

**ANNUAL FINANCIAL REPORT
GREEN COUNTRY TECHNOLOGY CENTER NO. 28
OKMULGEE COUNTY, OKLAHOMA
JULY 1, 2013 TO JUNE 30, 2014**

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

GREEN COUNTRY TECHNOLOGY CENTER NO. 28
OKMULGEE COUNTY, OKLAHOMA
SCHOOL CENTER OFFICIALS
JUNE 30, 2014

Board of Education

President	Keith Estes
Vice-President	Marsha Norman
Clerk	David Dykes
Deputy Clerk	Maryilyn Sulivant
Member	Kenneth LeBlanc

Superintendent of Schools

Brady McCullough

Technology Center Treasurer

Linda Been

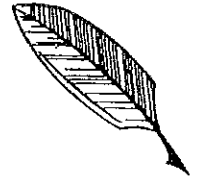
**GREEN COUNTRY TECHNOLOGY CENTER NO. 28
OKMULGEE COUNTY, OKLAHOMA
JUNE 30, 2014**

TABLE OF CONTENTS

	Page
Report of Independent Auditor	1
Management's Discussion and Analysis	3
Basic Financial Statements	
Government-Wide Financial Statements -	
Statement of Net Assets	8
Statement of Activities	9
Fund Financial Statements	
Balance Sheet - Governmental Funds	10
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	11
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	12
Notes to the Financial Statements	13
Combining Financial Statements	
Statement of Net Position – Fiduciary Funds	23
Statement of Changes in Fiduciary Net Position.....	24
Required Supplementary Information	
Budgetary Comparison Schedule – Budgetary Basis General Fund.....	25
Budgetary Comparison Schedule – Budgetary Basis Building Fund.....	26
Supplementary Information	
Schedule of Expenditures of Federal Awards	27
Notes to the Schedule of Federal Awards.....	28
School Activity Fund – Statement of Revenues, Expenditures, and Sub-Account Balances	29
Reports Required by <i>Government Auditing Standards</i>	
Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements performed in Accordance With <i>Government Auditing Standards</i>	30
Summary of Prior Audit Findings	32
Schedule of Comments	33
Schedule of Accountant's Professional Liability Insurance Affidavit	34

KERRY JOHN PATTEN, C.P.A.

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



INDEPENDENT AUDITOR'S REPORT

The Board of Education
Green Country Technology Center No. 28
Okmulgee, 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 Green Country Technology Center No. 28, Okmulgee County, Oklahoma, as of and for the year ended June 30, 2014, 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 Green Country Technology Center as of June 30, 2014, 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 basis financial statements. The Schedule of Expenditures of Federal Awards is presented for additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations* and is not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and 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 February 10, 2015, on my consideration of Green Country Technology Center No. 28, Okmulgee 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 10, 2015

MANAGEMENT DISCUSSION AND ANALYSIS

GREEN COUNTRY TECHNOLOGY CENTER SCHOOL DISTRICT NO.28
OKMULGEE COUNTY, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014

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

The Management Discussion and Analysis is an element of the new reporting model adopted by the Government Accounting Standards Board in their statement NO. 34, Basic Financial Statements and Management's discussion and Analysis for State and Local Governments, issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Organization

The District is part of the public school system of Oklahoma under the general direction and control of the Oklahoma State Board of Career and Technology Education. The District includes the following public school Districts: Okmulgee, Preston, Dewar, Henryetta, Schuller, Morris, Beggs and Wilson. The District includes portions of two counties: McIntosh and Okmulgee. The District provides education opportunities to high school students and adults who reside or work in the District. These Programs are generally grouped into the following career areas: health careers, information technology and trade/industrial/technical.

- Full-time Programs – The district offers 13 full-time programs. These programs are designed to lead to industry certification, licenses, employment, or continuing education.
- Adult and Continuing Education – These classes are designed around specific curriculum and are designed to provide an introduction to or enhance knowledge of specific topics. Continuing education and licensing classes are offered in several areas including real estate, insurance, and health.
- Business and Industry Services – The District provides customized industry training to employers in the District. This may include pre-employment, safety, skills based, or management skills.

Financial Statements

The financial statements consist of three parts: management discussion and analysis, the basic financial statements, and required supplementary information. The three parts together provide a comprehensive overview of the financial condition Green Country Technology Center. The basic financial statements include two kinds of statements; they present different views of the District. The first two statements are District-wide financial statements – the Statement of Net Position and the Statement of Activities. These provide both long-term and short-term information about the District's overall financial status.

See disclaimer in accompanying Independent Auditor's Report.

GREEN COUNTRY TECHNOLOGY CENTER SCHOOL DISTRICT NO.28
OKMULGEE COUNTY, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014

The remaining statements are fund financial statements that focus on individual parts of the district's operation in more detail than the District-wide statements. The governmental fund statements tell how basic services were financed in the short term as well as what remains for the future spending. The governmental funds utilized are the General Fund and Building Fund.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements.

District-Wide Statements

The District-wide statements report information about Green Country Technology Center as a whole. The Statement of Net Position includes all of the District's assets and liabilities with the difference reported as net position. All of the current year's revenues and expenses are accounted for in the Statement of Activities.

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

Over time, increases or decreases in the District's net position is an indication of whether its financial health is improving or deteriorating, respectively. To assess the overall financial health of the District, you need to consider additional factors such as changes in enrollment, changes in property tax base, and changes in funding by the federal and state governments.

The District's assets, liabilities, and net position are categorized as governmental activities.

Governmental Activities – All of the District's basic services is included here such as instruction, business and industry services, administration, and community services. Local property taxes, state appropriations, federal grants, tuition, and fees finance most of these activities.

Fund Financial Statements

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

- Governmental funds – Most of the District's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. They are reported using a modified accrual basis of accounting and a current financial resources measurement focus. This method of accounting provides for recording revenue when they are both measurable and available. Revenues are considered available when they are collected within the current period or soon enough to pay liabilities of the current period.

See disclaimer in accompanying Independent Auditor's Report.

GREEN COUNTRY TECHNOLOGY CENTER SCHOOL DISTRICT NO.28
 OKMULGEE COUNTY, OKLAHOMA
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2014

- Expenditures are generally recorded when a liability is incurred. The governmental fund statements provide a detailed short-term view of the District's operation and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled at the bottom the Balance Sheet and on the page after the Statement of Revenues, Expenditures, and Changes in Fund Balance.
- Fiduciary Funds – The District is the trustee of fiduciary for assets that belong to others, such as student activity funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets. The District excludes these activities from the District-wide financial statements, because it cannot use these assets to finance its operations.

Net Position

The District's net position increased \$151,346 or 3.42% over prior year net position. The following reflects net position information at June 30, 2013, and June 30, 2014. The increase in net position is due to increases both in cash and investments over fiscal year 2012-13.

Net Position

	FY2014	FY2013
Current Assets	\$1,651,928	\$1,429,705
Net Capital Assets	\$2,940,126	\$3,011,449
Total Assets	\$4,592,054	\$4,441,154
Long term Liabilities	\$15,209	\$15,655
Total Liabilities	\$15,209	\$15,655
Net Assets Invested in Capital Assets		
Net of Related Debt	\$2,940,126	\$3,011,449
Unrestricted	\$1,636,719	\$1,414,050
Total Net Position	\$4,576,845	\$4,425,499

See disclaimer in accompanying Independent Auditor's Report.

GREEN COUNTRY TECHNOLOGY CENTER SCHOOL DISTRICT NO.28
OKMULGEE COUNTY, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014

STATEMENT OF ACTIVITIES

The result of this year's operations as a whole are reported in the Statement of Activities. Specific charges, grants, revenues, and subsidies that directly relate to specific expense categories are represented to determine the final general revenues. The largest general revenue category is Property Tax (ad valorem) followed by State Formula Funding.

The Following illustration reflects the impact that results of operations had on changes in net assets for the year ending 2014.

Changes in Net Position

Revenues	FY 2014	FY 2013
Program Revenues		
Charges for Services	\$320,818	\$276,234
Operating Grants & Contributions	\$58,144	\$18,940
General Revenues		
Property & Other Taxes	\$1,843,296	\$1,848,213
Federal and State Aid	\$1,575,426	\$1,357,486
Interest and Investment Earnings	\$4,470	\$4,203
Miscellaneous	\$16,460	\$12,124
Total Revenues	\$3,818,614	\$3,547,200
 Expenses		
Instruction	\$1,591,773	\$1,213,863
Support Services	\$1,653,971	\$1,494,466
Non-Instructional	\$140,872	\$12,950
Other Outlays	\$56	\$11,909
Capital Outlays	\$0	\$0
Depreciation - Unallocated	\$277,469	\$307,760
Total Expenses	\$3,664,141	\$3,040,948
Loss on Asset Disposal	\$3,127	\$0
 Increase (decrease) in net position	 \$151,346	 \$506,252

Revenues increased by approximately 7.6% from the previous fiscal year. This was mainly due to a slight decrease in property taxes collected and an increase in federal and state revenue collected. Other revenues remained relatively stagnant for the current fiscal year. Expenses increased approximately 20.5% from the previous fiscal year. This was mainly due to an increase in every expense category except depreciation expense which decreased 9.8%.

See disclaimer in accompanying Independent Auditor's Report.

GREEN COUNTRY TECHNOLOGY CENTER SCHOOL DISTRICT NO.28
OKMULGEE COUNTY, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014

Debt Administration

As of June 30, 2014, the District has no outstanding bond obligations.

Leases

The Technology Center leases 30 acres of land from the Oklahoma State University in Okmulgee, on which they have constructed school buildings. The term of the lease is for fifty years, ending May 31, 2043. The lease requires minimal consideration and can automatically be extended for one separate and successive period.

The District leases one 2015 Thomas Saf-T-Liner c2, 53 passenger bus VIN# 4UZABPDU3FCFWP600 and one 2015 Thomas Saf-T-Liner C2 71 passenger bus VIN# 4UZABRDU5FCFY4126 with combined lease charges of \$27,000.00 annually.

Building

Green Country Technology Center completed construction on an expansion project for the full-time Carpentry Program. The 2,898 sq. ft. Carpentry Pavilion was completed in September of 2014 and provides for live construction projects to be built on the Green Country campus rather than onsite which in turn addresses identified safety and lost instructional time loss issues.

Factors Bearing on Green Country Technology Center's Future

The district continues to face challenges regarding the erosion of the ad-valorem tax base from which the District derives a major portion of its revenue. The revenue loss is caused by legislative initiated incentives which remove certain properties in the district from a portion or all of ad valorem taxation and secondly, revenue loss occurs from the purchase of properties by Native American Tribes which subsequently remove the properties from the ad valorem tax rolls.

Contacting Green Country Technology Center's Financial Management

This financial report is designed to provide citizens, taxpayers, parents, students, and a creditor with a general overview of the District's finances and to show accountability for the money it receives. If you have questions about this report or wish to request additional financial information, please contact the Business Office, Green Country Technology Center, 1100 North Loop 56, Okmulgee, Oklahoma 74447.

See disclaimer in accompanying Independent Auditor's Report

GOVERNMENT-WIDE FINANCIAL STATEMENTS

GREEN COUNTRY TECHNOLOGY CENTER NO. 28
STATEMENT OF NET POSITION
JUNE 30, 2014

	Governmental Activities
<u>ASSETS</u>	
Cash	\$ 679,967
Investments	800,000
Property tax receivable	108,406
Due from activity fund	50,709
Prepaid insurance	12,846
Capital assets	
Capital assets, net of accumulated depreciation	2,940,126
Total Assets	\$ 4,592,054
<u>LIABILITIES</u>	
Long-Term Liabilities	
Compenstated absences	\$ 15,209
Total Liabilities	\$ 15,209
<u>NET POSITION</u>	
Invested in Capital Assets, net of related debt	\$ 2,940,126
Unrestricted	1,636,719
Total Net Position	\$ 4,576,845

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

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28
STATEMENT OF ACTIVITIES
FOR YEAR ENDED JUNE 30, 2014**

	Expenses	Program Revenues		Capital Grants & Contributions	Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants & Contributions		Government Activities
Governmental Activities:					
Instruction	\$ (1,591,773)	\$ 318,743	\$ 58,144	\$ -	\$ (1,214,886)
Support Services:					
Students	(242,763)	-	-	-	(242,763)
Instructional Staff	(139)	-	-	-	(139)
General Administration	(217,972)	-	-	-	(217,972)
School Administration	(363,660)	-	-	-	(363,660)
Business	(201,716)	-	-	-	(201,716)
Operation of Plant	(488,652)	2,075	-	-	(486,577)
Student Transportation	(139,069)	-	-	-	(139,069)
Non Instructional	(140,872)	-	-	-	(140,872)
Other Uses	(56)	-	-	-	(56)
Depreciation - Unallocated	(277,469)	-	-	-	(277,469)
Governmental Activities	\$ (3,664,141)	\$ 320,818	\$ 58,144	\$ -	\$ (3,285,179)

General revenues

Taxes:

Property taxes, levied for general purposes	\$ 1,841,238
Other Taxes	2,058
Federal and State aid not restricted to specific purposes:	
General	1,575,426
Interest and investment earnings	4,470
Miscellaneous	16,460
Total general revenues	3,439,652

Loss on asset disposal (3,127)

Changes in net position 151,346

Net position - beginning 4,425,499

Net position - ending \$ 4,576,845

FUND FINANCIAL STATEMENTS

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2014**

	Governmental Fund Types		
	General Fund	Special Revenue Fund	Total
ASSETS			
Cash	\$ 277,153	\$ 402,814	\$ 679,967
Investments	800,000	-	800,000
Property tax receivable	90,237	18,169	108,406
Due from activity fund	50,709	-	50,709
Prepaid Insurance	12,846		
Total assets	\$ 1,230,945	\$ 420,983	\$ 1,639,082
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Deferred revenue	59,999	12,212	72,211
Total liabilities	\$ 59,999	\$ 12,212	\$ 72,211
Fund balances:			
Nonspendable Fund Balances:			
<i>Prepaid Items</i>	\$ 12,846	\$ -	\$ 12,846
Restricted Fund Balances:			
<i>Restricted by Statute</i>	-	250,590	250,590
<i>Other Restrictions of Fund Balance</i>	-	-	-
Committed Fund Balances:			
<i>Contractual Obligations</i>	-	-	-
Assigned Fund Balances:			
<i>Encumbrances</i>	87,095	158,181	245,276
Unassigned	1,071,005	-	1,071,005
Total Fund Balances:	\$ 1,170,946	\$ 408,771	1,579,717
Total liabilities and fund balances	\$ 1,230,945	\$ 420,983	

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 \$5,179,550 and accumulated depreciation is \$2,239,424. 2,940,126

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. 72,211

Compensated absences are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. (15,209)

Net Position of governmental activities \$ 4,576,845

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

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2014**

	Governmental Fund Types		Total
	General	Special Revenue	
Revenues			
Local sources	\$ 1,870,941	\$ 305,646	\$ 2,176,587
Intermediate sources	-	-	-
State sources	1,577,141	343	1,577,484
Federal sources	58,443	-	58,443
Total revenues	\$ 3,506,525	\$ 305,989	\$ 3,812,514
Expenditures			
Instruction	\$ 1,536,573	\$ 160,518	\$ 1,697,091
Support services	1,653,971	-	1,653,971
Non-instructional services	140,872	-	140,872
Capital outlay	104,405	-	104,405
Other uses	-	-	-
Repayments	-	-	-
Total expenditures	\$ 3,435,821	\$ 160,518	\$ 3,596,339
Excess of revenues over (under) expenses before adjustments to prior year encumbrances	\$ 70,704	\$ 145,471	\$ 216,175
Other financing sources (uses):			
Bond sale proceeds	\$ -	\$ -	\$ -
Operating transfers in/(out)	-	-	-
Bank charges	(56)	-	(56)
Total other financing sources (uses)	\$ (56)	\$ -	\$ (56)
Excess (deficiency) of revenue over expenditures and other financing sources (uses)	\$ 70,648	\$ 145,471	\$ 216,119
Fund balances, beginning of year	\$ 1,100,298	\$ 263,300	\$ 1,363,598
Fund balances, end of year	\$ 1,170,946	\$ 408,771	\$ 1,579,717

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

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28
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, 2014**

Net change in fund balances - governmental funds \$ 216,119

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlays exceeds depreciation in the period.

Capital outlay expenditures	\$	209,277	
Loss on asset disposal		(3,130)	
Depreciation expense		<u>(277,469)</u>	(71,322)

Some property taxes will not be collected for several months after the fiscal year ends, and are not considered as "available" revenues in the governmental funds, but are deferred. They are, however, recorded as revenues the Statement of Activities. 6,103

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. 446

Change in Net Position of Governmental Activities \$ 151,346

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

NOTES TO THE FINANCIAL STATEMENTS

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28
OKMULGEE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

1. Summary of Significant Accounting Policies

The financial statements of the Green Country Technology Center No. 28 (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 2013 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 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 is 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:

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28
OKMULGEE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

Summary of Significant Accounting Policies (continued)

Fund Financial Statements

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. 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 Center's Building Fund is a Special Revenue Fund and consists of monies derived from property taxes levied for the purpose of creating, remodeling or repairing buildings and for purchasing furniture and equipment.

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.

Private- Purpose Trust Funds – Private-Purpose Trust Funds are used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

Agency Fund – The Center's Agency Fund consists of the Activity fund and the Federal Pell Grant 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 Federal Pell Grant fund is used to account for student financial aid which is collected by the Center and disbursed to eligible students or to pay educational costs on their behalf. The administration is responsible under the authority of the Board, for collecting, disbursing and accounting for these funds.

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

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 assets.

C. Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

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

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28
OKMULGEE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

Summary of Significant Accounting Policies (continued)

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. Management Estimates – Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets, liabilities, and fund equity, the disclosure of contingent assets and liabilities, and the reported revenues and expenditures. Actual results could differ from those estimates.

F. 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 is 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 position 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, inventory, or required to be maintained intact such as the corpus of permanent fund.

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

Committed – Amounts designated for specific purposes by the Center's highest level of decision making authority (Board of Education) and cannot be used for any other purposes unless the same highest level (Board of Education) takes action to remove or change the designation.

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28
OKMULGEE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

Summary of Significant Accounting Policies (continued)

The Center commits a portion of the 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 to encumbrances will be equivalent to the purchase orders rolled forward from one fiscal year to the next fiscal year.

Assigned – Amount the Center intends to use for specific purposes; intent can be expressed by the governing body or by an official to which the governing body delegates the authority.

The Center assigns a portion of the fund balance in both the general fund and building fund for funding the cash flow needs during the first half of each fiscal year. The superintendent and the chief financial officer will determine the amount of assigned fund balance at the end of each fiscal year.

Unassigned – Amounts that are available for any purposes; reported only in the general fund. Fund balance represents the funds not restricted in use by statute nor encumbered by purchase order or legal contract.

G. Assets, Liabilities and Cash Fund Balances

Cash – The Center considers all cash on hand and demand deposits to be cash investments.

Investments - 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 years or more the real estate may be sold for such taxes.

Uncollected taxes assessed on valuations made each year are recorded in the Center's combined financial statements. Uncollectible personal and real property taxes are deemed to be immaterial because the property can be sold for the amount of taxes due.

Inventories – The cost of consumable materials and supplies on hand are immaterial to the financial statements, and the Technology 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 date donated.

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

Assets capitalized have an original cost of \$2,500 or more. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful life's are as follows:

Buildings and structures	40 years
Equipment	5-10 years
Vehicles	5-10 years

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28
OKMULGEE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

Summary of Significant Accounting Policies (continued)

Compensated Absences – The Center's policies regarding accumulated unpaid vacation, sick pay, and other employee benefit amounts permit employees to accumulate varying amounts as determined by board policy and/or provided in employee contracts. Full time employees under a 12 month contract may carryover 5 days of annual leave. Upon termination of employment, reimbursement for annual leave will be based on the unused portion in the current year plus a maximum of five days from previous year.

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

H. Revenue, Expenses and Expenditures

Revenues are classified by source as follows:

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

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

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

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

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

Expenditures are classified by function as follows:

Instruction Expenditures – Instruction expenditures include the activities dealing directly with the interaction between teachers and students. Teaching may be provided for students in a school classroom, in another location, such as a home or hospital, and in other learning situations, such as those involving co curricular activities. It may also be provided through some other approved medium, such as television, radio, telephone and correspondence. Examples of expenditures that might be included here are the activities of teacher assistant of any type (clerks, graders, teaching machines, etc.), which assist in the instructional process. The activities of tutors, translators, and interpreters would be recorded here. Department chairpersons who teach for any portion of time are included here. Tuition/transfer fees paid to other LEAs would be included here.

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

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

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28
OKMULGEE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

Summary of Significant Accounting Policies (continued)

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.

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.
6. County, municipal or school Center 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 Center 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 Center 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 Center.

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28
OKMULGEE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

Deposit Categories of Credit (continued)

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.

3. Capital Assets

A summary of changes in general fixed assets for the year ended June 30, 2014, follows:

	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014
Governmental activities:				
Capital assets not being depreciated				
Construction in process	\$ 559,146	\$ -	\$ 559,146	\$ -
Total capital assets not being depreciated	559,146	-	559,146	-
Capital assets being depreciated:				
Buildings	\$ 2,728,504	\$ 559,146	\$ -	\$ 3,287,650
Equipment	1,325,925	209,277	7,215	1,527,987
Vehicles	363,913	-	-	363,913
Total capital assets being depreciated:	4,418,342	768,423	7,215	5,179,550
Less accumulated depreciation:	(1,966,039)	(277,469)	4,084	(2,239,424)
Total capital assets being depreciated, net	2,452,303	490,954	3,131	2,940,126
Governmental activities capital assets, net	\$ 3,011,449	\$ 490,954	\$ 562,277	\$ 2,940,126

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28
OKMULGEE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

4. Accounts Receivable

Accounts receivables of the governmental activities consist of Ad Valorem tax, tuition, and fees. Receivables detail by fund at June 30, 2014, is as follows:

Governmental Funds

	<u>General</u>	<u>Building</u>	<u>Total Governmental</u>
Receivables			
Ad valorem taxes	\$ 90,237	\$ 18,169	\$ 108,406
Tuition & fees	50,709	-	50,709
Gross Receivables	140,946	18,169	159,115
Less deferred revenue	59,999	12,212	72,211
Net total receivables	\$ 80,947	\$ 5,957	\$ 86,904

5. 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.

6. Employee Retirement System

Description of Plan

The System is a qualified governmental defined benefit retirement plan. For GASB purposes it 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 the management 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 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 in conformity with accounting principles generally accepted in the United States of America. The financial statements have also been prepared in compliance with the requirements of the Government Accounting Standards Board Statement No. 34. The financial statements are prepared on the accrual basis of accounting, under which expenses are recorded when the liability is incurred, revenues are recorded in the accounting period they are earned and become measurable, and investment purchases and sales are recorded as of their trade dates. Member and employer contributions are recognized when due, pursuant to formal commitments. Benefits and refunds are recognized when due and payable.

The pension benefit obligation is a standardized disclosure measure of the present value of pension benefits. This pension valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of employee services performed to date and is adjusted for the effect of projected salary increases. There are no actuarial valuations performed on individual school districts. The nonfunded pension benefit obligation of the System, as determined as part of the latest actuarial valuation dated June 30, 2014, is as follows:

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28
OKMULGEE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

Employee Retirement System (continued)

		<u>Dollars in Millions</u>
Actuarial Accrued Liability	\$	19,576
Actuarial Value of Assets		<u>12,369</u>
Unfunded Actuarial Accrued Liability	\$	<u>7,207</u>

Funding Policy

A participant with five years of creditable service may retire with a normal retirement allowance at the age of sixty-two (62) or with reduced benefits as early as age fifty-five (55). The normal retirement allowance paid monthly for life and then to beneficiaries, if certain options are exercised, equals two percent of the average of the highest three earning years of contributory service multiplied by the number of years of credited service. Retiring members may count up to 120 days of unused accumulated sick leave toward an additional year of service credit. A participant leaving employment before attaining retirement age, but completing five years of service, may elect to vest his accumulated contributions and defer receipt of a retirement annuity until a later date. When a participant dies in active service and has completed ten years of credited service, the beneficiary is entitled to a death benefit of \$18,000 and the participant's contributions plus interest. If the beneficiary is a surviving spouse, the surviving spouse may, in lieu of the death benefit, elect to receive, subject to the surviving spousal options, the participant's retirement benefits accrued at the time of death. The contribution rates for the Districts, which are not actuarially determined, and its employees are established by statute and applied to the employee's earnings, plus employer-paid fringe benefits. The employers' contribution rate is 9.5%. Employees contribute 7.0% of covered compensation.

Annual Pension Cost

The Center's total contribution for 2014, 2013, and 2012 were \$118,705, \$115,414, and \$112,577, respectively. The Center's total payroll for fiscal year 2013-14 amounted to \$1,662,348.

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 2013-14, the State of Oklahoma's contribution was \$12,726. The Center recognized revenue and expenditures of this amount during the year.

8. General Long-Term Debt

State statutes prohibit the Center from becoming indebted in an amount exceeding the revenue to be received for any fiscal year without approval by the Center's voters.

At June 30, 2014, the Center had not incurred any debt under these provisions.

9. Lease Commitments

The Technology Center leases 30 acres of land from the Oklahoma State University in Okmulgee on which they have constructed school buildings. The term of the lease is for fifty years, ending May 31, 2043. The lease requires minimal consideration and can automatically be extended for one separate and successive period.

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28
OKMULGEE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

10. Litigation

The Center is contingently liable for lawsuits and other claims in the ordinary course of its operations. The settlement of such contingencies under the budgetary process would require appropriation of revenues yet to be realized and would not materially affect the financial position of the Center at June 30, 2013.

11. Contingent Liabilities

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

12. Risk Management

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

13. Surety Bonds

The treasurer/activity fund custodian is bonded by Farmers Alliance, bond number BD075487, for the penal sum of \$100,000 for the term of August 30, 2013, to August 30, 2014.

The encumbrance clerk/minutes clerk is bonded by Farmers Alliance, bond number BD075487, for the penal sum of \$100,000 for the term of August 30, 2013, to August 30, 2014.

The superintendent is bonded by Farmers Alliance, bond number BD075487, for the penal sum of \$100,000 for the term of August 30, 2013, to August 30, 2014.

14. Long-Term Liabilities

The following is a summary of long-term liabilities of the Center for the year ended June 30, 2014.

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2014</u>
Compensated Absences	\$ 15,655	\$ -	\$ 446	\$ 15,209
Total	<u>\$ 15,655</u>	<u>\$ -</u>	<u>\$ 446</u>	<u>\$ 15,209</u>

COMBINING FINANCIAL STATEMENTS

GREEN COUNTRY TECHNOLOGY CENTER NO. 28
STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2014

	Special Purpose Trust Fund	<u>Agency Funds</u>		
	Scholarship Fund	Activity Fund	Pell Grant Fund	Total
ASSETS				
Cash	\$ 184,861	\$ 61,468	\$ -	\$ 246,329
Investments	-	-	-	-
Interest receivable	-	-	-	-
Total assets	<u>\$ 184,861</u>	<u>\$ 61,468</u>	<u>\$ -</u>	<u>\$ 246,329</u>
LIABILITIES AND NET POSITION				
Liabilities:				
Due to other funds	\$ -	\$ 50,709	\$ -	\$ 50,709
Due to student organizations	-	10,759	-	10,759
Total liabilities	<u>\$ -</u>	<u>\$ 61,468</u>	<u>\$ -</u>	<u>\$ 50,709</u>
Net position				
Unreserved/undesignated	\$ 184,861	-	-	\$ 184,861
Total liabilities and net position	<u>\$ 184,861</u>	<u>\$ 61,468</u>	<u>\$ -</u>	<u>\$ 235,570</u>

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Agency Fund</u>	<u>Special Purpose Trust Fund</u>	
	<u>Pell Grant Fund</u>	<u>Scholarship Fund</u>	<u>Total</u>
Revenues			
Local sources			
Interest	\$ -	\$ 1,488	\$ 1,488
Miscellaneous	-	-	-
Federal sources			
Pell Grants	<u>228,577</u>	<u>-</u>	<u>228,577</u>
Total revenues	<u>\$ 228,577</u>	<u>\$ 1,488</u>	<u>\$ 230,065</u>
Expenditures			
Other outlays			
Scholarships	\$ -	\$ 1,800	\$ 1,800
Tuition and fees	-	-	-
Student Financial Assistance	<u>228,577</u>	<u>-</u>	<u>228,577</u>
Total expenditures	<u>\$ 228,577</u>	<u>\$ 1,800</u>	<u>\$ 230,377</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ (312)</u>	<u>\$ (312)</u>
Transfers In(out)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net position, beginning of year	<u>\$ -</u>	<u>\$ 185,173</u>	<u>\$ 185,173</u>
Net position, end of year	<u>\$ -</u>	<u>\$ 184,861</u>	<u>\$ 184,861</u>

REQUIRED SUPPLEMENTARY INFORMATION

GREEN COUNTRY TECHNOLOGY DISTRICT NO. 28
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Fund balances, beginning of year	\$ 974,986	\$ 974,986	\$ 974,986	\$ -
Revenues:				
Local sources	\$ 1,444,978	\$ 1,444,978	\$ 1,862,045	\$ 417,067
Intermediate sources	-	-	-	-
State sources	1,562,761	1,562,761	1,560,110	(2,651)
Federal sources	59,029	59,029	62,749	3,720
Total revenues	<u>\$ 3,066,768</u>	<u>\$ 3,066,768</u>	<u>\$ 3,484,904</u>	<u>\$ 418,136</u>
Expenditures :				
Instruction	\$ 1,618,952	\$ 1,618,952	\$ 1,530,685	\$ 88,267
Support services	1,765,061	1,765,061	1,677,107	87,954
Non-instructional services	-	-	140,872	(140,872)
Capital outlay	657,741	657,741	127,681	530,060
Other uses	-	-	-	-
Total expenditures	<u>\$ 4,041,754</u>	<u>\$ 4,041,754</u>	<u>\$ 3,476,345</u>	<u>\$ 565,409</u>
Excess of revenues over (under) expenses before adjustments to prior year encumbrances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 983,545</u>	<u>\$ 983,545</u>
Adjustments to prior year encumbrances			<u>6,570</u>	
Other financing sources (uses):				
Operating transfers in/out			-	
Bank charges			<u>(56)</u>	
Total other financing sources (uses)			<u>(56)</u>	
Cash fund balance, end of year - Budgetary basis			<u>\$ 990,059</u>	
Reconciliation of budgetary basis fund balance with GAAP fund balance				
Budgetary fund balance, June 30, 2014			\$ 990,059	
Accounts receivable not recognized as revenue			80,946	
Expenses not recognized in GAAP basis			<u>99,941</u>	
GAAP fund balance, end of year			<u>\$ 1,170,946</u>	

GREEN COUNTRY TECHNOLOGY DISTRICT NO. 28
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
BUILDING FUND
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Fund balances, beginning of year	\$ 175,709	\$ 175,709	\$ 175,709	\$ -
Revenues:				
Local sources	\$ 278,954	\$ 278,954	\$ 305,608	\$ 26,654
Intermediate sources	-	-	-	-
State sources	-	-	343	343
Federal sources	-	-	-	-
Total revenues	<u>\$ 278,954</u>	<u>\$ 278,954</u>	<u>\$ 305,951</u>	<u>\$ 26,997</u>
Expenditures :				
Instruction	\$ 442,108	\$ 442,108	\$ 239,881	\$ 202,227
Support services	-	-	-	-
Non-instructional services	-	-	-	-
Capital outlay	12,555	12,555	-	12,555
Other outlays	-	-	-	-
Other uses	-	-	-	-
Total expenditures	<u>\$ 454,663</u>	<u>\$ 454,663</u>	<u>\$ 239,881</u>	<u>\$ 214,782</u>
Excess of revenues over (under) expenses before adjustments to prior year encumbrances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 241,779</u>	<u>\$ 241,779</u>
Adjustments to prior year encumbrances			<u>2,853</u>	
Other financing sources (uses):				
Operating transfers in/out			-	
Bank charges			-	
Total other financing sources (uses)			<u>-</u>	
Cash fund balance, end of year - Budgetary basis			<u>\$ 244,632</u>	
Reconciliation of budgetary basis fund balance with GAAP fund balance				
Budgetary fund balance, June 30, 2014			\$ 244,632	
Taxes receivable not recognized as revenue			5,958	
Expenses not recognized in GAAP basis			158,181	
GAAP fund balance, end of year			<u>\$ 408,771</u>	

SUPPLEMENTARY INFORMATION

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28
SCHEDULE OF FEDERAL AWARDS EXPENDED
FOR THE YEAR ENDED JUNE 30, 2014**

<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>2013-2014 Programs</u>		
Pell Grant	84.063	PO63PO134810
Sub-Total		
Passed-Through State Department of Career and Technology Education:		
Passed-Through State Department of Career and Technology Education		
<u>2013-2014 Programs</u>		
Carl Perkins Secondary	84.148	N/A
Sub-Total		
<u>U.S. Department of Veterans Affairs</u>		
Direct Programs:		
<u>2013-2014 Programs</u>		
VA Report Fee	64.115	N/A
Sub-Total		
 TOTAL FEDERAL ASSISTANCE		

The accompanying notes are an integral part of this schedule.

	Balance at July 1, 2013		Receipts		Expenditures		Balance at June 30, 2014
\$	-	\$	228,852	\$	228,852	\$	-
\$	-	\$	228,852	\$	228,852	\$	-
\$	-	\$	58,144	\$	58,144	\$	-
\$	-	\$	58,144	\$	58,144	\$	-
\$	-	\$	24	\$	24	\$	-
\$	-	\$	24	\$	24	\$	-
\$	-	\$	287,020	\$	287,020	\$	-

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28
OKMULGEE COUNTY, OKLAHOMA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014**

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. General and Building Funds are used to account for resources restricted, or designated for, specific purposes by a grantor. Student Financial Assistance funds are transacted through a separate Pell Grant Fund, which the Center has classified as an Agency fund. Agency Funds are considered Fiduciary Fund types.
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 and Agency Funds. 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. 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>287,020</u>
Total Federal Revenue as reflected on	
"Statement of Revenue, Expenditures and Changes In Fund Balance"	\$ 58,443
Plus: Federal funds Transacted as Agency Funds	
Student Financial Aid	<u>228,577</u>
Reconciled Total	\$ <u>287,020</u>

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28
SCHOOL ACTIVITY FUND
STATEMENT OF REVENUES, EXPENDITURES, AND SUB-ACCOUNT BALANCES
FOR THE YEAR ENDED JUNE 30, 2014**

Activities	Balance 7-1-13	Deposited	Net Transfers/ Adjustments	Disbursed	Balance 6-30-14
Short Term Tuition	\$ -	\$ 128,111	\$ (2,727)	\$ 125,384	\$ -
Daytime Tuition/In District	-	100,640	(8,103)	92,537	-
Bookstore	-	380	(82)	298	-
Live Work Projects	-	6,513	6,418	12,931	-
Concessions	1,852	4,754	-	5,207	1,399
HOSA-LPN	16	-	-	-	16
Skills USA	6	456	-	456	6
FBLA/PBL/BPA	-	579	-	448	131
HOSA-HST	259	1,260	-	1,173	346
Long Term Nurse Aide	50	-	-	50	-
Miscellaneous	1,392	6,451	(183)	4,247	3,413
Scholarship	-	3,300	(67)	3,233	-
BCT Student Solutions	1,091	945	-	356	1,680
Sending School Cooperative	2,058	-	-	1,039	1,019
Mechanical Trades Fund	1,982	767	-	-	2,749
Total Activities	\$ 8,706	\$ 254,156	\$ (4,744)	\$ 247,359	\$ 10,759

REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

KERRY JOHN PATTEN, C.P.A.

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



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

The Honorable Board of Education
Green Country Technology Center No. 28
Okmulgee 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 Green Country Technology Center No. 28, Okmulgee County, Oklahoma (Center), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Center's financial statements, and have issued my report thereon dated February 10, 2015.

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 Center'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.

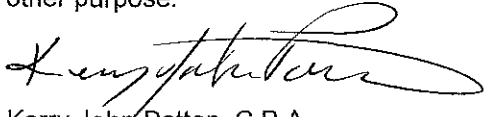
My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify 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 10, 2015

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28
OKMULGEE COUNTY, OKLAHOMA
SUMMARY OF PRIOR AUDIT FINDINGS
JULY 1, 2013 TO JUNE 30, 2014**

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.

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28
OKMULGEE COUNTY, OKLAHOMA
SCHEDULE OF COMMENTS
JULY 1, 2013 TO JUNE 30, 2014**

Based on my tests of accounting records and related procedures, I found nothing to indicate that Green Country Technology Center No. 28 had not complied with significant compliance rules and regulations of the Oklahoma State Department of Career & Technology Education.

Previous Year's Audit Comments

There were no items in the school's 2012-13 audit report, which required correction.

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.

GREEN COUNTRY TECHNOLOGY CENTER NO. 28
OKMULGEE COUNTY, OKLAHOMA
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE AFFIDAVIT
JULY 1, 2013 TO JUNE 30, 2014

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 Green Country Technology Center for the audit year 2013-14.

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

BY *Kerry John Patten*

AUTHORIZED AGENT



Subscribed and sworn to before me on this
10th day of February, 2015

Missy Fox

NOTARY PUBLIC

My commission expires on:
3rd day of June, 2018