

ANNUAL FINANCIAL REPORT
GORDON COOPER TECHNOLOGY CENTER NO. 5
POTTAWATOMIE COUNTY, OKLAHOMA
JULY 1, 2020 TO JUNE 30, 2021

AUDITED BY
KERRY JOHN PATTEN, C.P.A.

**GORDON COOPER TECHNOLOGY CENTER NO. 5
POTTAWATOMIE COUNTY, OKLAHOMA
CENTER OFFICIALS
JUNE 30, 2021**

Board of Education

President	Dean Evans
Vice-President	Jimmy Gibson
Clerk	Tom Wilsie
Deputy Clerk	Keisha Coulter
Member	Mike Matlock

Superintendent of Schools

Julie McCormick

Technology Center Treasurer

April Dunsworth

**GORDON COOPER TECHNOLOGY CENTER NO. 5
POTTAWATOMIE COUNTY, OKLAHOMA
JUNE 30, 2021**

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**GORDON COOPER TECHNOLOGY CENTER NO. 5
POTTAWATOMIE COUNTY, OKLAHOMA
JUNE 30, 2021**

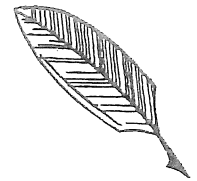
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INDEPENDENT AUDITOR'S REPORT

The Board of Education
Gordon Cooper Technology Center No. 5
Shawnee, Oklahoma

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Gordon Cooper Technology Center No. 5, Pottawatomie County, Oklahoma, as of and for the year ended June 30, 2021, which collectively comprise the 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my 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 I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my 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 Gordon Cooper Technology Center as of June 30, 2021, and the respective changes in its financial position and, where applicable, cash flows 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 the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Auditing Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

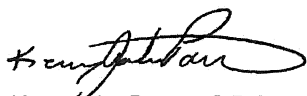
Other Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for additional analysis as required by Title II US Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards, 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 relates directly to the underlying accounting 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 and other additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the supplementary information including the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated March 3, 2022, on my consideration of Gordon Cooper Technology Center No. 5, Pottawatomie County, Oklahoma's, internal control over financial reporting and on my 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 my 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 considered in assessing the results of my audit.



Kerry John Patten, C.P.A.
Broken Arrow, OK
March 3, 2022

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

Gordon Cooper Technology Center No. 5

Our discussion and analysis of the Gordon Cooper Technology Center's performance provides an overview of the financial activities for the year ended June 30, 2021. Please read it in conjunction with the Center's financial statements.

FINANCIAL HIGHLIGHTS

Reporting the Center as a Whole

The Statement of Net Position and the Statement of Activities

The Statement of Net Position and the Statement of Activities help answer the question, "Is the Center better off or worse off as a result of the year's activities?" These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are recorded, regardless of when cash is received or paid.

These two statements report the Center's net position and changes in them. You can think of the Center's net position – the difference between assets and liabilities – as one way to measure the Center's financial health, or financial position. Over time, increases or decreases in the Center's net position are an indicator of whether its financial health is improving or deteriorating.

The Statement of Net Position and Statement of Activities lists most of the Center's basic services, including the educational activities for daytime high school and adult students, short term training for adults, services and training for business and industry, and general administration.

Reporting the Center's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the Center as a whole. Some funds are required by State law and by bond covenants.

Most of the Center's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Center's general operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources available in the near future to finance the Center's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

The financial statements also include notes explaining some of the information in the statements and provide more detailed data. The statements are followed by a section of required and other supplementary information that further explains and supports the financial statements with a comparison of the Center's budget for the year.

See Disclaimer in Auditors Opinion

MANAGEMENT'S DISCUSSION AND ANALYSIS
Gordon Cooper Technology Center No. 5

Center Activities for the year ended June 30, 2021

During fiscal year 2020-2021, the Center finished work and began occupying the Public Safety Facility. This building allows the Center to provide additional trainings to our public safety industry segments as well as improve existing training opportunities. The Public Safety Facility lease revenue financing totaled \$5,500,000 and is reflected in the Center's financial statements as well as the notes to the financial statements. The Center will make annual payments of approximately \$670,000 toward amount financed for ten years.

SUMMARY OF THE CENTER'S STATEMENT OF POSITION

	<u>2020</u>	<u>2021</u>
Current and Other Assets	\$ 13,189,803	\$ 12,132,718
Capital Assets	15,938,952	17,523,821
Total Assets	<u>\$ 29,128,755</u>	<u>\$ 29,656,539</u>
Deferred Outflows of Resources	<u>2,008,999</u>	<u>4,426,659</u>
Accounts Payable and Current Liabilities	\$ 796,298	\$ 702,490
Other Liabilities	14,801,222	18,146,855
Total Liabilities	<u>\$ 15,597,519</u>	<u>\$ 18,849,345</u>
Deferred Inflows of Resources	<u>865,704</u>	<u>702,311</u>
Net Position		
Invested in capital assets, net of debt	\$ 15,938,952	\$ 17,509,441
Restricted Lease Purchase Proceeds	575,838	-
Restricted	91,647	14,380
Unrestricted (deficit)	<u>(1,931,906)</u>	<u>(2,992,278)</u>
Total Net Position	<u>\$ 14,674,531</u>	<u>\$ 14,531,543</u>

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MANAGEMENT'S DISCUSSION AND ANALYSIS
Gordon Cooper Technology Center No. 5

For the year ended June 30, 2021, net position changed as follows:

	<u>2020</u>	<u>2021</u>
Beginning Net Position	\$ 14,327,743	\$ 14,674,531
Revenues		
Program revenues		
Charges for Services	935,600	1,229,373
Operating grants/contributions	1,166,388	1,933,062
General revenues		
Property taxes	10,658,842	11,096,612
Federal and State aid not restricted to specific purposes	3,713,757	3,523,334
Interest and Investment Earnings	173,227	22,357
Other revenue	574,195	1,549,992
Total Revenues	<u>\$ 17,222,008</u>	<u>\$ 19,354,729</u>
Program expenses:		
Instruction	6,548,980	\$ 8,710,565
Support Services	7,077,788	7,588,866
Operation of non-instructional services	349,741	375,200
Capital Outlay	295,932	(13,632)
Other outlays	0	17,385
Other uses	802,343	854,239
Debt Service	231,917	174,826
Depreciation - unallocated	1,568,519	1,790,269
Total Expenses	<u>\$ 16,875,221</u>	<u>\$ 19,497,717</u>
Increase (Decrease) in net position	<u>\$ 346,788</u>	<u>\$ (142,988)</u>
Ending Net Position	<u><u>\$ 14,674,531</u></u>	<u><u>\$ 14,531,543</u></u>

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Gordon Cooper Technology Center No. 5

Governmental Activities

To aid in the understanding of the Statement of Activities, some additional explanation is provided. Of particular interest is the format that is significantly different from a typical Statement of Revenues, Expenses, and Changes in Fund Balance.

Center Sources of Revenue:

Ad Valorem property tax	Taxes for current year and prior years, revenue in lieu of taxes
Tuition and Fees	Tuition and fees for Full-time adult classes, Short-term adult classes, Safety Training, FBM, Industry Specific, and Assessment
Interest Income	Interest earning of investments and taxes
Miscellaneous	Rental of school facilities and property, sale of surplus equipment, bookstore revenue, reimbursement for insurance loss recoveries, damages to school property, rebates, and fiscal agent expenses.
State Revenue	Formula operation, Existing Industry Initiative, training for industry programs, safety training, Welfare to Work, and professional development.
Federal Revenue - Grants	Temporary Assistance for Needy Families Grant and Carl Perkins Grants.
Federal Revenue - Student Financial Aid	Federal Pell Grant Program

The Center provides food service options for students and employees as well as outside customers that reserve our facilities for meetings and training. The Early Child Care program is not only a part of student training but also a licensed day care. This service allows employees and students to have their young children close to them while at work or attending classes. The bookstore provides convenience to our students for the purchase of books and materials required for the Center's programs.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Gordon Cooper Technology Center No. 5

THE CENTER FUND'S

The following schedule presents a summary of general, special revenue (building fund and co-op fund), and expenditures for the fiscal year ended June 30, 2021, and the amount and percentage of increases and decreases in relation to the prior year.

Revenues:	2020		2021	
	Amount	%	Amount	%
Property Taxes	\$ 10,807,225	62.20%	\$ 11,096,612	57.18%
Tuition and Fees	935,600	5.39%	1,229,373	6.33%
Intergovernmental:				
State Sources	3,713,757	21.37%	3,523,334	18.16%
Federal Sources	1,166,388	6.71%	1,933,062	9.96%
Investment Income	173,227	1.00%	22,357	.12%
Miscellaneous	580,228	3.33%	1,601,520	8.25%
Total Revenues	\$ 17,376,425	100%	\$ 19,354,729	100%

Economic growth within the Center and increase in property valuation led to increases in property tax revenue. Interest rates for investments have decreased and the Center is realizing less revenue from its cash reserve. Budget decreases at the state level have provided an decrease in state formula funding. Changes in GASB requirements required activity fund transactions to be accounted for in the general fund and not as a separate fiduciary fund. This has led to an increase in miscellaneous revenue for the Center.

Expenditures

Instruction	Expenditures for direct classroom activities
Support Services	Expenditures for administrative, technical, and logistical support to facilitate and enhance education
Non-Instructional Services	Activities concerned with providing non-instructional services to students, staff, or community

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Gordon Cooper Technology Center No. 5

Expenditures:	2020		2021	
	Amount	%	Amount	%
Instruction	\$ 6,957,462	34.51%	\$ 8,238,737	40.56%
Support Services	7,099,184	35.22%	7,616,440	37.49%
Operation of non-instructional services	349,741	1.73%	375,200	1.85%
Capital Outlay	4,279,779	21.23%	2,436,972	12.00%
Debt Service	664,500	3.29%	774,995	3.82%
Other outlays	5,034	0.04%	17,385	0.09%
Other uses	802,343	3.98%	854,239	4.21%
Total Expenditures	\$ 20,158,043	100%	\$ 20,313,968	100%

CAPITAL ASSETS

At the end of June 30, 2021, the Center had \$50,264,790 invested in capital assets including three campuses and additional machinery and equipment for programs (see table below). This is a net increase of \$3,339,079 over the previous year.

Capital Assets:	2020	2021
	Amount	Amount
Land	\$ 162,140	\$ 162,140
Land Improvements	2,824,950	2,824,950
Construction in Progress	4,833,071	-
Buildings	31,288,417	38,580,445
Machinery & Equipment	7,817,133	9,775,091
Total Expenditures	\$ 46,925,711	\$ 50,264,790

CONTACTING THE CENTER'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Center's finances and to show the Center's accountability for the money it received. If you have questions about this report or need additional financial information, contact the Superintendent's Office at Gordon Cooper Technology Center, One John C. Bruton Blvd., Shawnee, OK 74804.

See Disclaimer in Auditors Opinion

GOVERNMENT-WIDE FINANCIAL STATEMENTS

GORDON COOPER TECHNOLOGY CENTER NO. 5
STATEMENT OF NET POSITION
JUNE 30, 2021

Governmental Activities

ASSETS

Cash	\$ 10,943,918
Restricted Cash	1,152
Property taxes receivable	662,910
Interest receivable	-
Due from other governments	524,687
Miscellaneous receivables	51
Land	162,140
Construction in progress	-
Other capital assets, net of accumulated depreciation	17,347,301
Net OPEB asset	14,380
Total assets	<u>29,656,539</u>

DEFERRED OUTFLOW OF RESOURCES

Deferred outflows of resources related to pensions	4,357,106
Deferred outflows of resources related to OPEB	69,554
Total deferred outflows of resources	<u>4,426,659</u>

LIABILITIES

Current Liabilities:	
Accounts Payable	162,648
Compensated absences-current	21,409
Lease payable-current	506,568
Due to student groups	11,865
Total current liabilities	<u>702,490</u>
Non-current Liabilities:	
Compensated absences - long term	410,534
Lease payable	3,960,680
Net pension liability	13,775,641
Total non-current liabilities	<u>18,146,855</u>
Total Liabilities	<u>18,849,345</u>
Deferred inflows of resources:	
Deferred inflows of resources related to pensions	670,391
Deferred inflows of resources related to OPEB	31,920
Deferred property taxes	-
Total deferred inflow of resources	<u>702,311</u>

NET POSITION

Net Investment in Capital Assets	\$ 17,509,441
Restricted Lease Purchase Proceeds	-
Restricted for Net OPEB Asset	14,380
Unrestricted	<u>(2,992,278)</u>
Total Net Position	<u>\$ 14,531,543</u>

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

GORDON COOPER TECHNOLOGY CENTER NO. 5
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

			Program Revenues			Net (Expenses) Revenue and Changes in Net Position
	Nonmajc Funds	Total Expenses	Charges For Services	Operating Grants & Contributions	Capital Grants & Contributions	Government Activities
Governmental Activities:						
Instruction	\$	(8,710,565)	909,722	1,933,062	\$	(5,867,781)
Support Services:						
Students		(397,813)				(397,813)
Instructional Staff		(633,087)				(633,087)
General Administration		(369,360)				(369,360)
School Administration		(1,459,219)				(1,459,219)
Business		(2,549,155)				(2,549,155)
Operation of Plant		(1,756,691)	319,650			(1,437,041)
Student Transportation		(423,543)				(423,543)
Non-Instructional		(375,200)				(375,200)
Capital Outlay		13,632				13,632
Other Outlays		(17,385)				(17,385)
Other Uses		(854,239)				(854,239)
Debt Service		(174,826)				(174,826)
Interfund Transfer		-				-
Depreciation - Unallocated		(1,790,269)				(1,790,269)
Governmental Activities	\$	(19,497,717)	1,229,373	1,933,062	-	\$ (16,335,282)
General Revenues:						
Taxes:						
Property taxes						11,096,612
Other taxes						
Federal and State aid not restricted						
General						3,341,663
Other						181,670
Interest and investment earnings						22,357
Miscellaneous						1,549,992
Total general revenues						16,192,295
Change in net position						(142,988)
Net position beginning						14,674,531
Net position ending					\$	14,531,543

FUND FINANCIAL STATEMENTS

**GORDON COOPER TECHNOLOGY CENTER NO. 5
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021**

	General Fund	Building Fund	Lease Revenue Fund	Nonmajor Fund	Total Governmental Funds
<u>ASSETS</u>					
Cash	\$ 6,344,956	4,275,642		323,320	\$ 10,943,918
Restricted Cash	-	1,152	-		1,152
Property taxes receivable	427,687	235,223			662,910
Due from other governments	524,687	-			524,687
Miscellaneous receivables	51	-			51
Total assets	<u>7,297,381</u>	<u>4,512,017</u>	<u>-</u>	<u>323,320</u>	<u>12,132,718</u>
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Accounts payable	151,893	10,755	-	-	162,648
Compensated absences-current	18,649	2,760	-	-	21,409
Due to student groups	11,865	-	-	-	11,865
Total liabilities	<u>182,407</u>	<u>13,515</u>	<u>-</u>	<u>-</u>	<u>195,922</u>
Deferred inflows of resources:					
Deferred property taxes	332,199	187,730	-	-	519,929
Total deferred inflows of resources	<u>332,199</u>	<u>187,730</u>	<u>-</u>	<u>-</u>	<u>519,929</u>
Fund Balances:					
Non-spendable fund balances:					
Restricted fund balances:					
Restricted by statute		3,891,717.07	(0)		3,891,717
Assigned fund balances:					
Encumbrances	1,637,142	419,055		-	2,056,197
Other assigned fund balances					
Unassigned	<u>5,145,633</u>			<u>323,320</u>	<u>5,468,953</u>
Total fund balances	<u>6,782,775</u>	<u>4,310,772</u>	<u>(0)</u>	<u>323,320</u>	<u>11,416,867</u>
Total Liabilities and Fund Balances	\$ <u>7,297,381</u>	<u>4,512,017</u>	<u>(0)</u>	<u>323,320</u>	12,132,718
Amounts reported for governmental activities in the statement of net position are different because:					
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of these assets is					17,509,441
Long term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet. Long term liabilities consist of:					
Lease payable					(4,467,247)
Compensated absences					(410,534)
Property taxes receivable will be collected this year, but are not available soon enough to pay current period's expenditures, therefore they are deferred in the funds.					519,929
Net pension obligations are not due and payable in the current period and therefore, are not					(13,775,641)
Net OPEB asset is not a financial resource, therefore not reported in funds.					14,380
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and therefore, are not reported in funds.					3,724,348
Net Position of Governmental Activities					\$ <u>14,531,543</u>

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

GORDON COOPER TECHNOLOGY CENTER NO. 5
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Bldg Fund	Lease Revenue Fund	Nonmajor Funds	Total Governmental Funds
Revenues:					
Local sources	\$ 9,748,543	\$ 3,713,702	\$ 64	\$ 487,554	\$ 13,949,863
Intermediate sources	-	-	-	-	-
State sources	3,523,166	168	-	-	3,523,334
Federal sources	1,933,062	-	-	-	1,933,062
Total revenue	<u>\$ 15,204,771</u>	<u>\$ 3,713,869</u>	<u>\$ 64</u>	<u>\$ 487,554</u>	<u>\$ 19,406,258</u>
Expenditures:					
Instructional	8,230,212	8,525	-		8,238,737
Support Services:					-
Students	389,133	-	-		389,133
Instructional staff	55,800	188	-	524,503	580,492
General administration	325,816	-	-		325,816
School administration	1,468,064	133,203	-		1,601,266
Business	2,183,391	309,467	-		2,492,858
Operation of plant	359,830	1,356,503	-		1,716,333
Student transportation	80,273	430,268	-		510,541
Non-instructional	375,200	-	-		375,200
Capital outlay	-	2,436,972	-		2,436,972
Debt Service	-	774,995	-		774,995
Interfund Transfer		(575,901)	575,901		-
Other outlay	17,385	-		-	17,385
Other uses	854,239	-		-	854,239
Total expenditures	<u>\$ 14,339,343</u>	<u>\$ 4,874,221</u>	<u>\$ 575,901</u>	<u>\$ 524,503</u>	<u>\$ 20,313,968</u>
Excess of revenues over (under) expenditures	<u>\$ 865,429</u>	<u>\$ (1,160,352)</u>	<u>\$ (575,838)</u>	<u>\$ (36,949)</u>	<u>\$ (907,709)</u>
Other Financing Sources					
Proceeds of capital leases					
Total other financing sources	-	-	-	-	-
Excess of revenues and other sources of funds over (under) expenditures	<u>\$ 865,429</u>	<u>\$ (1,160,352)</u>	<u>\$ (575,838)</u>	<u>\$ (36,949)</u>	<u>\$ (907,709)</u>
Fund balance, beginning of year	<u>\$ 5,917,346</u>	<u>\$ 5,471,124</u>	<u>\$ 575,838</u>	<u>\$ 360,269</u>	<u>\$ 12,324,577</u>
Fund balance, end of year	<u><u>\$ 6,782,775</u></u>	<u><u>\$ 4,310,773</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 323,320</u></u>	<u><u>\$ 11,416,868</u></u>

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

GORDON COOPER TECHNOLOGY CENTER NO. 5
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

Net change in fund balances - governmental funds	\$	(907,709)
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Amounts reported for governmental activities in the statement of activities
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 of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlays exceeds depreciation in the period.

Capital outlay expenditures	\$	3,382,437	1,570,489
Depreciation expense		(1,790,269)	
Retirements		<u>(21,680)</u>	

Some expenses (compensated absences) reported in the Statement of Activities do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.		3,755
--	--	-------

Property taxes receivable will be collected this year, but are not available soon enough to pay current period's expenditures, therefore they are deferred in the funds.		(51,529)
--	--	----------

Governmental funds report district pension contributions as expenditures, However, the Statement of Activities reports the cost of pension benefits earned net of employee contributions as pension expense.		(1,462,666)
--	--	-------------

Repayment of principal on lease purchase agreements is an expenditure in government funds, but it reduces long term liability in the Statement of Net Position.		704,673
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Change in Net Position of Governmental Activities	\$	<u>(142,988)</u>
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NOTES TO THE FINANCIAL STATEMENTS

**GORDON COOPER TECHNOLOGY CENTER NO. 5
POTTAWATOMIE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

1. Summary of Significant Accounting Policies

The financial statements of the Gordon Cooper Technology Center No. 5 (the "Center") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Center's accounting policies are described below.

A. Reporting Entity

In accordance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity," the Center has presented the entities, which comprise the primary government in the fiscal year 2021 basic financial statements.

The Center 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 Center is part of the public school system of Oklahoma under the general direction and control of the State Board of Career and Technology Education and is financially dependent on the State of Oklahoma for support. The general operating authority for the public school system is the Oklahoma School Code contained in Title 70, Oklahoma Statutes.

The governing body of the Center is the Board of Education composed of five elected members. The appointed superintendent is the executive officer of the Center.

As required by accounting principles generally accepted in the United States of America, the basic financial statements present the reporting entity which consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the Center's basic financial statements to be misleading or incomplete.

B. Basis of Presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Center. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) tuition or fees paid by students or citizens of the Center and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items, including state aid, that are not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

Fund Financial Statements

The Technology Center segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Statements for governmental activities present each fund as a separate column on the fund financial statements.

Governmental funds are used to account for all or most of a government's general activities. The measurement focus of governmental funds is on the sources uses and balance of current financial resources. The Center has presented the following governmental funds:

General Fund – The General Fund is used to account for all financial transactions except those required to be accounted for in another fund. Major revenue sources include state and local property taxes and state funding under Formula Operations.

**GORDON COOPER TECHNOLOGY CENTER NO. 5
POTTAWATOMIE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Summary of Significant Accounting Policies (continued)

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.

Special Revenue Fund – The special revenue funds are used for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

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 technology center property, for paying energy and utility costs, for purchasing telecommunications services, for paying fire and casualty insurance premiums for center facilities, for purchasing security systems, and for paying salaries of security personnel.

Non-Major 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.

Account Groups

GASB Statement No. 34 eliminates the presentation of account groups, but provides for these records to be maintained and incorporates the information into the governmental column in the government-wide statement of net position.

C. Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. 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. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Property taxes and interest and certain state and federal grants associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

D. Budgets and Budgetary Accounting

A budget is legally adopted by the Board of Education for the General Fund and Special Revenue Fund that includes revenues and expenditures.

These budgets are prepared on a budgetary basis of accounting. Budgetary control is maintained by fund, function, and activity and budgeted expenditures may not exceed appropriations at the fund level. Amendments may be made to the budget without approval by the governing body at the function and activity levels. Fund level budgetary amendments require approval of the governing body.

**GORDON COOPER TECHNOLOGY CENTER NO. 5
POTTAWATOMIE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Summary of Significant Accounting Policies (continued)

Encumbrances represent commitments related to unperformed contracts for goods or services.

Encumbrance accounting – under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable fund balance – is utilized in all governmental funds of the Center. Appropriations which are not spent lapse at the end of the fiscal year and encumbrances are reversed. On the first day of the following fiscal year, the encumbrances are reinstated and the expenditures are applied against that year's budget.

E. Net Position and Fund Balances

The government-wide financial statements utilize a net position presentation. Net position is categorized into three categories: investment in fixed assets (net of related debt), restricted net position and unrestricted net position.

Net Investment in Capital Assets – is intended to reflect the portion of net position, which are associated with non-liquid capital related debt. The net related debt is debt less the outstanding liquid assets and any associated unamortized cost.

Restricted Net Position – are liquid assets generated from revenues and not bond proceeds, which have third party (statutory bond covenant or granting agency) limitations on their use. The Center would typically use restricted net assets first, as appropriate opportunities arise, but reserve the right to selectively defer the use thereof to a future project or replacement equipment acquisition.

Unrestricted Net Position – represent unrestricted liquid assets.

Governmental Fund Financial Statements – The Center has adopted Governmental Accounting Standards Board Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statements. The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Center is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications available in the governmental fund financial statements are as follows:

Nonspendable – Amounts that are not in a spendable form such as prepaid expenses, or are required to be maintained intact such as the corpus of permanent fund.

Restricted – The Building Fund is restricted by statute to certain capital related costs. Amounts constrained to specific purposes by their providers such as creditors, grantors, or imposed by law through constitutional provisions or enabling legislation.

Committed – The Center commits a portion of the accrual basis fund balance to honor the commitments made by the Center for encumbrances (purchase orders) for which goods or services have not yet been received. The fund balance committed for encumbrances will be equivalent of the purchase orders rolled forward from the old year to the new year. The Director of Finance will determine the balance of committed fund balance as a part of the accrual conversion for the audit.

Amounts that are constrained by a government itself using its highest level of decision making authority (Board of Education); to be reported as committed, amounts cannot be used for any purpose unless the government takes the same highest level action (vote of Board of Education) to remove or change the constraint. Action to constrain resources should occur before the end of the fiscal year.

Assigned – The Center has assigned 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 assigned fund balance is used to finance this temporary cash flow deficit. The Treasurer and Director of Finance will determine the amount of assigned fund balance at the end of the fiscal year.

**GORDON COOPER TECHNOLOGY CENTER NO. 5
POTTAWATOMIE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Summary of Significant Accounting Policies (continued)

Unassigned - Fund balance represents the funds not restricted in use by statute nor encumbered by purchase orders or legal contracts. Amounts that are available for any purpose; these amounts are reported only in the General Fund.

F. Assets, Liabilities and Cash Fund Balances

Cash - The Center considers all cash on hand, demand deposits and investments to be cash. Investments consist of direct obligations of the United States Government and Agencies. All investments are recorded at cost, which approximates market value.

Property Tax Revenue and Receivables - The Center is authorized by state law to levy property taxes which consist of ad valorem taxes on real and personal property within the Center. The County Assessor, upon receipt of the certification of tax levies from the county excise board, extends the tax levies on the tax roll for submission to the county treasurer prior to October 1. The county treasurer must commence tax collection within fifteen days of receipt of the tax rolls. The first half of taxes is due prior to January 1. The second half is due prior to April 1.

If the first payment is not made timely, the entire tax becomes due and payable on January 2. The second half of taxes becomes delinquent on April 1 of the year following the year of assessment. If taxes are delinquent and unpaid for a period of three (3) years or more the real estate may be sold for taxes.

Uncollected taxes assessed on valuations made each year are recorded in the Center's combined financial statements. No provision has been made for uncollected taxes, as all taxes are deemed collectible.

Inventories - The cost of consumable materials and supplies on hand are immaterial to the financial statements, and the Center has therefore chosen to report these items as expenditures/expenses at the time of purchase.

Capital Assets - Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements.

All purchased capital assets are valued at cost when historical records exist and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their fair market value on the day donated.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Assets capitalized have an original cost of \$5,000 or more. Depreciation has been calculated using a modified method of straight-line depreciation called half-year averaging convention. Under the half-year averaging convention, an asset is treated as though it were placed in service or disposed of on the first day of the seventh month of the fiscal year. One-half of a full year's depreciation is allowed for the asset in its first year placed in service, regardless of when it was actually placed in service during that year. The range of estimated useful lives by type asset is as follows:

Buildings	10-45 years
Land Improvements	1-20 years
Equipment	3-15 years
Vehicles	5 years

Compensated Absences - The Center's policy allows employees to accumulate unused sick leave up to 70 days. Upon termination, resignation, or retirement the employee is paid \$50 a day for all unused, accrued sick leave not to exceed 70 days.

**GORDON COOPER TECHNOLOGY CENTER NO. 5
POTTAWATOMIE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Summary of Significant Accounting Policies (continued)

Full time twelve month employees of the Center receive varying amounts of vacation depending on the years of service completed with the Center. The maximum annual leave that may accumulate and carry forward to the next calendar year is 30 days. Upon termination of employment, unused vacation, up to the allowable accumulation may be paid to the employee upon approval of the Board of Education.

Long-Term Debt – Long-term debt is recognized as a liability of the applicable governmental activities statement on net assets.

Fund Equity – Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

G. Revenue, Expenses and Expenditures

Revenues are classified by source as follows:

Local – Revenue from local sources is revenue produced within the Center, which includes ad valorem taxes. It is available for current educational expenses and for other purposes authorized by the Technology Center.

Intermediate – Revenue from intermediate sources is revenue from funds collected by an intermediate administrative unit or political sub-division, like a county or municipality, and redistributed to the Technology Center.

State – Those revenues received from the State, which are dedicated or are appropriated by the State Legislature. Some of this aid is restricted for specific purposes.

The Center receives revenue from the state to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for these programs be expended only for the program for which the money is provided and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical programs. The State Department of Career & Technology Education requires that categorical educational program revenues be accounted for in the general fund.

Federal – Revenue from Federal sources is money originating from the Federal government and made available to the Technology Center either as direct grants or under various programs passed-through the State Department of Career & Technology Education.

Expenditures are classified by function as follows:

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 co-curricular activities.

It may also be provided through some other approved medium, such as television, radio, telephone and correspondence. Examples of expenditures that might be included here are the activities of teacher assistant 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.

**GORDON COOPER TECHNOLOGY CENTER NO. 5
POTTAWATOMIE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Summary of Significant Accounting Policies (continued)

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 objective of instruction, community services and enterprise programs, rather than as entitles within them.

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

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 improvement 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).

Other Uses Expenditures – 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 – Repayment expenditures represent checks/warrants issued to outside agencies for refund or restricted revenue previously received for overpayments, non-qualified expenditures, and other refunds to be repaid from Center funds.

Deferred Outflows of Resources: Deferred outflows are the consumption of net position by the school district that are applicable to a future reporting period. At June 30, 2021, the center's deferred outflows of resources were comprised of deferred outflows related to pensions and OPEB.

Deferred Inflows of Resources: Deferred inflows are the acquisition of net position by the school district that are applicable to a future reporting period. At June 30, 2021, the center deferred inflows of resources were comprised of deferred inflows to pensions and OPEB.

2. Deposit Categories of Credit Risk

Collateral is required for demand deposits and certificates of deposit for all amounts not covered by federal deposit insurance. The Center's investment policies are governed by state statute. Permissible investments include:

1. Direct obligations of the United States Government to the payment of which the full faith and credit of the government is pledged.
2. Obligations to the payment of which the full faith and credit of the state is pledged.
3. Certificates of deposits of banks when such certificates of deposits are secured by acceptable collateral as in the deposit of other public monies.
4. Savings accounts or savings certificates of savings and loan associations to the extent that such accounts or certificates are fully insured by the Federal Savings and Loan Insurance Corporation.

**GORDON COOPER TECHNOLOGY CENTER NO. 5
POTTAWATOMIE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS
FOR THE YEAR ENDED JUNE 30, 2021**

Deposit Categories of Credit Risk (continued)

5. Repurchase agreements that have underlying collateral consisting of those items specified in paragraphs 1 and 2 of this section including obligations of the United States, its agencies and instrumentalities, and where collateral has been deposited with a trustee of custodian bank in an irrevocable trust or escrow account established for such purposes.
6. County, municipal or school direct debt obligations for which an ad valorem tax may be levied or bond and revenue anticipation notes, money judgments against such county, municipality or school ordered by a court of record or bonds or bond and revenue anticipation notes issued by a public trust for which such county, municipality or school is a beneficiary thereof. All collateral pledged to secure public funds shall be valued at no more than market value.
7. Money market mutual funds regulated by the Securities and Exchange Commission and which investments consist of obligations of the United States, its agencies and instrumentalities, and investments in those items listed above.
8. Warrants, bonds or judgments of the school.
9. Qualified pooled investment programs, the investments of which consist of those items specified above, as well as obligations of the United States agencies and instrumentalities, regardless of the size of the Center's budget. To be qualified, a pooled investment program for school funds must be governed through an Interlocal cooperative agreement formed pursuant to Title 70 Section 5-117b, and the program must competitively select its investment advisors and other professionals. Any pooled investment program must be approved by the Board of Education.

Custodial Credit Risk:

Deposits and Investments - The Center's demand deposits are required by law to be collateralized by the amount that is not federally insured. The Center has a written investment policy, which permits investments as authorized by State Statute.

Interest Rate Risk:

Investments are made based upon prevailing market conditions at the time of the transaction with the intent to hold the instrument until maturity. However, the Center has no formal written policy addressing interest rate risk.

Credit Risk:

The Center has no formal written policy addressing credit risk.

At June 30, 2021, the vocational technical center had no investments.

3. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**GORDON COOPER TECHNOLOGY CENTER NO. 5
POTTAWATOMIE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

4. Accounts Receivable

Accounts receivables of the governmental activities consist of Ad Valorem tax and Federal grant programs. Receivables detail by fund at June 30, 2021, is as follows:

	<u>General Fund</u>	<u>Building Fund</u>
Ad Valorem Tax	\$ 427,687	\$ 235,223
State Grants	6,506	-
Federal Grants	518,180	-
	<hr/>	<hr/>
Gross receivables	952,373	235,223
Less: deferred taxes	(332,199)	(187,730)
	<hr/>	<hr/>
Net Receivables	\$ 620,174	\$ 47,493

5. Capital Assets

A summary of changes in general fixed assets for the year ended June 30, 2021, follows:

	Balance July 1, 2020	Additions	Reclass	Retirements	Balance July 1, 2021
Governmental Activities:					
Capital Assets Not Being Depreciated					
Land	\$ 162,140	\$			162,140
Construction in Progress	4,833,071	464,254	(5,297,325)	-	-
Total Assets Not Being Depreciated	<hr/> \$ 4,995,211	<hr/> \$ 464,254	<hr/> (5,297,325)	<hr/> -	<hr/> 162,140
Capital Assets Being Depreciated					
Buildings	31,288,418	1,994,703	5,297,325		38,580,446
Machinery & Equipment	7,817,132	901,801		(21,680)	8,697,253
Land Improvements	2,824,950				2,824,950
Total Capital Assets Being Depreciated	<hr/> 41,930,500	<hr/> 2,896,504	<hr/> 5,297,325	<hr/> -	<hr/> 50,102,649
Less: Accumulated Depreciation	<hr/> 30,986,759	<hr/> 1,790,269	<hr/> -	<hr/> (21,680)	<hr/> 32,678,390
Total Capital Assets Being Depreciated -Net	<hr/> 10,943,741	<hr/> 1,106,235	<hr/> 5,297,325	<hr/> -	<hr/> 17,347,301
Total Capital Assets Net	<hr/> \$ 15,938,952	<hr/> \$ 1,570,489	<hr/> -	<hr/> -	<hr/> 17,509,440

**GORDON COOPER TECHNOLOGY CENTER NO. 5
POTTAWATOMIE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

6. Interfund Transactions

Interfund transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund, or expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the fund that is reimbursed. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

7. Employee Retirement System

Description of Plan

The District participates in the state-administrated Teacher's Retirement System of Oklahoma (the "system"), which is a cost-sharing multiple-employer public employee retirement system. The supervising authority for the management and operation of the System is a 13-member Board of Trustees, which acts as a fiduciary for investment of the funds and the application of plan interpretations. The System provides retirement and disability benefits, annual cost of living adjustments, death benefits and other benefits to plan members and beneficiaries. Oklahoma State Statutes establish benefit provisions and may be amended only through legislative action. The District has no responsibility or authority for the operation and administration of the system nor has it any liability, except for contribution requirements. The Oklahoma Teachers' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Oklahoma Teachers' Retirement System, P.O. Box 53624, Oklahoma City, Oklahoma 73152.

Basis of Accounting

The System's financial statements are prepared using the cash basis of accounting, except for accruals of interest income. Plan member contributions are recognized in the period in which the contributions are made. Benefits and refunds are recognized when paid. The pension benefit obligation is a standardized disclosed measure of the present value of pension benefits. This pension valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of employee services performed to date and is adjusted for the effect of projected salary increases. There are no actuarial valuations performed on individual school districts. The System has an 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 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 applied to the employee's earnings plus employer-paid fringe benefits. The required contribution for the participating members is 7.0% of compensation. The contribution rate for employers is 9.5%. The State of Oklahoma contributes a percentage of its revenues from sales taxes, use taxes, corporate income taxes, individual income taxes, and lottery proceeds to the System. This percentage has been 5.00% since FY 2008. HB 2741 passed during the 2020 legislative session which temporarily reduced the rate to 3.50% for FY 2021. HB 2894 passed during the 2021 legislative session which restored the rate to 5.00% for FY 2022 and then changed the rate to 5.25% for FY 2023 through FY 2027. The rate is scheduled to return back to 5.00% beginning in FY 2028. The lottery proceeds contributed to the System were not impacted by this legislation. The matching contribution rate for FY 2021 is 7.7% of applicable payroll. The District is allowed by the Oklahoma Teacher's Retirement System to make the required contributions on behalf of participating members. The school is required to pay 16.5% for any compensated retired teachers already receiving retirement benefits.

Annual Pension Cost

The Center's total contribution for 2021, 2020, and 2019 were \$674,129 \$667,633, and \$674,071, respectively. The District's total covered payroll for fiscal year 2020-21 amounted to \$7,109,454.

On Behalf Contributions

The State of Oklahoma makes retirement contributions each year for teachers employed by Oklahoma School Districts. The contribution amounts are based on the teacher's years of service and amounts paid are prescribed by O.S.70 Section 17-108.2 subsection A. During fiscal year 2020-21, the State of Oklahoma's contribution was \$479,915. The Center recognized revenue and expenditures of this amount during the year.

**GORDON COOPER TECHNOLOGY CENTER NO. 5
POTTAWATOMIE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Employee Retirement System (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, the Center reported a liability of \$13,775,641 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The center's proportion of the net pension liability was based on the Center's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2020. Based upon this information, the center's proportion was approximately .1452% percent.

For the year ended June 30, 2021, the center recognized pension expense of \$3,966,451. At June 30, 2021, the Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 670,625	\$ 233,316
Changes of assumptions	1,689,409	199,024
Net difference between projected and actual earnings on pension plan investments	1,187,465	-
Differences in center's proportionate share of contributions and changes in proportion	129,441	169,353
System contributions during measurement date	6,037	68,698
Center contributions subsequent to the measurement date	674,129	-
Total	\$ 4,357,106	\$ 670,391

Deferred pension outflows totaling \$674,129 resulting from the center's contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. The remaining deferred outflows totaling \$3,682,977 resulting from the difference between projected and actual earnings on pension plan investments will be recognized in pension expense over five years. The deferred inflows totaling \$670,391 resulting from differences between expected and actual experience will be recognized in pension expense using the average expected remaining service life of the plan participants. The average expected remaining life of the plan participants is determined by taking the calculated total future service years of the plan participants divided by the number of people in the Plan including retirees. The total future service years of the plan participants are estimated at 5.3 years at June 30, 2020, and are determined using the mortality, termination, retirement and disability assumptions associated with the Plan.

**GORDON COOPER TECHNOLOGY CENTER NO. 5
POTTAWATOMIE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Retirement System (continued Employee)

Deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended,		
2022	\$	549,977
2023		691,653
2024		924,998
2025		733,997
2026		<u>111,961</u>
	\$	<u><u>3,012,586</u></u>

Actuarial assumptions: The total pension liability as of June 30, 2021, was determined based on an actuarial valuation prepared as of June 30, 2020 using the following actuarial assumptions:

- Actuarial Cost Method – Entry Age
- Inflation – 2.25%
- Future Ad Hoc Cost-of-Living Increases – None
- Salary Increases - Composed of 2.25 percent wage inflation, plus 0.75 percent productivity increase rate, plus step-rate promotional increases for members with less than 25 years of service
- Investment Rate of Return – 7.00%
- Retirement Age – Experience-based table of rates based on age, service, and gender. Adopted by the Board in July 2020 in conjunction with the five year experience study for the period ending June 30, 2019
- Mortality Rates after Retirement – Males and females: 2020 GRS Southwest Region Teacher Mortality Table. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020
- Mortality Rates for Active Members – Pub-2010 Teachers Active Employee Mortality table. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2010

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	43.5%	7.5%
International Equity	19.0%	8.5%
Fixed Income	22.0%	2.5%
Real Estate	9.0%	4.5%
Alternative Assets	6.5%	6.2%
Total	<u><u>100.00%</u></u>	

**GORDON COOPER TECHNOLOGY CENTER NO. 5
POTTAWATOMIE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS
FOR THE YEAR ENDED JUNE 30, 2021**

Employee Retirement System (continued)

*The Domestic All Cap Equity total expected return is a combination of 3 rates – US Large cap, US Mid Cap and US Small Cap.

**The Real Estate total expected return is a combination of US Direct Real Estate (unlevered) and US Value added Real Estate (unlevered).

Discount rate – A single discount rate of 7.0% was used to measure the total pension liability as of June 30, 2020. This single discount rate was based solely on the expected rate of return on pension plan investments of 7.0%. Based on the stated assumptions and the projection of cash flows, the pension plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine total pension liability.

Sensitivity of the Center's proportionate share of the net pension liability to changes in the discount rate

The following presents the Center's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the Center's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.0%) or 1-percentage point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Center's proportionate share of the net pension liability	\$ 18,385,803	\$ 13,775,641	\$ 9,959,146

Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued TRS financial report that can be obtained at <http://www.ok.gov/OTRS/> or by writing to the Oklahoma Teachers Retirement System, P.O. Box 53624, Oklahoma City, Oklahoma 73152 or by calling 405-521-2387.

8. OPEB

Plan Description – The District as the employer, participates in the Supplemental Health Insurance Program – a cost sharing multiple-employer defined benefit OPEB plan administered by the Oklahoma Teachers Retirement System (OTRS). Title 74 O. S. Sec. 1316.3 defines the health insurance benefits. The authority to establish and amend benefit provisions rests with the State Legislature. OTRS issues a publicly available financial report that can be obtained at www.ok.gov/OTRS

Benefits Provided – OTRS pays a medical insurance supplement to eligible members who elect to continue their employer provided health insurance. The supplement payment is between \$100 and \$105 per month, remitted to the Oklahoma Management Enterprise Services Employees Group Insurance Division, provided the member has ten (10) years of Oklahoma service prior to retirement.

Contributions – Employer and employee contributions are made based upon the TRS Plan provisions contained in Title 70, as amended. However the statutes do not specify or identify any particular contribution source to pay the health insurance subsidy. Based on the contribution requirements of Title 70 employers and employees contribute a single amount based on a single contribution rate as described in Note 7; from this amount OTRS allocates a portion of the contributions to the supplemental health insurance program. The cost of the supplemental health insurance program averages 1.88% of normal cost, as determined by an actuarial valuation. Contributions allocated to the OPEB plan from the District were \$1,270.

**GORDON COOPER TECHNOLOGY CENTER NO. 5
POTTAWATOMIE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

OPEB (continued)

OPEB Liabilities (Assets), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – At June 30, 2021, the District reported an asset of \$14,381 for its proportionate share of the new OPEB asset. The net OPEB asset was measured as of June 30, 2020, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of June 30, 2020. The District's proportion of the net OPEB asset was based on the District's contributions received by the OPEB plan relative to the total contributions received by the OPEB plan for all participating employers as of June 30, 2020. Based upon this information, the District's proportion was approximately 0.1452% percent.

For the year ended June 30, 2021, the District recognized OPEB expense of \$1,504. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

		Deferred Outflows of Resources		Deferred Inflows of Resources
Differences between expected and actual experience	\$	-	\$	31,591
Changes of assumptions		31,114		-
Net difference between projected and actual earnings on pension plan investments		31,408		-
Changes in proportion		815		270
System contributions during measurement date		4,946		59
Center contributions subsequent to the measurement date		1,270		-
Total	\$	<u>69,553</u>	\$	<u>31,920</u>

The \$1,270 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:		
2022	\$	(1,086)
2023		7,791
2024		12,760
2025		11,595
2026		4,333
Thereafter		971
	\$	<u>(36,363)</u>

**GORDON COOPER TECHNOLOGY CENTER NO. 5
POTTAWATOMIE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

OPEB (continued)

Actuarial Assumptions – The total OPEB liability (asset) as of June 30, 2020, was determined based on an actuarial valuation prepared as of June 30, 2020 using the following actuarial assumptions:

- Actuarial Cost Method – Entry Age
- Inflation – 2.25%
- Future Ad Hoc Cost-of-Living Increases – None
- Salary Increases - Composed of 2.25 percent wage inflation, plus 0.75 percent productivity increase rate, plus step-rate promotional increases for members with less than 25 years of service
- Investment Rate of Return – 7.00%
- Retirement Age – Experience-based table of rates based on age, service, and gender. Adopted by the Board in July 2020 in conjunction with the five year experience study for the period ending June 30, 2019
- Mortality Rates after Retirement – Males and females: 2020 GRS Southwest Region Teacher Mortality Table. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020
- Mortality Rates for Active Members – Pub-2010 Teachers Active Employee Mortality table. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2010

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	43.5%	7.5%
International Equity	19.0%	8.5%
Fixed Income	22.0%	2.5%
Real Estate	9.0%	4.5%
Alternative Assets	6.5%	6.2%
Total	<u>100.00%</u>	

* The Real Estate total expected return is a combination of US Direct Real Estate (unlevered) and US Value added Real Estate (unlevered).

Discount Rate – A single discount rate of 7.0% was used to measure the total OPRB liability (asset) as of June 30, 2020. This single discount rate was based solely on the expected rate of return on OPEB plan investments of 7.0%. Based on the stated assumptions and the projection of cash flows, the OPEB plan's fiduciary net position and future contributions were projected to be available to finance all projected future payments of current plan members. Therefore, the long term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability (asset). The projection of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the statutory levels and remain a level percentage of payrolls. The projection of cash flows also assumed that the State's contribution plus the matching contributions will remain a constant percent of projected member payroll based on the past five years of actual contributions.

**GORDON COOPER TECHNOLOGY CENTER NO. 5
POTTAWATOMIE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

OPEB (continued)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate – The following presents the net OPEB liability (asset) of the employer calculated using the discount rate of 7.0%, as well as what the Plan's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point higher (8.5%) than the current rate, and 1-percentage point lower (6.0%) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Employer's Net OPEB Asset	\$ 52,202	\$ (14,380)	\$ (70,841)

OPEB Plan Fiduciary Net Position – Detailed information about the OPEB plan's fiduciary net position is available in the separately issued financial report of the OTRS; which can be located at www.ok.gov/OTRS.

9. General Long-Term Debt

The Center's long term debt consisted of compensated absences and a capital lease.

The following is a summary of the long-term debt transactions for the year ended June 30, 2021:

	Balance July 1, 2020	Additions	Retirements	Balance June 30, 2021
Compensated Absences	\$ 414,289	\$ 17,653	\$ -	\$ 431,942
Leases Payable	5,171,920	-	704,673	4,467,247
Total	\$ 5,586,209	\$ 17,653	\$ 704,673	\$ 4,899,189
Less: Amounts Due Within One Year				(527,976)
Total Long-Term Debt				<u>\$4,371,213</u>

On January 1, 2019, the Board of Education entered into a ground lease and sublease agreement with the Pottawatomie County Facilities Authority, a public trust, for the purpose of facilitating the issuance of bonds, to provide security for the payment of the bonds, and to enable the Center to utilize the bond proceeds for the construction and to equip buildings on real property. The lease agreements will remain in effect until April 15, 2029. The Authority advanced \$5,500,000 in lease revenue bonds, to the District for acquisition and construction of buildings and equipment. The advance funds are being held in a trust and the District remits application for payments. The balance of the advance funds is reported as Restricted Cash in Lease Revenue on the Balance Sheet of Governmental Funds and on the Statement of Net Positions.

The following is a schedule by years of future principal and interest payment required under the lease-purchase agreement:

Year ending June 30,	Principal	Interest	Total
2022	\$ 506,568	\$ 157,932	\$ 664,500
2023	524,044	140,456	664,500
2024	542,124	122,376	664,500
2025	560,827	103,673	664,500
2026	580,176	84,324	664,500
2027-2029	1,864,003	130,090	1,994,093
Totals	\$ 4,577,742	\$ 738,851	\$ 5,316,593

**GORDON COOPER TECHNOLOGY CENTER NO. 5
POTTAWATOMIE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

10. Litigation

The Center is contingently liable for lawsuits and other claims in the ordinary course of its operations. The settlement of such contingencies under the budgetary process would require appropriation of revenues yet to be realized and would not materially affect the financial position of the Center at June 30, 2021.

11. Contingent Liabilities

The Center receives significant financial assistance from the United States government in the form of grants and other federal assistance. Entitlement to the resources is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors. Any disallowances as a result of these audits become a liability of the Center. The Center estimates that no material liabilities will result from such audits.

12. Risk Management

The Center 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 Center purchases commercial insurance to cover these risks. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

13. Surety Bonds Bond

The Center has a public employee position bond that includes the superintendent, treasurer, finance officer, encumbrance clerk, and deputy encumbrance clerk. The treasurer is bonded for \$250,000, and the remaining positions listed above are bonded for \$100,000. This bond is in effect for the period covering July 1, 2020 to July 1, 2021.

14. 401(a) Plan

The Center adopted a 401(a) plan and beginning on October 1, 2014, the Board shall make an employer matching contribution into the Gordon Cooper Technology Center 401(a) Matching Retirement Plan ("Plan") for eligible support staff, certified staff, and professional staff members. Eligible employees are defined as any person in one of the aforementioned staff groups hired by Gordon Cooper Technology Center for full-time employment as defined in district policy DP-126. Eligible employees will receive a 401(a) matching contribution based on participation in the Gordon Cooper Technology Center 403(b) or 457(b) Plans. The amount of matching contribution is \$80 per month for all staff, regardless of classification. Participating employees will be required to satisfy a five (5) year vesting schedule and will be required to remain employed with Gordon Cooper Technology Center for a minimum of five (5) years to become vested in the employer 401(a) matching contribution. Any break in employment before the five (5) years vesting period is satisfied with the exception of disability as defined by federal law or active retirement with the Oklahoma Teacher's Retirement System, will result in forfeiture of the employer 401(a) matching contributions. The estimated value of the non-vested contributions is \$71,210, this amount is considered immaterial and not recorded in the financial statements.

15. Tax Abatement

The State of Oklahoma has authorized by Oklahoma Statute 62-850, the creation of tax increment financing (TIF) districts. These districts are intended to provide incentives and exemptions from taxation within certain areas to encourage investment, development, and economic growth. The City of Shawnee and the City of Tecumseh have both created TIF districts. These TIF districts reduce the ad valorem taxes remitted to the Center over the term of the agreements.

Oklahoma Statute Title 31 offers a homestead exemption of up to 1 acre of property in an urban area or 160 acres in a rural area. These homestead exemptions reduce the ad valorem taxes remitted to the Center.

For the year ended June 30, 2021, abated property taxes were approximately \$602,169.

REQUIRED SUPPLEMENTARY INFORMATION

GORDON COOPER TECHNOLOGY CENTER NO. 5
FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual
Fund balances, beginning of year	\$ 4,622,038	\$ 4,622,038	\$ 4,622,038
Revenues collected:			
Local sources	5,868,225	5,868,225	8,819,618
Intermediate sources			
State sources	3,523,114	3,523,114	3,518,762
Federal sources	2,523,688	2,523,688	1,694,586
Total revenues collected	<u>\$ 11,915,027</u>	<u>\$ 11,915,027</u>	<u>\$ 14,032,966</u>
Expenditures paid:			
Instruction	\$ 8,476,869	\$ 8,476,869	\$ 7,823,419
Support Services	6,197,778	6,197,778	5,296,724
Non-instructional services	573,585	573,585	445,204
Capital outlays	-	-	-
Other uses	15,000	15,000	14,407
Repayments	1,273,834	1,273,834	945,724
Total expenditures paid	<u>\$ 16,537,065</u>	<u>\$ 16,537,065</u>	<u>\$ 14,525,478</u>
Excess of revenues collected over (under) expenses paid before adjustments to prior year encumbrances	<u>\$ -</u>	<u>\$ -</u>	\$ 4,129,525
Adjustments to prior year encumbrances			332,626
Cash fund balance end of year - Budgetary Basis			<u><u>\$ 4,462,151</u></u>
Explanation of differences between Budgetary Basis year end fund balance and GAAP year end fund balance:			
Fund balance, June 30, 2021 - Budgetary basis			\$ 4,462,151
Accounts receivable not recognized as revenue			620,174
Expenses not recognized in GAAP basis (reserves)			1,637,142
Accounts Payable not recognized in Budgetary basis			(151,893)
Current portion of compensated absences not recognized in budgetary basis			(18,649)
Activity fund transactions not recognized in budgetary basis			233,850
Net Position of Governmental Activities-GAAP Basis			<u><u>\$ 6,782,775</u></u>

GORDON COOPER TECHNOLOGY CENTER NO. 5
FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
BUILDING FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual
Fund balances, beginning of year	\$ 4,518,516	\$ 4,518,516	\$ 4,518,516
Revenues collected:			
Local sources	3,398,938	3,398,938	3,724,357
Intermediate sources			
State sources	-	-	168
Federal sources	-	-	-
	<u>3,398,938</u>	<u>3,398,938</u>	<u>3,724,524</u>
Total revenues collected	\$ 3,398,938	\$ 3,398,938	\$ 3,724,524
Expenditures paid:			
Instruction	\$ 168,195	\$ 168,195	\$ 15,169
Support Services	3,726,595	3,726,595	2,201,416
Non-instructional services	-	-	-
Capital outlays	3,358,164	3,358,164	1,627,420
Other uses	-	-	-
Repayments	664,500	664,500	664,500
	<u>7,917,454</u>	<u>7,917,454</u>	<u>4,508,505</u>
Total expenditures paid	\$ 7,917,454	\$ 7,917,454	\$ 4,508,505
Excess of revenues collected over (under) expenses paid before adjustments to prior year encumbrances	<u>\$ -</u>	<u>\$ -</u>	\$ 3,734,535
Adjustments to prior year encumbrances			122,053
Cash fund balance end of year - Budgetary Basis			<u>\$ 3,856,588</u>
Explanation of differences between Budgetary Basis year end fund balance and GAAP year end fund balance:			
Fund balance, June 30, 2021 - Budgetary basis			\$ 3,856,588
Accounts receivable not recognized as revenue			235,223
Expenses not recognized in GAAP basis (reserves)			231,325
Accounts Payable not recognized in Budgetary basis			(10,755)
Current portion of compensated absences not recognized in budgetary basis			(2,761)
Interfund transfer not recognized in Budgetary basis			1,152
Net Position of Governmental Activities-GAAP Basis			<u>\$ 4,310,772</u>

**GORDON COOPER TECHNOLOGY CENTER NO. 5
FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
COOP FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Fund balances, beginning of year	\$ 360,269	\$ 360,269	\$ 360,269
Revenues collected:			
Local sources	749,850	749,850	487,554
Intermediate sources			-
State sources	-	-	-
Federal sources	-	-	-
	<u>749,850</u>	<u>749,850</u>	<u>487,554</u>
Total revenues collected	<u>\$ 749,850</u>	<u>\$ 749,850</u>	<u>\$ 487,554</u>
Expenditures paid:			
Instruction	\$ -	\$ -	\$ -
Support Services	1,110,119	1,110,119	524,503
Non-instructional services	-	-	-
Capital outlays	-	-	-
Other uses	-	-	-
Repayments	-	-	-
	<u>1,110,119</u>	<u>1,110,119</u>	<u>524,503</u>
Total expenditures paid	<u>\$ 1,110,119</u>	<u>\$ 1,110,119</u>	<u>\$ 524,503</u>
Excess of revenues collected over (under) expenses paid before adjustments to prior year encumbrances	<u>\$ -</u>	<u>\$ -</u>	\$ 323,320
Adjustments to prior year encumbrances			
Cash fund balance end of year - Budgetary Basis			<u><u>\$ 323,320</u></u>
Explanation of differences between Budgetary Basis year end fund balance and GAAP year end fund balance:			
Fund balance, June 30, 2021 - Budgetary basis			\$ 323,320
Accounts receivable not recognized as revenue			-
Expenses not recognized in GAAP basis (reserves)			-
Accounts Payable not recognized in Budgetary basis			-
Compensated absences not recognized in budgetary basis			-
Net Position of Governmental Activities-GAAP Basis			<u><u>\$ 323,320</u></u>

**GORDON COOPER TECHNOLOGY CENTER NO. 5
POTTAWATOMIE COUNTY, OKLAHOMA
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OKLAHOMA TEACHERS RETIREMENT SYSTEM
LAST TEN FISCAL YEARS*
FOR THE YEAR ENDED JUNE 30, 2021**

	2016	2017	2018	2019	2020	2021
School's proportion of the net pension liability	0.1414%	0.1473%	0.1422%	0.1485%	0.1482%	0.1452%
School's proportionate share of the net pension liability	\$ 8,584,910	\$ 12,290,192	\$ 9,413,392	\$ 8,974,582	\$ 9,809,190	\$ 13,775,641
School's covered-employee payroll	\$ 6,564,995	\$ 6,559,495	\$ 6,371,237	\$ 7,179,235	\$ 7,040,941	\$ 7,109,454
School's proportionate share of the net pension liability as a percentage of its covered employee payroll	131%	187%	148%	125%	139%	194%
Plan fiduciary net position as a percentage of total pension liability	70.31%	62.24%	69.32%	72.74%	71.56%	63.47%

*The amounts present for each fiscal year were determined as of 6/30.

Notes to Schedule:

Information to present a 10 year history is not readily available.

**GORDON COOPER TECHNOLOGY CENTER NO. 5
POTTAWATOMIE COUNTY, OKLAHOMA
SCHEDULE OF THE CONTRIBUTIONS
OKLAHOMA TEACHERS RETIREMENT SYSTEM
LAST TEN FISCAL YEARS*
FOR THE YEAR ENDED JUNE 30, 2021**

	2016	2017	2018	2019	2020	2021
Contractually required contribution	\$ 593,134	\$ 604,133	\$ 614,157	\$ 604,133	\$ 667,633	\$ 675,398
Contributions in relation to the contractually required contribution	593,134	604,133	614,157	604,133	667,633	675,398
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School's covered employee payroll	\$ 6,564,995	\$ 6,559,495	\$ 6,371,237	\$ 7,179,235	\$ 7,040,941	\$ 7,109,454
Contributions as a percentage of covered employee payroll	9.03%	9.21%	9.64%	8.42%	9.48%	9.50%

Notes to Schedule:

*Information to present a 10 year history is not readily available.

**GORDON COOPER TECHNOLOGY CENTER NO. 5
POTTAWATOMIE COUNTY, OKLAHOMA
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
SUPPLEMENTAL HEALTH INSURANCE PROGRAMS
LAST TEN FISCAL YEARS* (DOLLAR AMOUNTS IN THOUSANDS)
FOR THE YEAR ENDED JUNE 30, 2021**

	2018	2019	2020	2021
School's proportion of the net pension liability	0.1422%	0.1485%	0.1482%	0.1452%
School's proportionate share of the net pension liability	\$ (63,401)	\$ (95,959)	\$ (91,647)	\$ (14,380)
School's covered-employee payroll	\$ 6,371,237	\$ 7,179,235	\$ 7,040,941	\$ 7,109,454
School's proportionate share of the net pension liability as a percentage of its covered-employee payroll	1.00%	1.34%	1.30%	0.20%
Plan fiduciary net position as a percentage of total pension liability	110.40%	115.41%	115.07%	102.30%

*The amounts present for each fiscal year were determined as of 6/30

Notes to Schedule:

Only four fiscal years are presented because 10-year data is not yet available.

**GORDON COOPER TECHNOLOGY CENTER NO. 5
POTTAWATOMIE COUNTY, OKLAHOMA
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
SUPPLEMENTAL HEALTH INSURANCE PROGRAM
LAST TEN FISCAL YEARS* (DOLLAR AMOUNTS IN THOUSANDS)
FOR THE YEAR ENDED JUNE 30, 2021**

	2017	2018	2019	2020	2021
Contractually required contribution	\$ 9,443	\$ 9,753	\$ 9,599	\$ 7,557	\$ 1,270
Contributions in relation to the contractually required contribution	9,443	9,753	9,599	7,557	1,270
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
School's covered employee payroll	\$ 6,559,495	\$ 6,371,237	\$ 7,179,235	\$ 7,040,941	\$ 7,109,454
Contributions as a percentage of covered employee payroll	0.14%	0.15%	0.13%	0.11%	0.02%

Notes to Schedule:

Only five fiscal years are presented because 10-year data is not yet available.

SUPPORTING SCHEDULES

GORDON COOPER TECHNOLOGY CENTER NO. 5
SCHEDULE OF FEDERAL AWARDS EXPENDED
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA #	Grantor's Number	Balance at July 1, 2020	Revenue	Expenditures	Balance at June 30, 2021
<u>U.S. Department of Education</u>						
Direct Programs:						
<u>2020-21 Programs</u>						
Pell Grant	84.063	P063P203274	\$ -	\$ 440,582	\$ 472,926	\$ (32,344)
College Workstudy	84.033	P033A203418	-	-	1,889	(1,889)
Financial Aid Cluster Sub-Total			\$ -	\$ 440,582	\$ 474,815	\$ (34,233)
COVID 19 Coronavirus Response & Relief Supplemental Appropriation Act 2021 (HEERF-I)- Student	84.425E	P425E205216-20B	-	254,840	-	254,840
COVID 19 CARES Act-Education Stabilization (HEERF I)-Institutional	84.425F	P425F202328-20B	-	254,839	227,924	26,915
COVID 19 Coronavirus Response & Relief Supplemental Appropriation Act 2021 (HEERF-II)- Student	84.425E	P425E205216-20B	-	254,840	254,840	-
COVID 19 Coronavirus Response & Relief Supplemental Appropriation Act 2021 (HEERF-II)- Institutional	84.425F	P425F202328-20B	-	36,637	491,297	(454,660)
COVID 19 American Rescue Plan Act 2021 (HEERF-III)- Student	84.425E	P425E205216-20B	-	8,850	8,850	-
COVID 19 American Rescue Plan Act 2021 (HEERF-III)- Institutional	84.425F	P425F202328-20B	-	-	10,068	(10,068)
COVID 19 Sub-Total			\$ -	\$ 810,006	\$ 992,979	\$ (437,813)
U.S. Dept. of Education Direct Sub-Total			\$ -	\$ 1,250,588	\$ 1,467,794	\$ (472,046)
Passed-Through State Department of Career and Technology Education:						
<u>2020-21 Programs</u>						
Carl Perkins Secondary	84.048	N/A	\$ -	\$ 174,501	\$ 177,953	\$ (3,452)
Tech Centers that Work	84.048	N/A	-	2,000	8,300	(6,300)
Carl Perkins Cluster Sub-Total			\$ -	\$ 176,501	\$ 186,253	\$ (9,752)
<u>U.S. Department of Defense</u>						
Passed-Through State Department of Career and Technology Education:						
<u>2020-21 Programs</u>						
Bld Assistance	12.002	N/A	\$ -	\$ 24,564	\$ 24,564	\$ -
Sub-Total			\$ -	\$ 24,564	\$ 24,564	\$ -
<u>U.S. Department of Health and Human Services</u>						
Passed-Through State Department of Career and Technology Education:						
<u>2020-21 Programs</u>						
Temporary Assistance for Needy Families	93.558	N/A	\$ -	\$ 121,369	\$ 140,904	\$ (19,535)
Sub-Total			\$ -	\$ 121,369	\$ 140,904	\$ (19,535)
<u>U.S. Department of Agriculture</u>						
Passed-Through State Department of Education:						
<u>2020-21 Programs</u>						
Child & Adult Food Care Program	10.558	N/A	\$ -	\$ 1,423	\$ 1,423	\$ -
Sub-Total			\$ -	\$ 1,423	\$ 1,423	\$ -
TOTAL FEDERAL ASSISTANCE			\$ -	\$ 1,574,445	\$ 1,820,938	\$ (501,333)

* Major program

See accompanying notes to Schedule of Federal Awards Expended

**GORDON COOPER TECHNOLOGY CENTER NO. 5
POTTAWATOMIE COUNTY, OKLAHOMA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

1. For all federal programs, the Center uses the fund types prescribed by the Oklahoma State Department of Career and Technology Education and conforms to the system of accounting authorized by the State of Oklahoma. The General Fund is used to account for resources restricted, or designated for, specific purposes by a grantor.
2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial measurement focus. All Federal grant funds were accounted for in the General Fund. With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

The modified accrual basis of accounting is used for the Governmental Fund types. This basis of accounting recognizes revenue in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and accordingly, when such funds are received, they are recorded as deferred revenue until earned.

3. The District has not elected to use the 10% de minimus indirect cost rate allowed under the Uniform Guidance.

REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

KERRY JOHN PATTEN, C.P.A.

2101 N. Willow Ave.
Broken Arrow, OK 74012
Phone Number (918) 250-8838
FAX Number (918) 250-9853



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

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

I 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, each major fund, and the aggregate remaining fund information of Gordon Cooper Technology Center No. 5, Pottawatomie County, Oklahoma (Center), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Center's financial statements, and have issued my report thereon March 3, 2022.

Internal Control over Financial Reporting

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


My 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 my audit I did not identify any deficiencies in internal control that I 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 Center's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

This report is solely to describe the scope of my 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.

A handwritten signature in black ink, appearing to read "Kerry John Patten".

Kerry John Patten, C.P.A.
Broken Arrow, OK
March 3, 2022

KERRY JOHN PATTEN, C.P.A.

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Broken Arrow, OK 74012
Phone Number (918) 250-8838
FAX Number (918) 250-9853



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

I have audited the compliance of Gordon Cooper Technology Center No. 5, Pottawatomie County, Oklahoma (Center's) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the Center's major federal programs for the year ended June 30, 2021. The Center's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of 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

My responsibility is to express an opinion on compliance for each of the Center's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that I 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 program occurred. An audit includes examining on a test basis, evidence about the Center's compliance with those requirements and performing such other procedures as I consider necessary in the circumstances.

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

Opinion on Each Major Federal Program

In my opinion, Gordon Cooper Technology Center, No. 5 Pottawatomie County, Oklahoma, 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, 2021.

Report on Internal Control Over Compliance

Management of Gordon Cooper Technology Center No. 5, Pottawatomie County, Oklahoma (Center), is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the Center'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 Uniform Guidance, but not for the purpose of expressing an opinion on effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Center'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.

My 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 material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I considered 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 my testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Kerry John Patten, C.P.A.
Broken Arrow, OK
March 3, 2022

**GORDON COOPER TECHNOLOGY CENTER NO. 5
POTTAWATOMIE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the basic financial statements of Gordon Cooper Technology Center.
2. There were no audit findings reported of deficiencies in internal control, which the auditor considers to be "significant deficiencies" as defined in A.I.C.P.A. standards.
3. No instances of noncompliance material to the financial statements of Gordon Cooper Technology Center which would be required to be reported in accordance with Government Auditing Standards were disclosed in the audit.
4. There were no audit findings reported of deficiencies in internal control over major programs, which the auditor considers to be "significant deficiencies" as defined by A.I.C.P.A. standards.
5. The auditor's report on compliance for the major federal award programs for Gordon Cooper Technology Center expresses an unmodified opinion on all major federal programs.
6. There were no audit findings relative to major federal award programs for Gordon Cooper Technology Center that are required to be reported in accordance with Uniform Guidance.
7. The programs tested as major programs included: COVID-19 CARES Act-Education Stabilization (HEERF I) – Student, COVID-19 CARES Act-Education Stabilization (HEERF I) – Institution, COVID-19 – Corona Virus Response and Relief Supplemental Appropriation Act 2021 (HEERF – II) – Student, COVID-19 – Corona Virus Response and Relief Supplemental Appropriation Act 2021 (HEERF – II) – Institution, American Rescue Plan Act 2021 (HEERF III) – Student, COVID-19 – Corona Virus Response and Relief Supplemental Appropriation Act 2021 (HEERF – II) – Institution, American Rescue Plan Act 2021 (HEERF III) – Institution (84.425F).
8. The threshold for distinguishing Types A and B programs was \$750,000.00.
9. Gordon Cooper Technology Center did qualify as a low risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

1. No matters were reported.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

1. No matters were reported.

**GORDON COOPER TECHNOLOGY CENTER NO. 5
POTTAWATOMIE COUNTY, OKLAHOMA
SUMMARY OF PRIOR AUDIT FINDINGS
JULY 1, 2020 TO JUNE 30, 2021**

The summary of prior audit findings is required to report the status of all audit findings reported in the prior audit's schedule of findings and questioned costs relative to federal awards.

The Center had no prior year audit findings relative to federal award programs.

**GORDON COOPER TECHNOLOGY CENTER NO. 5
POTTAWATOMIE COUNTY, OKLAHOMA
SCHEDULE OF COMMENTS
JULY 1, 2020 TO JUNE 30, 2021**

Based on my tests of accounting records and related procedures, I found nothing to indicate that Gordon Cooper Technology Center No. 5 had not complied with significant compliance rules and regulations of the Oklahoma State Department of Career & Technology Education.

Previous Year's Audit Comments

There are no items in the Center's 2019-20 audit report, which required resolution in fiscal year 2021.

I would like to express my appreciation for the courtesies and cooperation extended to us by Center administrators and employees during the course of this audit.

**GORDON COOPER TECHNOLOGY CENTER NO. 5
POTTAWATOMIE COUNTY, OKLAHOMA
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE AFFIDAVIT
JULY 1, 2020 TO JUNE 30, 2021**

State of Oklahoma)
County of Tulsa)

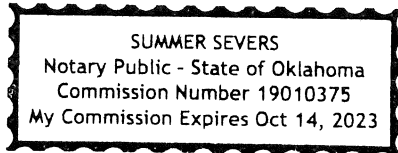
The undersigned auditing firm of lawful age, being first duly sworn on oath, says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with Gordon Cooper Technology Center for the audit year 2021-20.

Kerry John Patten, C.P.A.
AUDITING FIRM

BY



AUTHORIZED AGENT



Subscribed and sworn to before me on this

3rd day of March, 2022



NOTARY PUBLIC

My commission expires on:

14th day of October, 2023