's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information. Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using accounting principles generally accepted in the United States of America.

GORDON COOPER TECHNOLOGY CENTER DISTRICT NO. 5
Pottawatomie County

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

A. Basic Financial Statements – (Continued)

Government-wide Financial Statements – The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except fiduciary funds.

The statement of net assets presents the financial condition of the governmental and business-type activities at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District. Direct expenses are those that are specifically associated with a service, program or department and, therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements – During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Fiduciary funds are reported by type.

Fund Accounting – The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal accounting entity with a self-balancing set of accounts. 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. There are three categories of funds: governmental, proprietary and fiduciary.

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

General Fund - The general fund is used to account for all financial transactions except those required to be accounted for in another fund. Major revenue sources include state and local property taxes. Expenditures include all costs associated with the daily operations of the District 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.

GORDON COOPER TECHNOLOGY CENTER DISTRICT NO. 5
Pottawatomie County

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

A. Basic Financial Statements – (Continued)

Special Revenue Funds - The District has two special revenue fund is the building and COOP funds. 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 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. The COOP fund is used to provide other school districts with online classes.

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. The terms "nonexpendable" and "expendable" refer to whether or not the District is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the District holds on behalf of others as their agent and do not involve measurement of results of operation. The District did not operate any trust funds during the fiscal year.

Agency Fund - The agency fund is the school activities fund which 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.

Budgets and Budgetary Accounting

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

A budget is legally adopted by the Board of Education for all governmental funds that includes revenues and expenditures.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders and other commitments of resources are recorded as expenditures of the applicable fund - is utilized in all governmental funds of the District for budgetary purposes. Unencumbered appropriations lapse at the end of each fiscal year.

GORDON COOPER TECHNOLOGY CENTER DISTRICT NO. 5
Pottawatomie County

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

A. Basic Financial Statements – (Continued)

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 and building 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.

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

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 program formula and equalization formula under the provisions of Article XIV, Title 70, Oklahoma Statutes. The Oklahoma Department of Career and Technology Education administers the allocation of these formula funds.

After review and verification of reports and supporting documentation, the Oklahoma Department of Career and Technology Education may adjust subsequent fiscal period allocations of money for prior year errors disclosed by review. 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. Oklahoma Department 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 Oklahoma 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.

GORDON COOPER TECHNOLOGY CENTER DISTRICT NO. 5
Pottawatomie County

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

A. Basic Financial Statements – (Continued)

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.

Instruction Expenditures - Instruction expenditures include the activities dealing directly with the interaction between teachers and students. Teaching may be provided for students in a school classroom, in another location, such as a home or hospital, and in other learning situations, such as those involving cocurricular activities. It may also be provided through some other approved medium, such as television, radio, telephone 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 local education agencies (LEAs) would be included here.

Support Services Expenditures - Support services expenditures provide administrative, technical (such as guidance and health) and logistical support to facilitate and enhance instruction. These services exist as adjuncts for fulfilling the objectives of instruction, community services and enterprise programs, rather than as entities within themselves.

Operation of Non-Instructional Services Expenditures - Activities concerned with providing non-instructional services to students, staff or the community.

Facilities Acquisition and Construction Services Expenditures - Consists 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.

Repayment Expenditures - Repayment expenditures represent checks/warrants 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.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers. There were no operating transfers or residual equity transfers during the 2011-12 fiscal year.

GORDON COOPER TECHNOLOGY CENTER DISTRICT NO. 5
Pottawatomie County

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

2. CASH AND INVESTMENTS

A. Deposits and Investments

Custodial Credit Risk

Exposure to custodial credit risk related to deposits exists when the District holds deposits that are uninsured and uncollateralized; collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the District's name; or collateralized without a written or approved collateral agreement. Exposure to custodial credit risk related to investments exists when the District holds investments that are uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the District's name.

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

At June 30, 2012 the District held deposits of approximately \$8,034,687 at financial institutions. The District's cash deposits, including interest-bearing accounts, and investments are entirely covered by Federal Depository Insurance (FDIC) or direct obligations of the U.S. Government insured or collateralized with securities held by the District or by its agent in the District's name. Therefore, the District was not exposed to custodial credit risk as defined above.

Investment Credit Risk

The District has no investment policy that limits its investment choices other than the limitations of state law that generally authorize investment in:

1. Direct obligations of the U.S. government, its agencies and instrumentalities to which the full faith and credit of the U.S. government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
2. Certificates of deposit of banks when such certificates of deposits are secured by acceptable collateral for the deposit of public monies.
3. Savings accounts or saving certificates to the extent that such accounts or certificates are fully insured by the United States government.
4. Repurchase agreements that have underlying collateral including obligations of the United States government, its agencies and instrumentalities, or the State of Oklahoma.

GORDON COOPER TECHNOLOGY CENTER DISTRICT NO. 5
Pottawatomie County

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

2. CASH AND INVESTMENTS

A. Deposits and Investments – (Continued)

5. County, municipal or school district debt obligations for which an ad valorem tax may be levied.
6. Money market funds regulated by the SEC and in which investments consist of the investments of obligations of the United States, its agencies and instrumentalities.
7. Warrants, bonds or judgments of the school district.
8. Qualified pooled investment programs through an interlocal cooperative agreement formed pursuant to applicable law and to which the board of education has voted to be a member, the investments of which consist of those items specified in paragraphs 1 through 7 above, as well as obligations of the United States agencies and instrumentalities.
9. Any other investment that is authorized by law.

Investment credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The District has no formal policy limiting investments based on credit rating. Unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

The District had no investment credit risk as of June 30, 2012, as defined above.

Investment Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District had no investment interest rate risk as defined above.

Concentration of Investment Credit Risk

Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the District. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this consideration. The District places no limit on the amount it may invest in any one issuer.

At June 30, 2012, the District had no concentration of credit risk as defined above.

GORDON COOPER TECHNOLOGY CENTER DISTRICT NO. 5
Pottawatomie County

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

3. CAPITAL ASSETS

Depreciation of all exhaustible capital assets is charged as an expense against the District's operations. Depreciation has been provided using the straight-line method over the following estimated useful lives:

	<u>Useful Life</u>
Building and structures	10-45
Furniture, computers & equipment	3-15
Vehicles	5

Capital asset activity for the year ended, as follows:

	<u>Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u>
	<u>June 30, 2011</u>			<u>June 30, 2012</u>
Land	\$ 162,140	-	-	162,140
Land Improvements	983,838	-	-	983,838
Buildings	26,214,080	912,585	-	27,126,665
Machinery & Equipment	<u>5,190,899</u>	<u>268,952</u>	<u>123,644</u>	<u>5,336,207</u>
Total	32,550,957	1,181,537	123,644	33,608,850
Less: Accumulated Depreciation	<u>(21,030,614)</u>	<u>(1,056,326)</u>	<u>(123,644)</u>	<u>(21,963,296)</u>
Net Capital Assets	<u>\$ 11,520,343</u>	<u>125,211</u>	<u>-</u>	<u>11,645,554</u>

4. INTERFUND RECEIVABLES AND PAYABLES

There were no interfund receivables or payables at June 30, 2012.

5. LONG TERM DEBT

The Center had one lease purchase during the current fiscal year totaling \$ for copies, with an interest rate of 5.18% due in annual payments of \$14,060. The balance at June 30, 2012 was \$.

The future payments are detailed as follows:

Years Ending	Principal	Interest	Total
June 30,			
2013	\$12,709	1,351	14,060
2014	<u>13,367</u>	<u>693</u>	<u>14,060</u>
Total	<u>\$ 26,076</u>	<u>2,044</u>	<u>28,120</u>

GORDON COOPER TECHNOLOGY CENTER DISTRICT NO. 5
Pottawatomie County

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

6. EMPLOYEE RETIREMENT SYSTEM

Plan Description

The District participates in the state-administered Oklahoma Teachers' Retirement Plan, a cost-sharing, multiple-employer defined benefit public employee retirement system (PERS), which is administered by the board of trustees of the Oklahoma Teachers' Retirement System (the "System"). The System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Title 70 Section 17 of the Oklahoma Statutes establishes benefit provisions and may be amended only through legislative action. The Oklahoma Teachers' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to Teachers' Retirement System of Oklahoma, P.O. Box 53524, Oklahoma City, OK 73152 or by calling (405) 521-2387.

Basis of Accounting

The System's financial statements are prepared using the cash basis of accounting, except for accruals in interest income. Plan member contributions are recognized in the period in which the contributions are made. Benefits and refunds are recognized when paid. The pension benefit obligation is a standardized disclosure measure of the present value of pension benefits that will be paid in future years as a result of employee services performed to date and is adjusted for the effect of projected salary increases. There are no actuarial valuations performed on individual school districts. The System has an under-funded pension benefit obligation as determined as part of the latest actuarial valuation.

Funding Policy

The District, the State of Oklahoma and the participating employees 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 7.00% of covered compensation. Additionally, OTRS receives "federal matching contributions" for positions whose funding comes from federal sources or certain grants. Contributions received by the System from the State of Oklahoma are from 5.00% of its revenues from sales taxes, use taxes, corporate income taxes and individual income taxes. The District contributed 8.50% during the first six months of the fiscal year and 9.00% during the last six months. The matching contribution rate was 7.50%. The District is allowed by the Oklahoma Teachers' Retirement System to make the required contributions on behalf of the participating members.

Pension Cost

The Center's contributions for the year ending June 30, 2012, June 30, 2011, and June 30, 2010, were \$889,348, \$819,266, and \$807,748 respectively.

GORDON COOPER TECHNOLOGY CENTER DISTRICT NO. 5
Pottawatomie County

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

7. CONTINGENCIES

Federal Grants

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

Litigation

The District has no pending claims or lawsuits against it as of June 30, 2012. In the event that the District is held liable for damage in any lawsuits that may arise, the resulting judgments will be paid from ad valorem taxes levied over a three (3) year period through the District's Sinking Fund or by the District's insurance carrier.

8. SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 31, 2013, which is the date the financial statements were available to be issued.

GORDON COOPER TECHNOLOGY CENTER DISTRICT NO. 5
Pottawatomie County

BUDGETARY COMPARISON SCHEDULE - BUDGET BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues collected:				
Local sources	\$ 5,129,417	5,129,417	6,047,474	918,057
State sources	3,279,353	3,279,353	3,857,876	578,523
Federal sources	<u>1,017,084</u>	<u>1,017,084</u>	<u>1,414,224</u>	<u>397,140</u>
Total revenues collected	<u>9,425,854</u>	<u>9,425,854</u>	<u>11,319,574</u>	<u>1,893,720</u>
Expenditures:				
Instruction	5,366,180	5,366,180	4,805,593	560,587
Support services	5,626,600	5,626,600	5,205,876	420,724
Operation of non-instruction services	435,650	435,650	301,439	134,211
Other outlays	104,000	104,000	73,886	30,114
Other uses	<u>972,048</u>	<u>972,048</u>	<u>902,695</u>	<u>69,353</u>
Total expenditures	<u>12,504,478</u>	<u>12,504,478</u>	<u>11,289,489</u>	<u>1,214,989</u>
Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances	(3,078,624)	(3,078,624)	30,085	3,108,709
Adjustments to prior year encumbrances	<u>-</u>	<u>-</u>	<u>203,148</u>	<u>203,148</u>
Excess of revenues collected over (under) expenditures	(3,078,624)	(3,078,624)	233,233	3,311,857
Cash fund balance, beginning of year	<u>3,078,624</u>	<u>3,078,624</u>	<u>3,078,624</u>	<u>-</u>
Cash fund balance, end of year	<u>\$ -</u>	<u>-</u>	<u>3,311,857</u>	<u>3,311,857</u>

GORDON COOPER TECHNOLOGY CENTER DISTRICT NO. 5
Pottawatomie County

BUDGETARY COMPARISON SCHEDULE - BUDGET BASIS - BUILDING FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues collected:				
Local sources	\$ 2,264,149	2,264,149	2,510,073	245,924
State sources	-	-	148	148
Non-revenue receipts	13,050	13,050	-	(13,050)
Total revenues collected	<u>2,277,199</u>	<u>2,277,199</u>	<u>2,510,221</u>	<u>233,022</u>
Expenditures:				
Instruction	195,000	195,000	39,973	155,027
Support services	1,893,835	1,893,835	1,288,838	604,997
Facilities acquisition & construction services	3,245,331	3,245,331	1,001,906	2,243,425
Total expenditures	<u>5,334,166</u>	<u>5,334,166</u>	<u>2,330,717</u>	<u>3,003,449</u>
Excess of revenues collected over (under) expenditures before adjustments to prior year encumbrances	(3,056,967)	(3,056,967)	179,504	3,236,471
Adjustments to prior year encumbrances	-	-	26,821	26,821
Excess of revenues collected over (under) expenditures	(3,056,967)	(3,056,967)	206,325	3,263,292
Cash fund balance, beginning of year	<u>3,056,967</u>	<u>3,056,967</u>	<u>3,056,967</u>	-
Cash fund balance, end of year	<u>\$ -</u>	<u>-</u>	<u>3,263,292</u>	<u>3,263,292</u>

GORDON COOPER TECHNOLOGY CENTER DISTRICT NO. 5
Pottawatomie County

BUDGETARY COMPARISON SCHEDULE - BUDGET BASIS - COOP FUND
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Revenues collected:				
Local sources	\$ 120,000	120,000	136,000	16,000
Expenditures:				
Instruction	<u>120,000</u>	<u>120,000</u>	<u>105,000</u>	<u>15,000</u>
Excess of revenues collected over (under) expenditures	-	-	31,000	31,000
Cash fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash fund balance, end of year	<u>\$ -</u>	<u>-</u>	<u>31,000</u>	<u>31,000</u>

GORDON COOPER TECHNOLOGY CENTER DISTRICT NO. 5
Pottawatomie County, Oklahoma

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA
FOR THE YEAR ENDED JUNE 30, 2012

<u>Actuarial Valuation Date</u>	<u>Assets (AVA)</u>	<u>Liability (AAL)</u>	<u>(UAAL) (3)-(2)</u>	<u>Funded Ratio (2)/(3)</u>	<u>Covered Payroll</u>	<u>of Payroll (4)/(6)</u>
(1)	(2)	(3)	(4)	(5)	(6)	(7)
June 30, 2002	6,310.9	12,275.9	5,965.0	51.4%	3,047.1	195.8%
June 30, 2003	6,436.9	11,925.2	5,488.3	54.0%	3,045.7	180.2%
June 30, 2004	6,660.9	14,080.1	7,419.2	47.3%	3,030.7	244.8%
June 30, 2005	6,952.7	14,052.4	7,099.7	49.5%	3,175.2	223.6%
June 30, 2006	7,470.4	15,143.4	7,672.9	49.3%	3,354.9	228.7%
June 30, 2007	8,421.9	16,024.4	7,602.5	52.6%	3,598.9	211.2%
June 30, 2008	9,256.8	18,346.9	9,090.1	50.5%	3,751.4	242.3%
June 30, 2009	9,439.0	18,950.9	9,512.0	49.8%	3,807.9	249.8%
June 30, 2010	9,566.7	19,980.6	10,414.0	47.9%	3,854.8	270.2%
June 30, 2011	9,960.6	17,560.8	7,600.2	56.7%	3,773.3	201.4%
June 30, 2012	10,190.5	18,588.0	8,397.6	54.8%	3,924.8	214.0%

Note: Dollar amounts in millions

The employer contribution rates are established by the Oklahoma Legislature and are less than the annual required contribution, which is performed to determine the adequacy of such contribution rates.

**GORDON COOPER TECHNOLOGY CENTER NO. 5
Pottawatomie County**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Grantor's/ Pass Through Grantor's Number</u>	<u>Program or Award Amount</u>	<u>Balance at July 1, 2011</u>	<u>Revenue Recognized</u>	<u>Total Expenditures</u>	<u>Balance at June 30, 2012</u>
<u>U.S. Department of Education:</u>							
<u>Direct Programs:</u>							
College workstudy	84.033	P033A113418	\$ 11,975	-	11,975	11,975	-
Pell Grant	84.063	P063P113274	867,050	-	867,050	867,050	-
Pell Grant administration	84.063	P063P112821	1,190	-	1,190	1,190	-
Sub Total			<u>880,215</u>	<u>-</u>	<u>880,215</u>	<u>880,215</u>	<u>-</u>
<u>Passed Through Oklahoma Department of Career and Technology Education:</u>							
Carl Perkins grant - secondary	84.048		160,012	-	160,012	160,012	-
Carl Perkins grant - post secondary	84.048		53,319	-	53,319	53,319	-
BID Assistance Coordinator	12.002		8,181	-	8,181	8,181	-
OK Bid Assistance Network - Procurement Technical Assistance Center	12.002		1,000	-	1,000	1,000	-
Tech Prep	84.243		74,452	-	73,102	73,102	1,350
Tech Centers That Work	84.243		12,000	-	10,769	10,769	1,231
Temporary assistance for needy families	93.558		135,054	-	134,981	134,981	73
Sub Total			<u>444,018</u>	<u>-</u>	<u>441,364</u>	<u>441,364</u>	<u>2,654</u>
<u>U.S. Department of Agriculture:</u>							
<u>Passed Through the State Department of Human Services:</u>							
Child and adult food care program	10.558	DC-63-101	-	-	6,134	6,134	-
 Total Expenditures of Federal Awards			<u>\$ 1,324,233</u>	<u>-</u>	<u>1,327,713</u>	<u>1,327,713</u>	<u>2,654</u>

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Certified Public Accountants

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

January 31, 2013

The Honorable Board of Education
Gordon Cooper Technology Center District No 5
Shawnee, Pottawatomie County, Oklahoma

We have audited the accompanying financial statements of the Gordon Cooper Technology Center District No 5, Shawnee, Pottawatomie County, Oklahoma, as listed in the table of contents, as of and for the year ended June 30, 2012, and have issued our report thereon dated January 31, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

Management of the District is responsible for establishing and maintain effective internal control over financial reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

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Gordon Cooper Technology Center District No 5
January 31, 2013

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Gordon Cooper Technology Center District No 5, Shawnee, Pottawatomie County, Oklahoma's combined financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted a certain matter that we reported to management of Gordon Cooper Technology Center District No. 5, Shawnee, Pottawatomie County, Oklahoma, in a separate letter dated January 31, 2013.

This report is intended solely for the information and use of the board of education and management, all applicable federal and state awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Wilson, Dotson & Associates

Wilson, Dotson & Associates, PLLC
Certified Public Accountants

WILSON, DOTSON & ASSOCIATES, P.L.L.C.
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Members

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

The Honorable Board of Education
Gordon Cooper Technology Center School District Number 5
Shawnee, Pottawatomie County, Oklahoma

Compliance

We have audited the compliance of the Gordon Cooper Technology Center School District Number 5, Shawnee, Pottawatomie County, Oklahoma's (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, 2012. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the Gordon Cooper Technology Center School District Number 5, Oklahoma County, Oklahoma's compliance based on our audit.

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 Gordon Cooper Technology Center School District Number 5, Shawnee, Pottawatomie County, Oklahoma's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the Gordon Cooper Technology Center School District Number 5, Shawnee, Pottawatomie County, Oklahoma complied, in all material respects, with the 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, 2012

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Independent Auditors' Report on Compliance With Requirements
Applicable to Each Major Program and on Internal Control Over
Compliance in Accordance With OMB Circular A-133

Internal Control Over Compliance

Management of the Gordon Cooper Technology Center School District Number 5, Shawnee, Pottawatomie Oklahoma is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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.

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

This report is intended solely for the information and use of the board of education, management, others within the entity, the Oklahoma State Department of Education, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Wilson, Dotson & Associates

Wilson, Dotson & Associates, PLLC
Shawnee, Oklahoma

January 31, 2013

GORDON COOPER TECHNOLOGY CENTER SCHOOL DISTRICT NO. 5
Pottawatomie County, Oklahoma

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? None reported
- Noncompliance material to the financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? None reported

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

Any audit findings disclosed that are required to be reported in Accordance with section 510(a) of Circular A-133? No

Identification of major programs:

CFDA Numbers

84.063

Name of Federal program or Cluster

Pell Grants

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

Auditee qualified as low-risk auditee under OMB Circular A-133, Section 530? No

**GORDON COOPER TECHNOLOGY CENTER SCHOOL DISTRICT NO. 5
Pottawatomie County, Oklahoma**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012**

Section II – Financial Statement Findings

There were no material weaknesses or instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Section III – Federal Award Findings and Questioned Costs

There were no findings or questioned costs, or material weakness or reportable conditions in internal control that are required to be reported.

**GORDON COOPER TECHNOLOGY CENTER SCHOOL DISTRICT NO. 5
Pottawatomie County, Oklahoma**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012**

There were no prior year findings or questioned costs.

**GORDON COOPER TECHNOLOGY CENTER SCHOOL DISTRICT NO. 5
Pottawatomie County, Oklahoma**

**SCHEDULE OF ACCOUNTANTS' PROFESSIONAL LIABILITY INSURANCE AFFIDAVIT
FOR THE YEAR ENDED JUNE 30, 2012**

State of Oklahoma)
)ss
County of Pottawatomie)

The undersigned auditing firm of lawful age, being first duly sworn on oath says that said firm had in full force and effect Accountants' 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 Gordon Cooper Technology Center for the audit year 2011-12.

Wilson, Dotson & Associates, P.L.L.C.
Auditing Firm



by _____
Authorized Agent

Subscribed and sworn to before me this 31st day of January, 2013.



Notary Public (Commission #11002236)
My Commission Expires March 10, 2015

