

**ANNUAL FINANCIAL REPORT  
GORDON COOPER TECHNOLOGY CENTER NO. 5  
POTTAWATOMIE COUNTY, OKLAHOMA  
JULY 1, 2016 TO JUNE 30, 2017**

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

**GORDON COOPER TECHNOLOGY CENTER NO. 5  
POTTAWATOMIE COUNTY, OKLAHOMA  
CENTER OFFICIALS  
JUNE 30, 2017**

Board of Education

President	Gary Crain
Vice-President	Dean Evans
Clerk	Bill Thompson
Deputy Clerk	Jimmy Gibson
Member	Tom Wilsie

Superintendent of Schools

Marty Lewis

Technology Center Treasurer

Sandra Ladra (July 1, 2016 – February 28, 2017)

Kellie Lee (March 1, 2017 – June 30, 2017)

Business Manager

Sandra Landra (July 1, 2016 – March 10, 2017)

**GORDON COOPER TECHNOLOGY CENTER NO. 5  
POTTAWATOMIE COUNTY, OKLAHOMA  
JUNE 30, 2017**

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**GORDON COOPER TECHNOLOGY CENTER NO. 5  
POTTAWATOMIE COUNTY, OKLAHOMA  
JUNE 30, 2017**

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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, 2017, 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, 2017, 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.

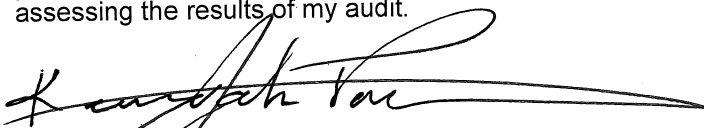
### Other Supplementary Information

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 February 8, 2018, 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  
February 8, 2018

**MANAGEMENT DISCUSSION AND ANALYSIS**

**GORDON COOPER TECHNOLOGY CENTER NO. 5  
POTTAWATOMIE COUNTY, OKLAHOMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

Our discussion and analysis of the Gordon Cooper Technology Center, School District #5's, performance provides an overview of the School District's financial activities for the year ended June 30, 2017. Please read it in conjunction with the School District's financial statements.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the School District as a whole and present a longer-term view of the School District's finances. Fund financial statements report the School District's operations in more detail than the government-wide statements by providing information about the School District's most significant funds. For governmental activities, the fund statements tell how these services were financed in the short term as well as what remains for future spending. The remaining statements provide financial information about activities for which the School District acts solely as a trustee or agent for the benefit of those outside of the government.

**FINANCIAL HIGHLIGHTS**

**Reporting the School District as a Whole**

**The Statement of Net Position and the Statement of Activities**

One of the most important questions asked about the School District's finances is, "Is the School District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the School District as a whole and about its activities in a way that helps answer this question. 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 taken into account regardless of when cash is received or paid.

These two statements report the School District's net position and changes in them. You can think of the School District's net position – the difference between assets and liabilities – as one way to measure the School District's financial health, or financial position. Over time, increases or decreases in the School District'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 School District'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 School District's Most Significant Funds**

**Fund Financial Statements**

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

**GORDON COOPER TECHNOLOGY CENTER NO. 5  
POTTAWATOMIE COUNTY, OKLAHOMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

**Reporting the School District's Most Significant Funds (continued)**

Most of the School District'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 School District's general operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District'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 that explain 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 District's budget for the year.

**THE SCHOOL DISTRICT AS A WHOLE**

	2016	2017
Current and Other Assets	\$ 10,145,969	\$ 10,844,493
Capital Assets	11,261,502	11,698,286
Total Assets	\$ 21,407,471	\$ 22,542,779
Deferred Outflows of Resources	1,004,207	3,849,845
Accounts Payable and Current Liabilities	\$ 207,546	\$ 358,183
Other Liabilities	8,584,910	12,560,478
Total Liabilities	\$ 8,792,456	\$ 12,918,661
Deferred Inflows of Resources	873,985	325,384
Net Position		
Invested in capital assets, net of debt	\$ 11,261,502	\$ 11,698,286
Restricted	-	-
Unrestricted (deficit)	1,483,735	1,450,293
Total Net Position	\$ 12,745,237	\$ 13,148,579

**GORDON COOPER TECHNOLOGY CENTER NO. 5  
POTTAWATOMIE COUNTY, OKLAHOMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

For the year ended June 30, 2017, net position changed as follows:

	2016	2017
Beginning Net Position	\$ 11,295,502	\$ 12,745,237
Revenues		
Program revenues		
Charges for Services	1,420,098	1,206,537
Operating grants/contributions	1,023,562	1,052,134
General revenues		
Property taxes	9,311,187	10,008,128
State aid not restricted to specific purposes	3,298,212	3,066,214
Other revenue	449,380	502,748
Total Revenues	<u>\$ 15,502,439</u>	<u>\$ 15,835,761</u>
Program expenses:		
Instruction	\$ 5,862,166	\$ 7,423,630
Support Services	6,535,962	5,537,474
Operation of non-instructional services	311,393	325,116
Other outlays	-	30
Other uses	679,872	711,738
Depreciation - unallocated	1,006,396	1,434,430
Total Expenses	<u>\$ 14,395,789</u>	<u>\$ 15,432,419</u>
Increase in net position	\$ 1,106,650	\$ 403,342
Restatement of Net Position (Note 16)	\$ 343,085	
Ending Net Position	<u>\$ 12,745,237</u>	<u>\$ 13,148,579</u>

**The School District as Trustee**

**Reporting the School District's Fiduciary Responsibilities**

The School District is the trustee, or fiduciary, for the Activity Funds. All of the School District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance its operations. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**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 than a typical Statement of Revenues, Expenses, and Changes in Fund Balance.

**GORDON COOPER TECHNOLOGY CENTER NO. 5  
POTTAWATOMIE COUNTY, OKLAHOMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

District 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

Food Service is provided for students and employees as well as outside customers that reserve our facilities for meetings and training. Child Care is not only a part of 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 programs being offered by the School District.

**THE SCHOOL DISTRICT 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, 2017, and the amount and percentage of increases and decreases in relation to the prior year.

Revenues:	2016		2017	
	Amount	Percent of	Amount	Percent of
Property Taxes	\$ 9,311,187	61.77%	\$ 10,008,128	63.20%
Tuition and Fees	1,420,098	9.42%	1,206,537	7.62%
Intergovernmental:				
State Sources	3,298,212	21.88%	3,161,201	19.96%
Federal Sources	1,023,562	6.79%	1,052,134	6.64%
Investment Income	21,032	0.14%	34,341	0.22%
Miscellaneous	-	0.00%	373,419	2.36%
<b>Total Revenues</b>	<b>\$ 15,074,091</b>	<b>100%</b>	<b>\$ 15,835,760</b>	<b>100%</b>

Economic growth within the School District and increase in property valuation led to large increases in property tax revenue. Interest rates for investments remain low and budget reductions at the state level have caused decreases in state formula funding.

**GORDON COOPER TECHNOLOGY CENTER NO. 5  
POTTAWATOMIE COUNTY, OKLAHOMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

**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
Facilities (Other outlays/Other Uses)	Activities involved with the acquisition of land, buildings, remodeling buildings and additions to buildings; initial installation or extension of service systems and other built-in equipment; and improvements to sites

Expenditures:	2016		2017	
	Amount	Percent of	Amount	Percent of
Instruction	\$ 6,380,378	40.29%	\$ 7,423,630	48.10%
Support Services	7,113,738	44.92%	5,537,474	35.88%
Operation of non-instructional services	311,393	1.97%	325,116	2.11%
Other outlays	-	0.00%	30	0.00%
Other uses	679,872	4.29%	711,738	4.61%
Depreciation	1,349,481	8.52%	1,434,430	9.29%
Total Expenditures	\$ 15,834,862	100%	\$ 15,432,418	100%

**CAPITAL ASSETS**

At the end of June 30, 2017, the School District had \$38,465,440 invested in capital assets including three campuses and additional machinery and equipment for programs (see table below). This is a net increase of \$1,852,138 over the previous year.

Capital Assets:	2016	2017
	Amount	Amount
Land	\$ 162,140	\$ 162,140
Land Improvements	1,765,215	2,013,533
Buildings	28,891,629	30,352,180
Machinery & Equipment	5,794,317	5,937,587
Total Expenditures	\$ 36,613,301	\$ 38,465,440

**CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the School District's finances and to show the School District'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



**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**GORDON COOPER TECHNOLOGY CENTER NO. 5**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2017**

	<u>Governmental Activities</u>
<b><u>ASSETS</u></b>	
Cash	\$ 10,250,835
Property tax receivable	495,230
Interest receivable	-
Due from other governments	98,428
Capital assets	
Land	162,140
Other capital assets, net of accumulated depreciation	<u>11,536,146</u>
 Total Assets	 \$ <u>22,542,779</u>
<b><u>DEFERRED OUTFLOW OF RESOURCES</u></b>	
Deferred amounts of resources related to pensions	<u>3,849,845</u>
<b><u>LIABILITIES</u></b>	
Current liabilities	
Accounts payable	\$ 317,154
Compensated absences - short term	<u>41,029</u>
Total current liabilities	<u>358,183</u>
Non-current liabilities	
Compensated absences - long term	270,286
Net Pension Liability	<u>12,290,192</u>
Total non-current liabilities	<u>12,560,478</u>
 Total Liabilities	 \$ <u>12,918,661</u>
<b><u>DEFERRED INFLOW OF RESOURCES</u></b>	
Deferred amounts of resources related to pensions	<u>325,384</u>
<b><u>NET POSITION</u></b>	
Invested in Capital Assets, net of related debt	\$ 11,698,286
Restricted for Building	-
Unrestricted	<u>1,450,293</u>
 Total Net Position	 \$ <u><u>13,148,579</u></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, 2017**

	Program Revenues			Capital Grants & Contributions	Net (Expenses) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants & Contributions		
<b>Governmental Activities:</b>					
Instruction	\$ (7,423,630)	\$ 850,584	\$ 1,052,134	\$ -	(5,520,912)
<b>Support Services:</b>					
Students	(730,510)	-	-	-	(730,510)
Instructional Staff	(295,439)	-	-	-	(295,439)
General Administration	(338,759)	-	-	-	(338,759)
School Administration	(466,618)	-	-	-	(466,618)
Business	(1,578,606)	-	-	-	(1,578,606)
Operation of Plant	(1,544,314)	312,618	-	-	(1,231,696)
Student Transportation	(583,228)	-	-	-	(583,228)
Non-Instructional	(325,116)	43,336	-	-	(281,780)
Capital Outlay	-	-	-	-	-
Other Outlays	(30)	-	-	-	(30)
Other Uses	(711,738)	-	-	-	(711,738)
Depreciation - Unallocated	(1,434,430)	-	-	-	(1,434,430)
<b>Governmental Activities</b>	<b>\$ (15,432,418)</b>	<b>\$ 1,206,537</b>	<b>\$ 1,052,134</b>	<b>\$ -</b>	<b>(13,173,747)</b>

**General revenues**

Taxes:

Property taxes, levied for general purposes	\$ 10,008,128
Other Taxes	-

Federal and State aid not restricted to specific purposes:

General	3,066,214
Other	94,988
Interest and investment earnings	34,341
Miscellaneous	373,419
<b>Total general revenues</b>	<b>13,577,089</b>

Changes in net position	403,342
Net position - beginning, as restated (Note 16)	12,745,237
<b>Net position - ending</b>	<b>\$ 13,148,579</b>

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

**FUND FINANCIAL STATEMENTS**

**GORDON COOPER TECHNOLOGY CENTER NO. 5  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2017**

	<u>General Fund</u>	<u>Building Fund</u>	<u>Coop Fund</u>	<u>Nonmajor Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash	\$ 5,082,920	\$ 4,935,889	\$ 226,993	\$ 5,033	\$ 10,250,835
Property taxes receivable	309,925	185,305	-	-	495,230
Due from other governments	98,428	-	-	-	98,428
<b>Total assets</b>	<b>\$ 5,491,273</b>	<b>\$ 5,121,194</b>	<b>\$ 226,993</b>	<b>\$ 5,033</b>	<b>\$ 10,844,493</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 233,369	\$ 83,785	\$ -	\$ -	\$ 317,154
Compensated absences-current	41,029	-	-	-	41,029
Deferred revenue	238,844	159,132	-	-	397,976
<b>Total liabilities</b>	<b>513,242</b>	<b>242,917</b>	<b>-</b>	<b>-</b>	<b>756,159</b>
<b>Fund balances:</b>					
<b>Non-spendable Fund Balances:</b>					
<i>Prepaid Items</i>	-	-	-	-	-
<b>Restricted Fund Balances:</b>					
<i>Restricted by Statute</i>	-	4,390,825	-	-	4,390,825
<b>Assigned Fund Balances:</b>					
<i>Encumbrances</i>	1,132,859	487,452	5,000	-	1,625,311
<i>Other Assigned Fund Balances</i>	-	-	-	-	-
Unassigned	3,845,172	-	221,993	5,033	4,072,198
<b>Total Fund Balances</b>	<b>4,978,031</b>	<b>4,878,277</b>	<b>226,993</b>	<b>5,033</b>	<b>10,088,334</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 5,491,273</b>	<b>\$ 5,121,194</b>	<b>\$ 226,993</b>	<b>\$ 5,033</b>	<b>\$ 10,844,493</b>

**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 the assets is \$38,465,439 and the accumulated depreciation is \$26,767,153	11,698,286
Long term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet.	(270,286)
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.	397,976
Net pension obligations are not due and payable in the current period and therefore, are not reported in funds.	(12,290,192)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore, are not reported in funds.	3,524,461
<b>Net Position of Governmental Activities</b>	<b>\$ 13,148,579</b>

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, 2017**

	<u>General Fund</u>	<u>Building Fund</u>	<u>Coop Fund</u>	<u>Nonmajor Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>					
Local sources	\$ 7,787,422	\$ 3,197,763	\$ 239,264	\$ -	\$ 11,224,449
Intermediate sources	-	-	-	-	-
State sources	3,161,030	171	-	-	3,161,201
Federal sources	<u>1,052,134</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,052,134</u>
<b>Total revenues</b>	<u>\$ 12,000,586</u>	<u>\$ 3,197,934</u>	<u>\$ 239,264</u>	<u>\$ -</u>	<u>\$ 15,437,784</u>
<b>Expenditures:</b>					
Instructional	\$ 5,764,343	\$ 65,912	\$ 4,758	\$ -	\$ 5,835,013
Support Services:					
Students	707,434	18,318	-	-	725,752
Instructional Staff	81,453	-	213,986	-	295,439
General Administration	336,949	1,810	-	-	338,759
School Administration	1,467,504	129,669	-	-	1,597,173
Business	1,387,349	529,026	-	-	1,916,375
Operation of Plant	404,182	1,296,582	-	-	1,700,764
Student Transportation	325,116	264,135	-	-	589,251
Non-instructional	319,093	-	-	-	319,093
Capital Outlay	-	1,263,517	-	-	1,263,517
Other Outlays	30	-	-	-	30
Other Uses	711,740	-	-	-	711,740
Repayments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>\$ 11,505,193</u>	<u>\$ 3,568,969</u>	<u>\$ 218,744</u>	<u>\$ -</u>	<u>\$ 15,292,906</u>
<b>Excess of revenues over (under) expenditures</b>	<u>\$ 495,393</u>	<u>\$ (371,035)</u>	<u>\$ 20,520</u>	<u>\$ -</u>	<u>\$ 144,878</u>
<b>Excess of revenues and other sources of funds over (under) expenditures</b>	<u>\$ 495,393</u>	<u>\$ (371,035)</u>	<u>\$ 20,520</u>	<u>\$ -</u>	<u>\$ 144,878</u>
<b>Fund balance, beginning of year</b>	<u>\$ 4,482,638</u>	<u>\$ 5,249,312</u>	<u>\$ 206,473</u>	<u>\$ 5,033</u>	<u>\$ 9,943,456</u>
<b>Fund balance, end of year</b>	<u>\$ 4,978,031</u>	<u>\$ 4,878,277</u>	<u>\$ 226,993</u>	<u>\$ 5,033</u>	<u>\$ 10,088,334</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,  
FOR THE YEAR ENDED JUNE 30, 2017**

Net change in fund balances - governmental funds	\$	144,878
Amounts reported for governmental activities in the statement of activities are different because:		
<p>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.</p>		
Capital outlay expenditures	\$ 1,888,139	
Depreciation expense	<u>(1,434,430)</u>	453,709
<p>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.</p>		
		(270,286)
<p>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.</p>		
		397,976
<p>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.</p>		
		<u>(322,935)</u>
Change in Net Position of Governmental Activities	\$	<u><u>403,342</u></u>

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

**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, 2017**

**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 Center has elected to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board ("FASB") pronouncements and Accounting Principles Board ("APB") opinions, issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. 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 2017 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, 2017**

**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.

Co-op Fund – The co-op fund is established when the Boards of Education of two or more school districts enter into cooperative agreements and maintain joint programs.

Non-Major Fund - The District's Film Library Fund was considered non-major for financial reporting purposes.

**Fiduciary Fund Types**

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Center. When these assets are held under the terms of a formula trust agreement, either a private purpose trust fund or a permanent fund is used.

The terms "permanent" and "private purpose" refer to whether or not the Center is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the Center holds on behalf of others as their agent and do not involve measurement of results of operations.

The Center's Fiduciary Funds have been excluded from the government-wide financial statements.

Agency Fund – The Center's Agency Fund consists of the Activity Fund. The Center's Activity fund is used to account for monies collected that are held on behalf of others as their agent and do not involve the measurement of results of operations. The administration is responsible under the authority of the Board, for collecting, disbursing and accounting for these funds.

**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.

**GORDON COOPER TECHNOLOGY CENTER NO. 5  
POTTAWATOMIE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**Summary of Significant Accounting Policies (continued)**

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.

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 categories of investment in fixed assets (net of related debt), restricted net position and unrestricted net position.

Investment in Fixed Assets (net of related debt) – 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.

**GORDON COOPER TECHNOLOGY CENTER NO. 5  
POTTAWATOMIE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**Summary of Significant Accounting Policies (continued)**

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.

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.

**GORDON COOPER TECHNOLOGY CENTER NO. 5  
POTTAWATOMIE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**Summary of Significant Accounting Policies (continued)**

Assets capitalized have an original cost of \$2,500 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

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.

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.

**GORDON COOPER TECHNOLOGY CENTER NO. 5  
POTTAWATOMIE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**Summary of Significant Accounting Policies (continued)**

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.

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 entities 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, 2017, the center's deferred outflows of resources were comprised of deferred outflows related to pensions.

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, 2017, the center deferred inflows of resources were comprised of deferred inflows to pensions.

New accounting pronouncements adopted in fiscal year 2017: The District adopted the following new accounting pronouncement during the year ended June 30, 2017:

**GORDON COOPER TECHNOLOGY CENTER NO. 5  
POTTAWATOMIE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2017**

**Summary of Significant Accounting Policies (continued)**

*Statement No. 77, Tax Abatement Disclosures*, issued August 2015, will be effective for the District beginning with its fiscal year ending June 30, 2017. This statement requires governments to disclose information about their own tax abatements separately from information about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues. The disclosure about the government's own tax abatement agreements includes the purpose of the tax abatement program, the tax being abated, the amount of tax being abated, the provisions of recapturing abated taxes, the types of commitments made by tax abatement recipients, and other commitments made by government in tax abatement agreements. The disclosures about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues includes the name of the government entering into the abatement agreement, the tax being abated, and the amount of the reporting government's tax being abated. Implementation of this standard did not have an impact on the technology center.

New accounting pronouncements issued not yet adopted:

*Statement No. 85, Omnibus 2017*, issued March 2017, will be effective for the center with its fiscal year ending June 30, 2018. *Statement No. 85* is designed to address the practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits).

The Center is currently evaluating the impact that this new standard will have on its financial statements.

**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.
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.

**GORDON COOPER TECHNOLOGY CENTER NO. 5  
POTTAWATOMIE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2017**

**Deposit Categories of Credit Risk (continued)**

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, 2017, 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, 2017**

**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, 2017, is as follows:

Accounts Receivable	<u>General Fund</u>	<u>Building Fund</u>
Ad Valorem Tax	\$ 309,925	\$ 185,305
Federal Grants	98,608	-
Gross receivables	408,533	185,305
Less: deferred taxes	(238,844)	(159,132)
Net Receivables	\$ <u>169,689</u>	\$ <u>26,173</u>

**5. Capital Assets**

A summary of changes in general fixed assets for the year ended June 30, 2017, follows:

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2017</u>
Land	\$ 162,140	\$ -	\$ -	\$ 162,140
Total Assets Not Being Depreciated	\$ 162,140	\$ -	\$ -	\$ 162,140
<u>Capital Assets Being Depreciated</u>				
Buildings	28,891,629	1,496,552	36,001	30,352,180
Machinery & Equipment	5,794,317	143,270	-	5,937,587
Land Improvements	1,765,215	248,318	-	2,013,533
Total Capital Assets Being Depreciated	36,451,161	1,888,139	36,001	38,303,299
Less:				
Accumulated Depreciation	25,368,724	1,434,430	36,001	26,767,153
Total Capital Assets Being Depreciated - Net	11,082,437	453,709	-	11,536,146
Total Capital Assets Net	\$ <u>11,244,577</u>	\$ <u>453,709</u>	\$ <u>-</u>	\$ <u>11,698,286</u>

**GORDON COOPER TECHNOLOGY CENTER NO. 5  
POTTAWATOMIE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**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 not actuarially determined. The rates are applied to the employee's earnings plus employer-paid fringe benefits. The required contribution for the participating members is 7.0% of compensation. Additionally, OTRS receives "federal matching contributions" for positions whose funding comes from federal sources or certain grants. The District and State are required to contribute 14.0% of applicable compensation. Contributions received by the System from the State of Oklahoma are from 3.54% of its revenues from sales tax use taxes, corporate income taxes and individual income taxes. The District contributed 9.5% and the State of Oklahoma plus the federal contribution contributed the remaining 4.5% during this year. The District is allowed by the Oklahoma Teachers' Retirement System to make the required contributions on behalf of the 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 2017, 2016, and 2015 were \$604,133, \$593,134, and \$565,920, respectively. The District's total payroll for fiscal year 2016-17 amounted to \$6,302,283.

**GORDON COOPER TECHNOLOGY CENTER NO. 5  
POTTAWATOMIE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**Employee Retirement System (continued)**

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 2016-17, the State of Oklahoma's contribution was \$48,450. This Center recognized revenue and expenditures of this amount during the year.

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

At June 30, 2017, the Center reported a liability of \$12,290,192 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. 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, 2016. Based upon this information, the center's proportion was .14726625 percent.

For the year ended June 30, 2017, the center recognized pension expense of \$1,439,772. At June 30, 2017, 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	\$	\$ 285,327
Changes of assumptions	1,479,912	
Net difference between projected and actual earnings on pension plan investments	1,434,709	
Differences in center's proportionate share of contributions and changes in proportion	331,091	
System contributions during measurement date	-	40,057
Center contributions subsequent to the measurement date	604,133	
Total	\$ 3,849,845	\$ 325,384

**GORDON COOPER TECHNOLOGY CENTER NO. 5  
POTTAWATOMIE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**Employee Retirement System (continued)**

Deferred pension outflows totaling \$604,133 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, 2017. The deferred outflows totaling \$1,434,709 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 \$285,327 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 5.71 years at June 30, 2016 and are determined using the mortality, termination, retirement and disability assumptions associated with the Plan.

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

Year ended,		
2017	\$	483,975
2018		483,975
2019		963,333
2020		771,179
2021		<u>216,867</u>
	\$	<u><u>2,920,329</u></u>

**Actuarial assumptions:** The total pension liability was determined based on an actuarial valuation prepared as of July 1, 2016 using the following actual assumptions:

- Actuarial Cost method-Entry Age Normal
- Amortization Method-Level Percentage of Payroll
- Amortization Period-Amortization over an open 30-year period
- Asset Valuation Method-5 year smooth market
- Inflation-2.5 percent
- Salary Increases-Composed of 3.00 percent wage inflation, including 2.5 percent price inflation, plus a service related component up to 8 percent based on years of service.
- Investment Rate of Return-7.5 percent
- Retirement Age-Experience-based table of rates based on age, service, and gender. Adopted by the Board in May 2015 in conjunction with the five year experience study for the period ending June 30, 2014
- Mortality-RP-2000 Combined Mortality Table, projected to 2016 using Scale AA, multiplied by 90.0 percent for males and 80.0 percent for females.

**GORDON COOPER TECHNOLOGY CENTER NO. 5  
POTTAWATOMIE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**Employee Retirement System (continued)**

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic expected real rates of return for each major asset class as of June 30, 2017, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic All Cap Equity*	7.0%	6.2%
Domestic Large Cap Equity	10.0%	5.8%
Domestic Mid Cap Equity	13.00%	6.3%
Domestic Small Cap Equity	10.00%	7.0%
International Large Cap Equity	11.50%	6.6%
International Small Cap Equity	6.0%	6.6%
Core Plus Fixed Income	17.5%	1.6%
High-yield Fixed Income	6.0%	4.9%
Private Equity	5.0%	8.3%
Real Estate**	7.0%	4.5%
Master Limited Partnerships	<u>7.0%</u>	7.7%
	<u>100.00%</u>	

\*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 7.50% was used to measure the total pension liability as of June 30, 2016. This single discount rate was based solely on the expected rate of return on pension plan investments of 7.50%. 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 7.50%, 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 (6.50%) or 1-percentage point higher (8.50%) than the current rate:

	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
Center's proportionate share of the net pension liability	<u>\$ 16,154,540</u>	<u>\$ 12,290,192</u>	<u>\$ 9,146,655</u>

**GORDON COOPER TECHNOLOGY CENTER NO. 5  
POTTAWATOMIE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS  
FOR THE YEAR ENDED JUNE 30, 2017**

**Employee Retirement System (continued)**

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/trs/> or by writing to the Oklahoma Teachers Retirement System, P.O. Box 53624, Oklahoma City, Oklahoma 73152 or by calling 405-521-2387.

**8. General Long-Term Debt**

The Center’s long term debt consisted of compensated absences.

The following is a summary of the long-term debt transactions for the year ended June 30, 2017:

	Balance July 1, 2016	Additions	Retirements	Balance June 30, 2017
Compensated Absences	\$ -	\$ 311,315	\$ -	\$ 311,315
Total	\$ -	\$ 311,315	\$ -	\$ 311,315
Less: Amounts Due Within One Year				(41,029)
Total Long-Term Debt				\$ 270,266

**9. 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, 2017.

**10. 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.

**11. 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.

**12. Surety Bonds Bond**

The Center has a public employee position bond that includes the superintendent, treasurer, business manager, finance officer, encumbrance clerk, and deputy encumbrance clerk. The treasurer and business manager are bonded for \$250,000 each, and the remaining positions listed above are bonded for \$100,000. This bond is in effect for the period covering July 1, 2016 to July 1, 2017.

**GORDON COOPER TECHNOLOGY CENTER NO. 5  
POTTAWATOMIE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**13. 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 beginning in fiscal year 2016 is \$40 per month for support staff and certified staff (not to include certified administrators), and \$50 per month for professional staff. 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 \$27,346, this amount is considered immaterial and not recorded in the financial statements.

**16. Restatement Beginning Net Position**

Beginning net position is previously reported	\$ 12,402,152
Restated beginning capital assets	<u>343,085</u>
Beginning net position, restated	<u>\$ 12,745,237</u>

Net position was restated due to errors discover in the prior year capital asset schedule.

**COMBINING FINANCIAL STATEMENTS**



**GORDON COOPER TECHNOLOGY CENTER NO. 5  
BALANCE SHEET - FIDUCIARY FUND  
JUNE 30, 2017**

		<u>Agency Fund</u>
<b>ASSETS</b>		<u>Activity Fund</u>
Cash	\$	163,517
Miscellaneous Receivables		<u>-</u>
Total assets	\$	<u><u>163,517</u></u>
<b>LIABILITIES AND FUND EQUITY</b>		
Liabilities:		
Due to General Fund	\$	-
Due to Student Groups		<u>163,517</u>
Total liabilities		<u>163,517</u>
Fund equity:		
Unreserved/undesignated	\$	<u>-</u>
Total Fund Equity	\$	<u>-</u>
Total liabilities and fund equity	\$	<u><u>163,517</u></u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**GORDON COOPER TECHNOLOGY CENTER NO. 5  
FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Fund balances, beginning of year	\$ 3,519,575	\$ 3,519,575	\$ 3,519,575
Revenues collected:			
Local sources	6,378,557	6,378,557	7,725,395
Intermediate sources	-	-	-
State sources	2,959,169	2,959,169	3,108,280
Federal sources	<u>1,019,742</u>	<u>1,019,742</u>	<u>1,152,135</u>
Total revenues collected	<u>10,357,468</u>	<u>10,357,468</u>	<u>11,985,810</u>
Expenditures paid:			
Instruction	6,321,043	6,321,043	5,769,900
Support services	6,254,150	6,254,150	5,302,764
Non-instructional services	432,398	432,398	397,925
Capital outlay	-	-	-
Other outlays	7,252	7,252	2,030
Other uses	<u>862,200</u>	<u>862,200</u>	<u>718,787</u>
Repayments			
Total expenditures paid	<u>\$ 13,877,043</u>	<u>\$ 13,877,043</u>	<u>\$ 12,191,406</u>
Excess of revenues collected over (under) expenses paid before adjustments to prior year encumbrances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,313,979</u>
Adjustments to prior year encumbrances			<u>636,082</u>
Cash fund balance end of year - Budgetary Basis			<u>\$ 3,950,061</u>
Explanation of differences between Budgetary Basis year end fund balance and GAAP year end fund balance:			
Fund Balance, June 30, 2017 - Budgetary basis			\$ 3,950,061
Accounts receivable not recognized as revenue			169,689
Expenses not recognized in GAAP basis (reserves)			1,132,859
Accounts Payable not recognized in Budgetary basis			(233,369)
Current portion of compensated absences not recognized in budgetary basis			<u>(41,029)</u>
Net Position of Governmental Activities-GAAP Basis			<u>\$ 4,978,211</u>

**GORDON COOPER TECHNOLOGY CENTER NO. 5  
 FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)  
 BUILDING FUND  
 FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Fund balances, beginning of year	\$ 3,825,803	\$ 3,825,803	\$ 3,825,803
Revenues collected:			
Local sources	2,938,863	2,938,863	3,205,704
Intermediate sources	-	-	-
State sources	-	-	172
Federal sources	-	-	-
Total revenues collected	<u>2,938,863</u>	<u>2,938,863</u>	<u>3,205,876</u>
Expenditures paid:			
Instruction	31,746	31,746	24,656
Support services	3,654,754	3,654,754	2,274,657
Capital outlay	3,078,166	3,078,166	-
Other outlays	-	-	532,979
Total expenditures paid	<u>6,764,666</u>	<u>6,764,666</u>	<u>2,832,292</u>
Excess of revenues collected over (under) expenses paid before adjustments to prior year encumbrances	\$ <u>-</u>	\$ <u>-</u>	\$ 4,199,387
Adjustments to prior year encumbrances			<u>249,050</u>
Cash fund balance end of year - Budgetary Basis			<u>\$ 4,448,437</u>
Explanation of differences between Budgetary Basis year end fund balance and GAAP year end fund balance:			
Fund Balance, June 30, 2017 - Budgetary Basis			\$ 4,448,437
Accounts receivable not recognized as revenue			26,173
Accounts Payable not recognized in Budgetary basis			(83,785)
Expenses not recognized in GAAP basis (reserves)			<u>487,452</u>
Net Position of Governmental Activities-GAPP Basis			<u>\$ 4,878,277</u>

**GORDON COOPER TECHNOLOGY CENTER NO. 5  
 FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)  
 COOP FUND  
 FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Fund balances, beginning of year	\$ 206,473	\$ 206,473	\$ 206,473
Revenues collected:			
Local sources	191,807	191,807	239,264
Intermediate sources	-	-	-
State sources	-	-	-
Federal sources	-	-	-
Total revenues collected	<u>191,807</u>	<u>191,807</u>	<u>239,264</u>
Expenditures paid:			
Instruction	50,000	50,000	9,758
Support services	348,280	348,280	213,986
Capital outlay	-	-	-
Other outlays	-	-	-
Total expenditures paid	<u>398,280</u>	<u>398,280</u>	<u>223,744</u>
Excess of revenues collected over (under) expenses paid before adjustments to prior year encumbrances	\$ <u>-</u>	\$ <u>-</u>	\$ 221,993
Adjustments to prior year encumbrances			<u>-</u>
Cash fund balance end of year - Budgetary Basis			\$ <u><u>221,993</u></u>
Explanation of differences between Budgetary Basis year end fund balance and GAAP year end fund balance:			
Fund Balance, June 30, 2017 - Budgetary Basis			\$ 221,993
Accounts receivable not recognized as revenue			-
Expenses not recognized in GAAP basis (reserves)			<u>-</u>
Net Position of Governmental Activities-GAPP Basis			\$ <u><u>221,993</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, 2017**

	<u>2015</u>	<u>2016</u>	<u>2017</u>
School's proportion of the net pension liability	.140939%	.14136756%	.14726625%
School's proportionate share of the net pension liability	\$ 7,605,386	\$ 8,584,910	\$ 12,290,192
School's covered-employee payroll	\$ 6,195,549	\$ 6,564,995	\$ 6,559,495
School's proportionate share of the net pension liability as a percentage of its covered-employee payroll	123%	131%	187%
Plan fiduciary net position as a percentage of total pension liability	72.43%	70.31%	62.24%

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

Notes to Schedule:

The Plan's net pension liability increased between 2016 and 2017 due to changes in assumptions adopted by the System's Board.

The most notable change was the lowering of the System's discount rate from 8.0% to 7.5%.

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, 2017**

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually required contribution	\$ 565,920	\$ 593,134	\$ 604,133
Contributions in relation to the Contractually required contribution	565,920	593,134	604,133
Contribution deficiency (excess)	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>          -</u>
School's covered-employee payroll	\$ 5,957,067	\$ 6,243,513	\$ 6,559,495
Contributions as a percentage of covered- employee payroll	9.50%	9.50%	9.21%

Notes to Schedule:

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

**SUPPORTING SCHEDULES**



**GORDON COOPER TECHNOLOGY CENTER NO. 5  
SCHEDULE OF FEDERAL AWARDS EXPENDED  
FOR THE YEAR ENDED JUNE 30, 2017**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA #</u>	<u>Grantor's Number</u>
<u>U.S. Department of Education</u>		
Direct Programs:		
<u>2016-2017 Programs</u>		
* Pell Grant	84.063	P063P163274
* College Workstudy	84.033	P033A163418
Sub-Total		
Passed-Through State Department of Career and Technology Education:		
<u>2016-2017 Programs</u>		
Carl Perkins Secondary	84.048	N/A
Tech Centers that Work	84.048	N/A
Sub-Total		
<u>U.S. Department of Defense</u>		
Passed-Through State Department of Career and Technology Education:		
<u>2016-2017 Programs</u>		
Bid Assistance	12.002	N/A
Sub-Total		
<u>U.S. Department of Health and Human Services</u>		
Passed-Through State Department of Career and Technology Education:		
<u>2016-2017 Programs</u>		
Temporary Assistance for Needy Families	93.558	N/A
Sub-Total		
<u>U.S. Department of Agriculture</u>		
Passed-Through State Department of Education:		
<u>2016-2017 Programs</u>		
Child & Adult Food Care Program	10.558	N/A
Sub-Total		

TOTAL FEDERAL ASSISTANCE

\* Major program

See accompanying notes to Schedule of Federal Awards Expended

Balance at July 1, 2016	Revenue	Expenditures	Balance at June 30, 2017
\$ -	\$ 700,344	\$ 700,344	\$ -
-	5,776	5,776	-
\$ -	\$ 706,120	\$ 706,120	\$ -
\$ -	\$ 169,232	\$ 169,232	\$ -
-	12,000	12,000	-
\$ -	\$ 181,232	\$ 181,232	\$ -
\$ -	\$ 14,625	\$ 14,625	\$ -
\$ -	\$ 14,625	\$ 14,625	\$ -
\$ -	\$ 144,665	\$ 144,665	\$ -
\$ -	\$ 144,665	\$ 144,665	\$ -
\$ -	\$ 5,492	\$ 5,492	\$ -
\$ -	\$ 5,492	\$ 5,492	\$ -
\$ -	\$ 1,052,134	\$ 1,052,134	\$ -

**GORDON COOPER TECHNOLOGY CENTER NO. 5  
POTTAWATOMIE COUNTY, OKLAHOMA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017**

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.
4. Reconciliation of the Schedule of Expenditures of Federal Awards to Statement of Revenue, Expenditures and Changes in Fund Balance is as follows:

Total Federal Revenue as reflected on		
"Schedule of Federal Awards Expended"	\$	<u>1,052,134</u>
Total Federal Revenue as reflected on		
"Statement of Revenue, Expenditures and Changes In Fund Balance" \$		
General Fund		<u>1,052,134</u>
Reconciled Total	\$	<u>1,052,134</u>

**GORDON COOPER TECHNOLOGY CENTER NO. 5  
ACTIVITY FUND  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2017**

Activities	Beginning Balance 7-01-16	Revenue	Transfers	Expenditures	Ending Balance 6-30-17
	\$	\$	\$	\$	\$
Books/Tools	-	70,710	(70,036)	674	-
<u>Livework-Resale</u>	-	2,864	-	2,864	-
Collision Repair Tech / CRT	-	41,018	(41,018)	-	-
Early Care and Education	-	2,478	(2,478)	-	-
Computer Graphic Design/CGD	-	176,609	(176,284)	325	-
Foods	-	11,542	(11,542)	-	-
Const-Masonry Trades / CMT	-	7,463	(7,386)	77	-
Diesel Tech / PDT	-	334	(334)	-	-
Cosmetology	-	-	-	-	-
<u>Full-Time Adult Programs</u>	-	167,911	(143,805)	24,106	-
Daytime Tuition	-	79,494	(63,440)	16,054	-
Practical Nursing Tuition	-	5,151	(4,171)	980	-
Education Enhance Center	-	148,669	(117,258)	31,411	-
Aviation Tuition	-	35,136	(31,660)	3,476	-
Paramedic Tuition	-	-	-	-	-
<u>Short-Term Adult Programs</u>	-	141,130	(116,794)	24,336	-
AT&D Tuition	-	38,127	(38,127)	-	-
Safety Training	-	18,080	(17,787)	293	-
EMSA	-	-	-	-	-
Statewide Diesel Tuition	-	31,409	(28,134)	3,275	-
<u>Industry Specific Program</u>	-	129,937	(129,663)	274	-
Industry Specific Tuition/Books	-	189	(189)	-	-
Industry Specific Books	-	-	-	-	-
<u>Miscellaneous</u>	500	9,637	418	8,035	2,520
Aviation Test Fees	98	-	-	-	98
National Honor Society	-	9,037	(7,300)	1,737	-
Refunds/Reimbursements	-	4,476	(4,476)	-	-
Miscellaneous	-	-	-	-	-

(continued)

**GORDON COOPER TECHNOLOGY CENTER NO. 5  
ACTIVITY FUND  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2017**

Activities	Beginning Balance 7-01-16	Revenue	Transfers	Expenditures	Ending Balance 6-30-17
	\$	\$	\$	\$	\$
Employee Flower Fund	11,157	3,102	-	1,164	13,095
Interest-First United	-	-	68	68	-
General Fund Refund Acct.	-	-	1,109,067	1,109,067	-
OSSM Fees/Fundraiser	509	-	(509)	-	-
Eagle Program	46	-	-	-	46
Statewide Diesel Student Loans	95	225	(225)	-	95
<b>Skills USA Organizations</b>					
CRT Dues-Chapman	-	450	(450)	-	-
CRT Fundraisers/Donations	1,554	2,036	200	1,816	1,974
AMT Dues-Aviation	-	810	(810)	-	-
AMT A&G-Fundraiser/Donations	1,607	2,872	32	1,468	3,043
ASTA Dues-Shawnee-Brakett	-	260	(260)	-	-
ASTA - Fundraiser/Donations	123	236	-	149	210
ASTE Dues-Seminole-McClure	-	240	(240)	-	-
ASTE - Fundraiser/Donations	25	970	-	200	795
AWT Dues - Curtis	-	320	(320)	-	-
AWT - Fundraiser/Donations	625	100	-	-	725
PEA Dues - Pre Engineering	-	1,330	(1,330)	-	-
PEA - Donations/Fundraisers	9,199	13,996	484	12,731	10,948
CGD Dues - Ketchum	-	220	(220)	-	-
CGD - Fundraiser/Donations	475	609	15	1,031	68
OCS - Fundraiser/Donations	771	-	(771)	-	-
CAD - Fundraiser/Donations	82	-	(82)	-	-
PMT I & II Dues-Precision MAC	-	337	(337)	-	-
PMT I & II Fundraiser/Donation	376	206	-	254	328
ECT Dues-D. Frerichs	-	210	(210)	-	-
ECT-Fundraiser/Donations	-	-	-	-	-
HAR Dues-Pickering	-	180	(180)	-	-
HAR-Fundraiser/Donations	60	1,035	317	906	506
NST I & II Fundraiser/Donations	541	-	-	-	541
CMT Dues - Eiland	-	270	(270)	-	-
CMT - Fundraiser/Donations	832	1,601	-	1,361	1,072
H.S.-Diesel Dues- De La Pena	-	250	(250)	-	-

(continued)

**GORDON COOPER TECHNOLOGY CENTER NO. 5  
ACTIVITY FUND  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2017**

Activities	Beginning Balance 7-01-16	Revenue	Transfers	Expenditures	Ending Balance 6-30-17
	\$	\$	\$	\$	\$
<u>Skills USA Organizations (continued)</u>					
PDT - Fundraiser/Donations	822	10	-	-	832
General Skills USA All Schools	8,077	-	5,057	2,975	10,159
Diesel Dues - Adults- Jolly	-	635	(635)	-	-
Diesel Adult Fundraiser PDT	581	530	-	100	1,011
AWT Music	-	1,175	-	1,175	-
CAD Music	15	-	(15)	-	-
ECT Music	150	10	(10)	-	150
HAR Music	43	250	-	250	43
NST Music	50	-	-	-	50
CMT Music	-	490	(490)	-	-
Diesel Misc.-Adult	-	1,475	(1,080)	360	35
PEA Music	1,048	315	25	1,380	8
<u>HOSA - Adult</u>					
Full Time HOSA-PN Dues- Adult	1,105	4,422	105	4,263	1,369
Full Time HOSA Fund/Donations	11	385	(345)	-	51
HOSA PN Fees	14,792	30,749	(34)	37,494	8,013
Full Time PN HOSA Uniforms	861	-	-	-	861
Evening PN HOSA Dues	1,110	-	180	845	445
Evening PN Uniforms	3,173	-	-	-	3,173
HOSA Misc. - Day	1,546	-	-	-	1,546
HOSA Misc. - Evening	1,200	-	-	-	1,200
<u>Business Professionals of America</u>					
BPA Dues	922	940	1,350	2,080	1,132
BPA Fundraisers	1,450	1,451	-	-	2,901
BPA Music	610	1,135	(3)	1,571	171
<u>Shawnee - HCC</u>					
H.S. HCC Dues - Shawnee	391	473	(33)	374	457
H.S. HCC Fund/Donat. Shawnee	429	4,557	69	4,787	268
HCC H.S. Uniforms - Shawnee	209	2,803	92	2,868	236
HCC H.S. Misc.-Shawnee	1,896	4,885	(2,360)	2,374	2,047

(continued)

**GORDON COOPER TECHNOLOGY CENTER NO. 5  
ACTIVITY FUND  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2017**

Activities	Beginning Balance 7-01-16	Revenue	Transfers	Expenditures	Ending Balance 6-30-17
Fam Career & Comm LDRS of America	\$	\$	\$	\$	\$
FCCLA Dues	140	290	10	315	125
FCCLA Fundraiser/Donations	826	4,933	13	5,124	648
FCCLA Miscellaneous	318	1,258	(576)	541	459
Vending	63,372	57,153	30,620	73,934	77,211
Employee OKACTE/ACTE	0.5	4,005	-	4,005	1
Seminole - HCC					
HCC Dues - H.S. - Seminole	77	340	-	315	102
HCC HS-Fund/Donation-Seminole	187	965	-	1,009	143
HCC Uniforms H.S.-Seminole	85	2,873	(29)	2,919	10
HCC Misc.-H.S.-Seminole	714	2,071	-	1,887	898
GCTC Arts Festival	1,173	-	-	-	1,173
Community Service Projects	976	1,825	-	390	2,411
Cosmetology					
Cosmetology Dues-Seminole	-	290	(270)	20	-
Cosmetology - Fundraiser	722	414	-	390	746
Cosmetology - Miscellaneous	-	1,467	(35)	1,304	128
Leadership - Shawnee Campus	355	-	-	-	355
Leadership - Seminole Campus	103	15	-	-	118
STEM	1,645	8,650	(25)	3,522	6,748
Paramedic					
Paramedic-Fundraiser/Donations	50	500	-	531	19
<b>Total</b>	<b>\$ 139,910</b>	<b>\$ 1,307,005</b>	<b>\$ 123,836</b>	<b>\$ 1,407,234</b>	<b>\$ 163,517</b>

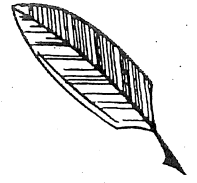
**REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS**



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## 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, 2017, and the related notes to the financial statements, which collectively comprise the Center's financial statements, and have issued my report thereon February 8, 2018.

### **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.

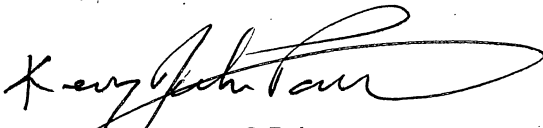
My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify 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.

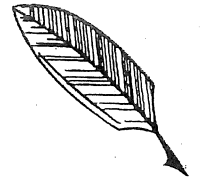


Kerry John Patten, C.P.A.  
Broken Arrow, OK  
February 8, 2018

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## 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, 2017. 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, 2017.

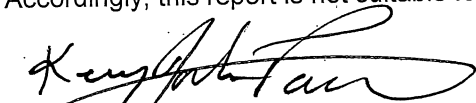
## Report on Internal Control Over Compliance

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  
February 8, 2018

**GORDON COOPER TECHNOLOGY CENTER NO. 5  
POTTAWATOMIE COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2017**

**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 unqualified 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: Student Financial Aid Cluster (84.063 & 84.033).
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, 2016 TO JUNE 30, 2017**

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, 2016 TO JUNE 30, 2017**

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 2015-16 audit report, which required resolution in fiscal year 2017.

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, 2016 TO JUNE 30, 2017

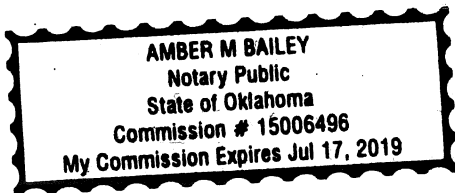
State of Oklahoma )  
County of Tulsa )

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 2016-17.

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

BY

*Kerry John Patten*  
AUTHORIZED AGENT



Subscribed and sworn to before me on this

8th day of February, 2018

*Amber M Bailey*  
NOTARY PUBLIC

My commission expires on:

17th day of July, 2019