

**ANNUAL FINANCIAL REPORT  
GREEN COUNTRY TECHNOLOGY CENTER NO. 28  
OKMULGEE COUNTY, OKLAHOMA  
JULY 1, 2018 TO JUNE 30, 2019**

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

GREEN COUNTRY TECHNOLOGY CENTER NO. 28  
OKMULGEE COUNTY, OKLAHOMA  
SCHOOL CENTER OFFICIALS  
JUNE 30, 2019

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**GREEN COUNTRY TECHNOLOGY CENTER NO. 28  
OKMULGEE COUNTY, OKLAHOMA  
JUNE 30, 2019**

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OKMULGEE COUNTY, OKLAHOMA  
JUNE 30, 2019**

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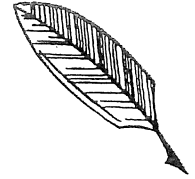
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## INDEPENDENT AUDITOR'S REPORT

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, 2019, 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, 2019, 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 U.S. Office of Management and Uniform Guidance, *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 dated, February 28, 2020, 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 28, 2020

## **MANAGEMENT DISCUSSION AND ANALYSIS**

GREEN COUNTRY TECHNOLOGY CENTER SCHOOL DISTRICT NO.28  
OKMULGEE COUNTY, OKLAHOMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2019

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, 2019. 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 \_\_ 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 and 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 of 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.

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 District's governmental fund is the General Fund.



GREEN COUNTRY TECHNOLOGY CENTER SCHOOL DISTRICT NO.28  
OKMULGEE COUNTY, OKLAHOMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2019

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 the District as a whole. The Statement of Net Assets includes all of the District's assets and liabilities with the difference reported as net assets. All of the current year's revenues and expenses are accounted for in the Statement of Activities.

The two District-wide statements 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 assets 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.

- Government 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 income (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.
- Expenditures are general 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 Assets 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.

GREEN COUNTRY TECHNOLOGY CENTER SCHOOL DISTRICT NO.28  
OKMULGEE COUNTY, OKLAHOMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2019

Continued

- 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 those to whom the assets belong use only for their intended purpose and assets reported in these funds. 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 decreased \$ 281,912 over the prior year net position. The following reflects the net position information at June 30, 2018, and June 30, 2019.

Net Position

	FY2019	FY2018
Current Assets	\$3,033,371	\$3,211,305
Net Capital Assets	<u>\$2,801,668</u>	<u>\$2,872,273</u>
Total Assets	\$5,835,039	\$6,083,578
 Long term Liabilities		
Compensated Absences	\$ 0	\$ 0
Deferred Pension Expense	\$ 604,250	\$ 702,682
Net Pension Liability	<u>\$2,811,986</u>	<u>\$2,909,769</u>
Total Liabilities	\$3,416,236	\$3,612,451
 Net Assets Invested in Capital Assets		
Net of Related Debt	\$2,801,668	\$2,872,273
Restricted for Net OPEB Asset	\$ 30,067	\$ 6,504
Restricted for Building	\$1,308,323	\$1,411,335
Unrestricted	<u>\$ (934,088)</u>	<u>\$ (802,203)</u>
Total Net Position	\$3,205,970	\$3,487,882

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 2019:

GREEN COUNTRY TECHNOLOGY CENTER SCHOOL DISTRICT NO.28  
OKMULGEE COUNTY, OKLAHOMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2019

Changes in Net Position

Revenues		
<u>Program Revenues</u>	<u>2019</u>	<u>2018</u>
Charges for Services	\$ 267,465	\$ 234,928
Operating Grants and Contributions	\$ 68,381	\$ 89,394
General Revenues		
Property & Other Taxes	\$2,200,314	\$2,209,158
Federal & State Aid	\$1,323,109	\$1,237,004
Interest and Investment Earnings	\$ 39,777	25,556
Miscellaneous	\$ 51,585	32,035
Total Revenues	<u>\$3,950,631</u>	<u>\$3,828,075</u>
 <u>Expenses</u>		
Instruction	\$2,132,230	\$1,612,643
Support Services	\$1,805,737	\$1,776,010
Non-Instructional	\$ -0-	\$ 5,526
Other Outlays	\$ 22,078	\$ 15,136
Capital Outlays	\$ 26,862	\$ 35,494
Depreciation – Unallocated	\$ 245,636	\$ 256,936
Total Expenses	<u>\$4,232,543</u>	<u>\$3,701,745</u>
 Loss on Asset Disposal		\$
 Decrease in Net Position	 \$ (281,912)	 \$ 126,330

Revenues increased by approximately \$122,556 from the previous fiscal year. This was mainly due to an increase in state revenue.

Expenses increased approximately \$530,798 from the previous fiscal year. Instructional expenses were up with the temporary added personnel.

CAPITAL ASSETS

At June 30, 2019, Green Country Technology Center has \$6,236,929 invested in the following Capital Assets before depreciation:

Building & Improvement	\$3,641,110
Equipment	\$2,108,028
Vehicles	\$ 487,791
 Total	 <u>\$6,236,929</u> -----

This represents a \$143,613.00 increase over capital assets before depreciation at June 30, 2018.

GREEN COUNTRY TECHNOLOGY CENTER SCHOOL DISTRICT NO.28  
OKMULGEE COUNTY, OKLAHOMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2019

Debt Administration

As of June 30, 2019, 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.

Green Country Technology Center continues to lease one 2017 Thomas 53 passenger bus VIN#4UZABPFD5JCJG4403 and one 2017 Thomas 71 passenger bus VIN#4UZABRFD1JCJG4605 with combined lease charges of \$27,000.00 annually. On July 1, 2020 these will be replaced with 2020 buses.

Factors Bearing on Green Country Technology Center's Future

Cuts to educational budgets currently being made by the State of Oklahoma, due to continued and ongoing revenue failure declarations, which will negatively impact the District's future operation.

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 County Technology Center, 1100 North Loop 56, Okmulgee, Oklahoma 74447.

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28  
STATEMENT OF NET POSITION  
JUNE 30, 2019**

	<u>Governmental Activities</u>
<b><u>ASSETS</u></b>	
Cash	\$ 2,727,650
Property tax receivable	187,341
Due from activity fund	88,313
Prepaid insurance	-
Net OPEB asset	30,067
Capital assets	
Capital assets, net of accumulated depreciation	<u>2,801,668</u>
Total Assets	<u>\$ 5,835,039</u>
<b><u>DEFERRED OUTFLOW OF RESOURCES</u></b>	
Deferred amounts of resources related to pensions	\$ 601,573
Deferred amounts of resources related to OPEB	<u>2,677</u>
Total deferred outflows of resources	<u>\$ 604,250</u>
<b><u>LIABILITIES</u></b>	
Long-Term Liabilities	
Net pension liability	<u>\$ 2,811,986</u>
Total Liabilities	<u>\$ 2,811,986</u>
<b><u>DEFERRED INFLOW OF RESOURCES</u></b>	
Deferred inflow of resources related to pensions	\$ 400,322
Deferred inflow of resources related to OPEB	<u>21,011</u>
Total deferred inflows of resources	<u>\$ 421,333</u>
<b><u>NET POSITION</u></b>	
Net Investment in Capital Assets	\$ 2,801,668
Restricted for Net OPEB Asset	30,067
Restricted for Building	1,308,323
Unrestricted	<u>(934,088)</u>
Total Net Position	<u><u>\$ 3,205,970</u></u>

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, 2019**

	Program Revenues				Net (Expenses) Revenue and Changes in Net Position
Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Government Activities	
Governmental Activities:					
Instruction	\$ (2,132,230)	\$ 267,465	\$ 68,241	\$ -	\$ (1,796,524)
Support Services:					
Students	(2,806)	-	-	-	(2,806)
Instructional Staff	(165,692)	-	-	-	(165,692)
General Administration	(21,049)	-	-	-	(21,049)
School Administration	(215,289)	-	-	-	(215,289)
Business	(499,768)	-	-	-	(499,768)
Operation of Plant	(349,009)	-	140	-	(348,869)
Student Transportation	(445,146)	-	-	-	(445,146)
Central Support	(106,978)	-	-	-	(106,978)
Non-instructional	-	-	-	-	-
Other Uses	(11,196)	-	-	-	(11,196)
Capital Outlay	(26,862)	-	-	-	(26,862)
Other Outlays	(10,882)	-	-	-	(10,882)
Depreciation - Unallocated	(245,636)	-	-	-	(245,636)
Governmental Activities	\$ (4,232,543)	\$ 267,465	\$ 68,381	\$ -	\$ (3,896,697)
<b>General revenues</b>					
Taxes:					
Property taxes, levied for general purposes				\$	2,200,314
Other Taxes					-
Federal and State aid not restricted to specific purposes:					
General					1,323,109
Interest and investment earnings					39,777
Miscellaneous					51,585
Total general revenues					3,614,785
Changes in net position					(281,912)
Net position - beginning,					3,487,882
Net position - ending				\$	3,205,970

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

**FUND FINANCIAL STATEMENTS**



**GREEN COUNTRY TECHNOLOGY CENTER NO. 28  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2019**

	Governmental Fund Types		
	General Fund	Special Revenue Fund	Total
<b><u>ASSETS</u></b>			
Cash	\$ 1,426,832	\$ 1,300,818	\$ 2,727,650
Property tax receivable	155,062	32,279	187,341
Due from activity fund	88,313	-	88,313
Prepaid Insurance	-	-	-
Total assets	\$ 1,670,207	\$ 1,333,097	\$ 3,003,304
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Total liabilities	\$ -	\$ -	\$ -
Deferred Inflow of Resources			
Deferred property taxes	\$ 117,539	\$ 24,774	\$ 142,313
Total deferred inflow of resources	\$ 117,539	\$ 24,774	\$ 142,313
Fund balances:			
Non-spendable Fund Balances:			
<i>Prepaid Items</i>	\$ -	\$ -	\$ -
Restricted Fund Balances:			
<i>Restricted by Statute</i>	-	1,083,782	1,083,782
<i>Other Restrictions of Fund Balance</i>	-	-	-
Committed Fund Balances:			
<i>Contractual Obligations</i>	-	-	-
Assigned Fund Balances:			
<i>Encumbrances</i>	39,414	224,541	263,955
Unassigned	1,513,254	-	1,513,254
Total Fund Balances:	\$ 1,552,668	\$ 1,308,323	2,860,991
Total liabilities and fund balances	\$ 1,552,668	\$ 1,308,323	

**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 \$6,236,929 and accumulated depreciation is \$3,435,261.	2,801,668
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.	142,313
Net Pension obligations are not due and payable in the current period and, are not reported in the funds	(2,811,986)
Net OPEB Asset in not a financial resource, therefore not reported in funds	30,067
Deferred outflows and inflows of resources related to pensions are applicable to future periods, and therefore, are not reported in the funds.	182,917
Net Position of governmental activities	\$ 3,205,970

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, 2019**

	Governmental Fund Types		Total
	General	Building Fund	
Revenues			
Local sources	\$ 2,157,009	\$ 371,277	\$ 2,528,286
Intermediate sources	-	-	-
State sources	1,335,486	287	1,335,773
Federal sources	68,241	-	68,241
Total revenues	<u>\$ 3,560,736</u>	<u>\$ 371,564</u>	<u>\$ 3,932,300</u>
Expenditures			
Instruction	\$ 1,634,749	\$ 474,576	\$ 2,109,325
Support services	404,836	-	404,836
Non-instructional services	1,400,901	-	1,400,901
Capital outlay	201,893	-	201,893
Other outlays	22,078	-	22,078
Other uses	-	-	-
Repayments	-	-	-
Total expenditures	<u>\$ 3,664,457</u>	<u>\$ 474,576</u>	<u>\$ 4,139,033</u>
Excess of revenues over (under) expenses before adjustments to prior year encumbrances	<u>\$ (103,721)</u>	<u>\$ (103,012)</u>	<u>\$ (206,733)</u>
Other financing sources (uses):			
Bond sale proceeds	\$ -	\$ -	\$ -
Operating transfers in/(out)	(1,125)	-	(1,125)
Bank charges	-	-	-
Total other financing sources (uses)	<u>\$ (1,125)</u>	<u>\$ -</u>	<u>\$ (1,125)</u>
Excess (deficiency) of revenue over expenditures and other financing sources (uses)	<u>\$ (104,846)</u>	<u>\$ (103,012)</u>	<u>\$ (207,858)</u>
Fund balances, beginning of year	<u>\$ 1,657,514</u>	<u>\$ 1,411,335</u>	<u>\$ 3,068,849</u>
Fund balances, end of year	<u><u>\$ 1,552,668</u></u>	<u><u>\$ 1,308,323</u></u>	<u><u>\$ 2,860,991</u></u>

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, 2019**

Net change in fund balances - governmental funds \$ (207,858)

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	\$ 175,031	
Depreciation expense	<u>(245,636)</u>	(70,605)

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. 19,454

Governmental funds report district pension contributions as expenditure. However, the Statement of Activities reports the cost of pension benefits earned net of employee contributions as pension expense. (22,903)

Change in Net Position of Governmental Activities \$ (281,912)

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, 2019**

**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 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 2019 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:

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**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.

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**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.

Net Investment in Capital Assets – 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.

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**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 lives are as follows:

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



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**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.

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**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.

Deferred outflows of resources: Deferred outflows are the consumption of net position by the center that are applicable to a future reporting period. At June 30, 2019, the center's deferred outflows of resources were comprised of deferred outflows related to pensions and other post-employment benefits.

Deferred inflows of resources: Deferred inflows are the acquisition of net position by the center that are applicable to a future reporting period. At June 30, 2019, the center deferred inflows of resources were comprised of deferred inflows to pensions and other post-employment benefits.

**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 or 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.

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**Deposit Categories of Credit (continued)**

7. 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.
8. 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.
9. Warrants, bonds or judgments of the school Center.
10. 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.

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**3. Capital Assets**

A summary of changes in general fixed assets for the year ended June 30, 2019, follows:

	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2019</u>
Governmental activities:				
Capital assets being depreciated:				
Buildings & Improvements	\$ 3,641,110	\$ -	\$ -	\$ 3,641,110
Equipment	1,970,165	169,281	31,418	2,108,028
Vehicles	482,041	5,750	-	487,791
Total capital assets being depreciated:	<u>6,093,316</u>	<u>175,031</u>	<u>31,418</u>	<u>6,236,929</u>
Less accumulated depreciation:	<u>(3,221,043)</u>	<u>(245,636)</u>	<u>(31,418)</u>	<u>(3,435,261)</u>
Total capital assets being depreciated, net	<u>2,872,273</u>	<u>(70,605)</u>	<u>-</u>	<u>2,801,668</u>
Governmental activities capital assets, net	\$ <u><u>2,872,273</u></u>	\$ <u><u>(70,605)</u></u>	\$ <u><u>-</u></u>	\$ <u><u>2,801,668</u></u>

**4. Accounts Receivable**

Accounts receivables of the governmental activities consist of Ad Valorem tax, tuition, and fees, and federal grant receivables. Receivables detail by fund at June 30, 2019, is as follows:

Governmental Funds

	<u>General</u>	<u>Building</u>	<u>Total Governmental</u>
Receivables			
Ad valorem taxes	\$ 155,062	\$ 32,279	\$ 187,341
Federal grants	-	-	-
Tuition & fees	88,313	-	88,313
Gross Receivables	<u>243,375</u>	<u>26,647</u>	<u>228,111</u>
Less deferred revenue	<u>117,539</u>	<u>24,774</u>	<u>142,313</u>
Net total receivables	\$ <u><u>100,108</u></u>	\$ <u><u>5,144</u></u>	\$ <u><u>105,252</u></u>

**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 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

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**Employee Retirement System (continued)**

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 matching contribution rate for FY 2019 was 7.70%. The District and State are required to contribute 14.5% of applicable compensation. Contributions received by the System from the State of Oklahoma are from 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 5.0% 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 2019, 2018, and 2017 were \$203,241, \$193,724, and \$183,071, respectively. The Center's total covered payroll for fiscal year 2018-19 amounted to \$2,183,290.

**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 2018-19, the State of Oklahoma's contribution was \$10,675. The District 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, 2019, the Center reported a liability of \$2,811,986 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. 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, 2018. Based upon this information, the center's proportion was .04652438 percent.

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**Employee Retirement System (continued)**

For the year ended June 30, 2019, the center recognized pension expense of \$199,616. At June 30, 2019, 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	\$	\$ 194,380
Changes of assumptions	263,613	144,029
Net difference between projected and actual earnings on pension plan investments	-	48,881
Differences in center's proportionate share of contributions and changes in proportion	138,344	-
System contributions during measurement date	-	13,032
Center contributions subsequent to the measurement date	199,616	-
<b>Total</b>	<b>\$ 601,573</b>	<b>\$ 400,322</b>

Deferred pension outflows totaling \$199,616 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, 2019. The deferred inflows totaling \$48,881 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 \$194,380 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 5.59 years at June 30, 2018, 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,		
2020	\$	112,719
2021		52,329
2022		(117,053)
2023		(53,946)
2024		7,586
	\$	1,635

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**Employee Retirement System (continued)**

**Actuarial assumptions:** The total pension liability as of June 30, 2019, was determined based on an actuarial valuation prepared as of June 30, 2018 using the following actuarial assumptions:

- Actuarial Cost method-Entry Age Normal
- Inflation – 2.50 percent
- Future Ad Hoc Cost-of-living Increases – None
- Salary Increases-Composed of 3.25 percent wage inflation, including 2.50 percent price inflation, plus a service related component ranging from 0.00 to 8.00 percent based on years of service.
- Investment Rate of Return-7.50 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 Rates after Retirement – Males: RP-2000 Combined Healthy mortality table for males with White Collar Adjustments. Generational mortality improvements in accordance with Scale BB from the table’s base year of 2000. Females: GRS Southwest Region Teacher Mortality Table, scaled at 105%. Generational mortality improvements in accordance with Scale BB from the table’s base year of 2012.
- Mortality Rates for Active Members – RP-2000 Employee Mortality tables, with male rates multiplied by 60% and female rates multiplied by 50%.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38.5%	7.5%
International Equity	19.0%	8.5%
Fixed Income	23.5%	2.5%
Real Estate*	9.0%	4.5%
Alternative Assets	10.0%	6.1%
Total	<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

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**Employee Retirement System (continued)**

Discount rate – A single discount rate of 7.50% was used to measure the total pension liability as of June 30, 2019. 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:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Center’s proportionate share of the net pension liability	\$ 3,998,474	\$ 2,811,986	\$ 1,818,694

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.

**7. Other Post-Employment Benefits (OPEB)**

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

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

Contributions – Employer and employee contributions are made based upon the TRS Plan provisions contained in Title 70, as amended. However the statutes do not specify or identify any particular contribution source to pay the health insurance subsidy. Based on the contribution requirements of Title 70 employers and employees contribute a single amount based on a single contribution rate as described in Note 7; from this amount OTRS allocates a portion of the contributions to the supplemental health insurance program. The cost of the supplemental health insurance program averages 1.5% of normal cost, as determined by an actuarial valuation. Contributions allocated to the OPEB plan from the District were \$10,675.

OPEB Liabilities (Assets), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – At June 30, 2019, the District reported an asset of \$30,067 for its proportionate share of the new OPEB asset. The net OPEB asset was measured as of June 30, 2018, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of June 30, 2018. The District’s proportion of the net OPEB asset was based on the District’s contributions received by the OPEB plan relative to the total contributions received by the OPEB plan for all participating employers as of June 30, 2019. Based upon this information, the District’s proportion was 0.04652438 percent.



**GREEN COUNTRY TECHNOLOGY CENTER NO. 28  
OKMULGEE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Other Post-Employment Benefits OPEB (continued)**

For the year ended June 30, 2019, the District recognized OPEB expense of \$1,346. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$	8,378
Net difference between projected and actual earnings on OPEB plan investments	-		12,456
Changes in proportion	-		177
Contributions during measurement date	1,331		-
District contributions subsequent to the measurement date	1,346		-
<b>Total</b>	<b>\$ 2,677</b>	<b>\$</b>	<b>21,011</b>

The \$1,346 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2020	\$ (5,363)
2021	(5,363)
2022	(5,363)
2023	(2,518)
2024	(919)
Thereafter	(153)
	\$ (19,679)

**Actuarial Assumptions** – The total OPEB liability (asset) as of June 30, 2018, was determined based on an actuarial valuation prepared as of June 30, 2018 using the following actuarial assumptions:

- Actuarial Cost method-Entry Age
- Inflation – 2.50%
- Future Ad Hoc Cost-of-living Increases – None
- Salary Increases-Composed of 3.25% inflation, including 2.50% price inflation, plus a service-related component ranging from 0.00% to 8% based on years of service.
- Investment Rate of Return-7.50%
- 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

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28  
OKMULGEE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Other Post-Employment Benefits OPEB (continued)**

- Mortality Rates after Retirement – Males: RP-2000 Combined Healthy mortality table for males with White Collar Adjustments. Generational mortality improvements in accordance with Scale BB from the table's base year of 2000. Females: GRS Southwest Region Teacher Mortality Table, scaled at 105%. Generational mortality improvements in accordance with Scale BB from the table's base year of 2012.
- Mortality Rates for Active Members – RP-2000 Employee Mortality tables, with male rates multiplied by 60% and female rates multiplied by 50%.
- Health care trend rate – not applicable as the benefit provided is a set dollar amount not impacted by health care costs.

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	38.5%	7.5%
International Equity	19.0%	8.5%
Fixed Income	23.5%	2.5%
Real Estate**	9.0%	4.5%
Alternative Assets	10.0%	6.1%
Total	100.00%	

\*\* 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 OPRB liability (asset) as of June 30, 2019. This single discount rate was based solely on the expected rate of return on OPEB plan investments of 7.50%. Based on the stated assumptions and the projection of cash flows, the OPEB plan's fiduciary net position and future contributions were projected to be available to finance all projected future payments of current plan members. Therefore, the long term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability (asset). The projection of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the statutory levels and remain a level percentage of payrolls. The projection of cash flows also assumed that the State's contribution plus the matching contributions will remain a constant percent of projected member payroll based on the past five years of actual contributions.

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate – The following presents the net OPEB liability (asset) of the employer calculated using the discount rate of 7.5%, as well as what the Plan's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employer's Net OPEB Liability (asset)    \$	(10,560)    \$	(30,067)    \$	(45,735)

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

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28  
OKMULGEE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**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, 2019, 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.

The Center entered into a lease-agreement with Midwest Bus Sales for two school buses. The Center will pay an annual payment of \$27,000.00. The lease-agreement ends on June 30, 2019, but was extended annually until June 30, 2020.

The Center also entered into a lease-agreement with US Bank for copiers. The monthly payment is \$667.00 for 60 months. This lease-agreement will end on June 30, 2022.

These leases are considered operating leases and the Technology Center will not take title to the assets. They are not included in the Technology Center's financial statements.

**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, 2019.

**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 June 29, 2018 to August 30, 2019.

The encumbrance clerk/minutes clerk is bonded by Farmers Alliance, bond number BD075487, for the penal sum of \$100,000 for the term of June 29, 2018 to August 30, 2019.

The superintendent is bonded by Farmers Alliance, bond number BD075487, for the penal sum of \$100,000 for the term of June 29, 2018 to August 30, 2019.

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28  
OKMULGEE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**14. Tax Abatement**

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

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

For the year ended June 30, 2019, abated property taxes due to TIF Districts were \$13,000. Abated taxes due to Homestead Exemptions were approximately \$130,309.

**COMBINING FINANCIAL STATEMENTS**

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28  
STATEMENT OF NET POSITION - FIDUCIARY FUNDS  
JUNE 30, 2019**

	<u>Special Purpose Trust Fund</u>	<u>Agency Funds</u>		
	<u>Scholarship Fund</u>	<u>Activity Fund</u>	<u>Pell Grant Fund</u>	<u>Total</u>
<b>ASSETS</b>				
Cash	\$ 187,602	\$ 110,884	\$ -	\$ 298,486
Investments	-	-	-	-
Interest receivable	-	-	-	-
 Total assets	 <u>\$ 187,602</u>	 <u>\$ 110,884</u>	 <u>\$ -</u>	 <u>\$ 298,486</u>
<b>LIABILITIES AND NET POSITION</b>				
Liabilities:				
Due to other funds	\$ -	\$ 88,313	\$ -	\$ 88,313
Due to student organizations	-	22,571	-	22,571
 Total liabilities	 <u>\$ -</u>	 <u>\$ 110,884</u>	 <u>\$ -</u>	 <u>\$ 88,313</u>
 Net position				
Reserved for scholarships	\$ 187,602	-	-	\$ 187,602
 Total liabilities and net position	 <u>\$ 187,602</u>	 <u>\$ 110,884</u>	 <u>\$ -</u>	 <u>\$ 275,915</u>

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28**  
**STATEMENT OF CHANGES IN PELL GRANT FUND AND SCHOLARSHIP FUND NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<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	\$ -	\$ 3,522	\$ 3,522
Miscellaneous	-	-	-
Federal sources			
Pell Grants	<u>205,620</u>	<u>-</u>	<u>205,620</u>
Total revenues	\$ <u>205,620</u>	\$ <u>3,522</u>	\$ <u>209,142</u>
Expenditures			
Other outlays			
Scholarships	\$ -	\$ 2,750	\$ 2,750
Tuition and fees	-	-	-
Student Financial Assistance	<u>205,620</u>	<u>-</u>	<u>205,620</u>
Total expenditures	\$ <u>205,620</u>	\$ <u>2,750</u>	\$ <u>208,370</u>
Excess of revenues over expenditures	\$ -	\$ <u>772</u>	\$ <u>772</u>
Transfers In(out)	\$ -	\$ -	\$ -
Net position, beginning of year	\$ -	\$ <u>186,830</u>	\$ <u>186,830</u>
Net position, end of year	\$ <u>-</u>	\$ <u>187,602</u>	\$ <u>187,602</u>

**REQUIRED SUPPLEMENTARY INFORMATION**



**GREEN COUNTRY TECHNOLOGY DISTRICT NO. 28**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Fund balances, beginning of year	\$ 1,475,559	\$ 1,475,559	\$ 1,475,559	\$ -
Revenues:				
Local sources	\$ 1,761,945	\$ 1,761,945	\$ 2,130,330	\$ 368,385
Intermediate sources	-	-	-	-
State sources	1,324,684	1,324,684	1,324,811	127
Federal sources	<u>82,809</u>	<u>82,809</u>	<u>68,241</u>	<u>(14,568)</u>
Total revenues	<u>\$ 3,169,438</u>	<u>\$ 3,169,438</u>	<u>\$ 3,523,382</u>	<u>\$ 353,944</u>
Expenditures :				
Instruction	\$ 1,703,614	\$ 1,703,614	\$ 1,619,117	\$ 84,497
Support services	2,128,800	2,128,800	1,806,976	321,824
Non-instructional services	100	100	-	100
Capital outlay	778,511	778,511	196,461	582,050
Other Outlays	19,650	19,650	8,812	10,838
Other uses	<u>14,322</u>	<u>14,322</u>	<u>11,195</u>	<u>3,127</u>
Total expenditures	<u>\$ 4,644,997</u>	<u>\$ 4,644,997</u>	<u>\$ 3,642,561</u>	<u>\$ 1,002,436</u>
Excess of revenues over (under) expenses before adjustments to prior year encumbrances	\$ -	\$ -	\$ 1,356,380	\$ 1,356,380
Adjustments to prior year encumbrances			<u>32,164</u>	
Other financing sources (uses):				
Operating transfers in/out			(1,125)	
Bank charges			<u>-</u>	
Total other financing sources (uses)			<u>(1,125)</u>	
Cash fund balance, end of year - Budgetary basis			<u>\$ 1,387,419</u>	
Reconciliation of budgetary basis fund balance with GAAP fund balance				
Budgetary fund balance, June 30, 2019			\$ 1,387,419	
Accounts receivable not recognized as revenue			125,835	
Prepaid insurance not recognized in Regulatory Basis			-	
Expenses not recognized in GAAP basis (reserves)			<u>39,414</u>	
GAAP fund balance, end of year.			<u>\$ 1,552,668</u>	

**GREEN COUNTRY TECHNOLOGY DISTRICT NO. 28**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**BUILDING FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Fund balances, beginning of year	\$ 1,322,997	\$ 1,322,997	\$ 1,322,997	\$ -
Revenues:				
Local sources	\$ 333,341	\$ 333,341	\$ 368,917	\$ 35,576
Intermediate sources	-	-	-	-
State sources	-	-	286	286
Federal sources	-	-	-	-
Total revenues	<u>\$ 333,341</u>	<u>\$ 333,341</u>	<u>\$ 369,203</u>	<u>\$ 35,862</u>
Expenditures :				
Instruction	\$ 1,656,338	\$ 1,656,338	\$ 618,459	\$ 1,037,879
Support services	-	-	-	-
Non-instructional services	-	-	-	-
Capital outlay	-	-	-	-
Other outlays	-	-	-	-
Other uses	-	-	-	-
Total expenditures	<u>\$ 1,656,338</u>	<u>\$ 1,656,338</u>	<u>\$ 618,459</u>	<u>\$ 1,037,879</u>
Excess of revenues over (under) expenses before adjustments to prior year encumbrances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,073,741</u>	<u>\$ 1,073,741</u>
Adjustments to prior year encumbrances			<u>2,535</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>\$ 1,076,276</u>	
Reconciliation of budgetary basis fund balance with GAAP fund balance				
Budgetary fund balance, June 30, 2019			\$ 1,076,276	
Expenses not recognized in GAAP basis (reserves)			224,541	
Taxes receivable not recognized as revenue			<u>7,504</u>	
GAAP fund balance, end of year			<u>\$ 1,308,321</u>	

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28**  
**OKMULGEE COUNTY, OKLAHOMA**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**OKLAHOMA TEACHERS RETIREMENT SYSTEM**  
**LAST TEN FISCAL YEARS\***  
**FOR THE YEAR END JUNE 30, 2019**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
School's Proportion of the net pension liability	0.03984600%	0.04959900%	0.04156664%	0.04394550%	0.04652438%
School's proportionate share of the net pension liability	\$ 2,143,638	2,459,224	3,468,969	2,909,769	\$ 2,811,986
School's covered-employee payroll	\$ 1,778,335	1,858,880	1,927,068	1,977,806	\$ 2,183,290
School's proportionate share of the net pension liability as a percentage of its covered-employee payroll	121%	132%	180%	147%	129%
Plan fiduciary net position as a percentage of total pension liability	72.43%	70.31%	62.24%	69.32%	72.74%

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

**Note to Schedule:**

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

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28**  
**OKMULGEE COUNTY, OKLAHOMA**  
**SCHEDULE OF THE CONTRIBUTIONS**  
**OKLAHOMA TEACHERS RETIREMENT SYSTEM**  
**LAST TEN FISCAL YEARS\***  
**FOR THE YEAR END JUNE 30, 2019**

	2015	2016	2017	2018	2019
Contractually required contribution	\$ 168,942	176,594	183,071	\$ 187,891	\$ 200,962
Contributions in relation to the contractually required contribution	168,942	176,594	183,071	187,891	200,962
Contribution deficiency (excess)	-	-	-	-	-
School's covered-employee payroll	\$ 1,778,335	1,858,880	1,927,068	\$ 1,977,806	\$ 2,183,290
Contributions as a percentage of covered-employee payroll	9.50%	9.50%	9.50%	9.50%	9.50%

Notes to Schedule:

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

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28**  
**OKLMULGEE COUNTY, OKLAHOMA**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)**  
**SUPPLEMENTAL HEALTH INSURANCE PROGRAMS**  
**LAST TEN FISCAL YEARS\* (DOLLAR AMOUNTS IN THOUSANDS)**  
**FOR THE YEAR END JUNE 30, 2019**

	<u>2018</u>	<u>2019</u>
District's portion of the net OPEB liability (asset)		
District's proportionate share of the net OPEB liability (asset)	\$ (19,597)	\$ (30,067)
District's covered payroll	\$ 1,977,806	\$ 2,183,290
District's proportionate share of the new OPEB liability (asset) as a percentage of its Covered-employee payroll	0.99%	1.38%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	110.40%	115.41%

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

**Notes to Schedule:**

Only the current and prior fiscal year is presented because 10-year data is not yet available.

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28**  
**OKMULGEE COUNTY, OKLAHOMA**  
**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**  
**SUPPLEMENTAL HEALTH INSURANCE PROGRAMS**  
**LAST TEN FISCAL YEARS\* (DOLLAR AMOUNTS IN THOUSANDS)**  
**FOR THE YEAR END JUNE 30, 2019**

	<u>2017</u>	<u>2018</u>	<u>2019</u>
Contractually required contribution	\$ 2,861	2,937	\$ 1,346
Contributions in relation to the contractually required contribution	<u>2,861</u>	<u>2,937</u>	<u>1,346</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
District's covered payroll	\$ 1,927,068	1,977,806	\$ 2,183,290
Contributions as a percentage of covered-payroll	0.15%	0.15%	0.15%

**Notes to Schedule:**

Only the current and prior two (2) fiscal years are presented because 10-year data is not yet available.

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28  
SCHEDULE OF FEDERAL AWARDS EXPENDED  
FOR THE YEAR ENDED JUNE 30, 2019**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA #</u>	<u>Grantor's Number</u>	<u>Balance at July 1, 2018</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Balance at June 30, 2019</u>
<u>U.S. Department of Education</u>						
Direct Programs:						
<u>2018-2019 Programs</u>						
Pell Grant	84.063	PO63P184810	\$ -	\$ 205,620	\$ 205,620	\$ -
Pell Administration Fee	84.063	P063Q184810	-	255	255	-
Sub-Total			\$ -	\$ 205,875	\$ 205,875	\$ -
Passed-Through State Department of Career and Technology Education:						
Passed-Through State Department of Career and Technology Education						
<u>2018-2019 Programs</u>						
Carl Perkins Secondary	84.148	N/A	\$ -	\$ 67,841	\$ 67,841	\$ -
Sub-Total			\$ -	\$ 67,841	\$ 67,841	\$ -
<b>TOTAL FEDERAL ASSISTANCE</b>			<b>\$ -</b>	<b>\$ 273,716</b>	<b>\$ 273,716</b>	<b>\$ -</b>

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

**SUPPLEMENTARY INFORMATION**



**GREEN COUNTRY TECHNOLOGY CENTER NO. 28  
SCHEDULE OF FEDERAL AWARDS EXPENDED  
FOR THE YEAR ENDED JUNE 30, 2019**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA #</u>	<u>Grantor's Number</u>	<u>Balance at July 1, 2018</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Balance at June 30, 2019</u>
<u>U.S. Department of Education</u>						
Direct Programs:						
<u>2018-2019 Programs</u>						
Pell Grant	84.063	PO63P184810	\$ -	\$ 205,620	\$ 205,620	\$ -
Pell Administration Fee	84.063	P063Q184810	-	400	400	-
Sub-Total			\$ -	\$ 206,020	\$ 206,020	\$ -
Passed-Through State Department of Career and Technology Education:						
Passed-Through State Department of Career and Technology Education						
<u>2018-2019 Programs</u>						
Carl Perkins Secondary	84.148	N/A	\$ -	\$ 67,841	\$ 67,841	\$ -
Sub-Total			\$ -	\$ 67,841	\$ 67,841	\$ -
<b>TOTAL FEDERAL ASSISTANCE</b>			<b>\$ -</b>	<b>\$ 273,861</b>	<b>\$ 273,861</b>	<b>\$ -</b>

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28  
OKMULGEE COUNTY, OKLAHOMA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019**

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. 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:

		Revenue
Total Federal Revenue as reflected on		
"Schedule of Federal Awards Expended"	\$	273,716
 Total Federal Revenue as reflected on		
"Statement of Revenue, Expenditures and Changes In Fund Balance"	\$	68,241
Plus: Federal funds Transacted as Agency Funds		
Student Financial Aid		205,620
 Reconciled Total	 \$	 273,861

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28  
SCHOOL ACTIVITY FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND SUB-ACCOUNT BALANCES  
FOR THE YEAR ENDED JUNE 30, 2019**

Activities	Balance 7-1-18	Deposited	Net Transfers/ Adjustments	Disbursed	Balance 6-30-19
Short Term Tuition	\$ -	\$ 141,751	\$ (12,520)	\$ 129,231	\$ -
Daytime Tuition/In District	-	77,201	14,661	91,862	-
Industry Specific	2,719	43,919	(10,299)	36,339	-
Bookstore	545	-	-	-	545
Live Work Projects	581	10	-	-	591
Concessions	1,058	4,716	1,000	5,529	1,245
HOSA-LPN	16	67	-	-	83
Skills USA	345	390	-	390	345
FBLA/PBL/BPA	138	-	-	-	138
HOSA-HST	377	435	-	-	812
Miscellaneous	1,622	12,533	(2,805)	1,370	9,980
Scholarship	705	25,425	(9,925)	12,875	3,330
BCT Student Solutions	2,168	-	-	70	2,098
OTAG	-	11,000	-	11,000	-
Sending School Cooperative	821	1,731	-	389	2,163
Mechanical Trades Fund	1,455	586	(1,000)	-	1,041
Carpentry Class Fund	-	200	-	-	200
<b>Total Activities</b>	<b>\$ 12,550</b>	<b>\$ 319,964</b>	<b>\$ (20,888)</b>	<b>\$ 289,055</b>	<b>\$ 22,571</b>

**REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

# KERRY JOHN PATTEN, C.P.A.

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

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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  
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, 2019, and the related notes to the financial statements, which collectively comprise the Center's financial statements, and have issued my report thereon dated February 28, 2020.

### **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.

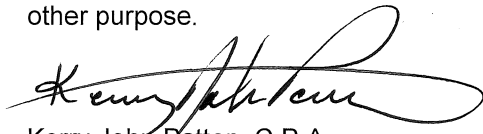
My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. 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*. I noted a certain immaterial instance of noncompliance that I have reported to management in the "Schedule of Comments" on page 43 of this report.

### **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 28, 2020

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28  
OKMULGEE COUNTY, OKLAHOMA  
SUMMARY OF PRIOR AUDIT FINDINGS  
JULY 1, 2018 TO JUNE 30, 2019**

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, 2018 TO JUNE 30, 2019**

The following conditions, while not representing material weaknesses in the system of internal accounting control, represent areas noted during my review of the school's accounting system in which I feel improvements in the internal control and/or operational efficiency may be attained. I have also noted, as required, any noncompliance with State Department of Education Regulations.

- \*I. **Condition:** It appears the center's capital asset records are not updated on a perpetual basis. At the time of audit, we noted several items that should have been capitalized, but was not. It appears the center does not have an adequate system to alert the fixed asset clerk of items that have been purchased and received that meets the capitalization threshold to be recorded in the fixed asset accounting software.

**Recommendation:** Efforts should be maintained to keep capital asset records as timely, accurate and complete as possible considering current staffing for that responsibility. District management should develop policies and procedures that ensure that all capital asset purchases that meet the capitalization threshold are recorded.

Previous Year's Audit Comments

Excluding conditions marked with an asterisk, there are no other items in the 2017-18 audit report, which have been repeated in this report.

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.



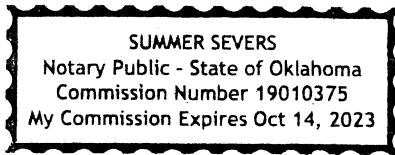
**GREEN COUNTRY TECHNOLOGY CENTER NO. 28  
OKMULGEE COUNTY, OKLAHOMA  
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE AFFIDAVIT  
JULY 1, 2018 TO JUNE 30, 2019**

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 2018-19.

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

BY   
AUTHORIZED AGENT



Subscribed and sworn to before me on this  
3<sup>rd</sup> day of MARCH, 2020

  
NOTARY PUBLIC

My commission expires on:  
14<sup>th</sup> day of October, 2023