

**ANNUAL FINANCIAL REPORT**  
**GREEN COUNTRY TECHNOLOGY CENTER NO. 28**  
**OKMULGEE COUNTY, OKLAHOMA**  
**JULY 1, 2011 TO JUNE 30, 2012**

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

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28  
OKMULGEE COUNTY, OKLAHOMA  
SCHOOL CENTER OFFICIALS  
JUNE 30, 2012**

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**GREEN COUNTRY TECHNOLOGY CENTER NO. 28  
OKMULGEE COUNTY, OKLAHOMA  
JUNE 30, 2012**

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# KERRY JOHN PATTEN, C.P.A.

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



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## INDEPENDENT AUDITOR'S REPORT

The Board of Education  
Green Country Technology Center No. 28  
Okmulgee, Oklahoma

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, 2012, which collectively comprise the school's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Technology Center management. My responsibility is to express opinions on these financial statements based on our 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position 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 June 30, 2012, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated February 26, 2013, on my consideration of the Green Country Technology Center's internal control over financial reporting and 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 our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

My audit was made for the purpose of forming an opinion on the financial statements that collectively comprise the Green Country Technology Center's basic financial statements. The combining financial statements, individual fund financial statements and schedule of federal awards expended listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of Green Country Technology Center. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

The management's discussion and analysis on pages 2-9 through are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of supplementary information. However, I did not audit the information and express no opinion on it.

Kerry John Patten, C.P.A.  
February 26, 2013

## **MANAGEMENT DISCUSSION AND ANALYSIS**

GREEN COUNTRY TECHNOLOGY CENTER SCHOOL DISTRICT NO.28  
OKMULGEE COUNTY, OKLAHOMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2012

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, 2012. 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, Schulter, Morris, Beggs and Wilson. The District includes portions of two counties: McIntosh and Okmulgee. The District provides education opportunities to high school students and adults who reside or work in the District. These Programs are generally grouped into the following career areas: health careers, information technology and trade/industrial/technical.

- Full-time Programs – The district offers 13 full-time programs. These programs are designed to lead to industry certification, licenses, employment, or continuing education.
- Adult and Continuing Education – These classes are designed around specific curriculum and are designed to provide 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 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 Assets and the Statement of Activities. These provide both long-term and short-term information about the District's overall financial status.

See disclaimer in accompanying Independent Auditor's Report.

GREEN COUNTRY TECHNOLOGY CENTER SCHOOL DISTRICT NO.28  
OKMULGEE COUNTY, OKLAHOMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2012

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

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

#### District-Wide Statements

The District-wide statements report information about Green Country Technology Center as a whole. The Statement of Net 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 report Green Country Technology Center's net assets and how they have changed. Net assets, 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 assets are 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.

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

See disclaimer in accompanying Independent Auditor's Report.

GREEN COUNTRY TECHNOLOGY CENTER SCHOOL DISTRICT NO.28  
 OKMULGEE COUNTY, OKLAHOMA  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 JUNE 30, 2012

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

Net Assets

The District's net assets increased \$74,359 or 1.93% over prior year net assets. The following reflects net asset information at June 30, 2011 and June 30, 2012. The increase in net assets is primarily due to an increase in capital assets from FY 2011 and a decrease in cash from FY 2011.

Net Assets

	FY2012	FY2011
Current Assets	\$1,312,377	\$1,407,518
Net Capital Assets	\$2,623,116	\$2,455,433
Total Assets	\$3,935,493	\$3,862,951
Long term Liabilities	\$16,246	\$18,063
Total Liabilities	\$16,246	\$18,063
Net Assets Invested in Capital Assets		
Net of Related Debt	\$2,623,116	\$2,455,433
Unrestricted	\$1,296,131	\$1,389,455
Total Net Assets	\$3,919,247	\$3,844,888

See disclaimer in accompanying Independent Auditor's Report.



GREEN COUNTRY TECHNOLOGY CENTER SCHOOL DISTRICT NO.28  
OKMULGEE COUNTY, OKLAHOMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2012

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 2012.

Changes in Net Assets

<b>Revenues</b>	<b>FY 2012</b>	<b>FY 2011</b>
<b>Program Revenues</b>		
Charges for Services	\$307,132	\$282,589
Operating Grants & Contributions	\$78	\$0
<b>General Revenues</b>		
Property & Other Taxes	\$1,852,464	\$1,689,668
Federal and State Aid	\$1,308,749	\$1,299,113
Interest and Investment Earnings	\$3,893	\$5,488
Miscellaneous	\$110,700	\$64,711
<b>Total Revenues</b>	<b>\$3,583,016</b>	<b>\$3,341,569</b>
 <b>Expenses</b>		
Instruction	\$1,582,642	\$1,070,494
Support Services	\$1,577,740	\$1,713,335
Non-Instructional	\$20,363	\$33,880
Other Outlays	\$20,956	\$10,551
Capital Outlays	\$78,247	\$350,010
Depreciation - Unallocated	\$248,709	\$178,891
<b>Total Expenses</b>	<b>\$3,508,657</b>	<b>\$3,357,161</b>
 <b>Increase (decrease) in net assets</b>	 <b>\$74,359</b>	 <b>(\$15,592)</b>

Revenues increased by approximately 7.23% from the previous fiscal year. This was mainly due to an increase in property taxes collected and an increase in miscellaneous revenue collected. Other revenues remained relatively stagnant for the current fiscal year. Expenses increased approximately 4.5% from the previous fiscal year. This was mainly due to an increase in depreciation expense, and increase in instructional expenses netted with a decrease in capital outlay expenditures from the prior year.

See disclaimer in accompanying Independent Auditor's Report.

GREEN COUNTRY TECHNOLOGY CENTER SCHOOL DISTRICT NO.28  
OKMULGEE COUNTY, OKLAHOMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2012

Debt Administration

As of June 30, 2012, the District has no outstanding bond obligations or capital lease agreements.

Operating Leases

The Technology Center leases thirty 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 leases a 2012 FRTL Thomas 71 passenger School Bus from Kincaid Leasing. This is a three year lease agreement 7/1/11 – 6/30/14 with an annual payment of \$14,000.00

Building

Green Country Technology Center is completing construction on an 8,400 square foot Auto Building.

Factors Bearing on Green Country Technology Center's Future

The district is facing potential reductions in ad-valorem revenue due to the recent passage of two State Questions (SQ766, SQ758). The full impact of these measures will not be known until collections are made for calendar year 2013.

Other factors include the cuts being made by the State of Oklahoma, which could negatively impact the District's future operations.

Contacting Green Country Technology Center's Financial Management

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

See disclaimer in accompanying Independent Auditor's Report.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28  
STATEMENT OF NET ASSETS  
JUNE 30, 2012**

		Governmental Activities
<b><u>ASSETS</u></b>		
Cash and cash equivalents	\$	1,166,380
Property tax receivable		99,723
Interest receivable		819
Due from other governments		3,900
Due from activity fund		28,860
Prepaid insurance		12,695
Capital assets		
Capital assets, net of accumulated depreciation		2,623,116
 Total Assets	 \$	 <u>3,935,493</u>
<b><u>LIABILITIES</u></b>		
Accounts payable	\$	-
Wages payable		16,246
 Total Liabilities	 \$	 <u>16,246</u>
<b><u>NET ASSETS</u></b>		
Invested in Capital Assets, net of related debt	\$	2,623,116
Unrestricted		1,296,131
 Total Net Assets	 \$	 <u><u>3,919,247</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, 2012**

		Program Revenues	
Expenses	Charges for Services	Operating Grants & Contributions	
Governmental Activities:			
Instruction	\$ (1,582,642)	\$ 307,132	\$ 78
Support Services:			
Students	(204,951)	-	-
Instructional Staff	(2,785)	-	-
General Administration	(211,335)	-	-
School Administration	(387,573)	-	-
Business	(187,507)	-	-
Operation of Plant	(386,603)	-	-
Student Transportation	(176,986)	-	-
Non Instructional	(20,363)	-	-
Other Outlays	(20,956)	-	-
Other Uses	-	-	-
Capital Outlay	(78,247)	-	-
Depreciation - Unallocated	(248,709)	-	-
	\$ (3,508,657)	\$ 307,132	\$ 78
Governmental Activities			

**General revenues**

Taxes:

Property taxes, levied for general purposes

Other Taxes

Federal and State aid not restricted to specific purposes:

General

Interest and investment earnings

Miscellaneous

Total general revenues

Changes in net assets

Net assets - beginning

Net assets - ending

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

		Net (Expenses) Revenue and Changes in Net Assets
	Capital Grants & Contributions	Government Activities
\$	-	\$ (1,275,432)
	-	(204,951)
	-	(2,785)
	-	(211,335)
	-	(387,573)
	-	(187,507)
	-	(386,603)
	-	(176,986)
	-	(20,363)
	-	(20,956)
	-	-
	-	(78,247)
	-	(248,709)
\$	-	\$ (3,201,447)

\$	1,851,050
	1,414
	1,308,749
	3,893
	110,700
	<u>3,275,806</u>
	74,359
	<u>3,844,888</u>
\$	<u><u>3,919,247</u></u>

**FUND FINANCIAL STATEMENTS**

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28  
BALANCE SHEET - GOVERNMENTAL FUND  
JUNE 30, 2012**

	Governmental Fund Types		
	General Fund	Special Revenue Fund	Total
<b><u>ASSETS</u></b>			
Cash	\$ 82,416	\$ 283,964	\$ 366,380
Investments	800,000	-	800,000
Property tax receivable	83,105	16,619	99,723
Interest receivable	819	-	819
Due from activity fund	28,860	-	28,860
Due from other governments	3,900	-	-
Prepaid insurance	12,695	-	12,695
<b>Total assets</b>	<b>\$ 1,011,794</b>	<b>\$ 300,583</b>	<b>\$ 1,308,477</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ -	\$ -
Deferred revenue	53,502	11,311	64,813
<b>Total liabilities</b>	<b>\$ 53,502</b>	<b>\$ 11,311</b>	<b>\$ 64,813</b>
<b>Fund balances:</b>			
<b>Nonspendable Fund Balances:</b>			
<i>Prepaid Items</i>	\$ 12,695	\$ -	\$ 12,695
<b>Restricted Fund Balances:</b>			
<i>Restricted by Statute</i>	-	72,473	72,473
<i>Other Restrictions of Fund Balance</i>	-	-	-
<b>Committed Fund Balances:</b>			
<i>Contractual Obligations</i>	-	-	-
<b>Assigned Fund Balances:</b>			
<i>Encumbrances</i>	70,258	216,799	287,056
Unassigned	875,340	-	875,340
<b>Total Fund Balances:</b>	<b>\$ 958,293</b>	<b>\$ 289,271</b>	<b>1,247,564</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,011,794</b>	<b>\$ 300,583</b>	<b>1,308,477</b>

Amounts reported for governmental activities in the statement of net assets 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 \$3,993,708 and accumulated depreciation is \$1,370,592.	2,623,116
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.	64,813
Compensated absences are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.	<u>(16,246)</u>
<b>Net Assets of governmental activities</b>	<b>\$ <u>3,919,247</u></b>

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, 2012**

	<u>Governmental Fund Types</u>		<u>Total</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Revenues</b>			
Local sources	\$ 1,942,935	\$ 303,430	\$ 2,246,365
Intermediate sources	-	-	-
State sources	1,309,931	236	1,310,167
Federal sources	<u>78</u>	<u>-</u>	<u>78</u>
<b>Total revenues</b>	<b>\$ <u>3,252,944</u></b>	<b>\$ <u>303,666</u></b>	<b>\$ <u>3,556,610</u></b>
<b>Expenditures</b>			
Instruction	\$ 1,284,683	\$ 299,777	\$ 1,584,460
Support services	1,557,741	-	1,557,741
Non-instructional services	20,363	-	20,363
Capital outlay	494,639	-	494,639
Other outlays	<u>20,956</u>	<u>-</u>	<u>20,956</u>
<b>Total expenditures</b>	<b>\$ <u>3,378,382</u></b>	<b>\$ <u>299,777</u></b>	<b>\$ <u>3,678,159</u></b>
<b>Excess of revenues over (under) expenses before adjustments to prior year encumbrances</b>	<b>\$ <u>(125,438)</u></b>	<b>\$ <u>3,889</u></b>	<b>\$ <u>(121,549)</u></b>
<b>Other financing sources (uses):</b>			
Bond sale proceeds	\$ -	\$ -	\$ -
Operating transfers in/(out)	-	-	-
Bank charges	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total other financing sources (uses)</b>	<b>\$ <u>-</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>-</u></b>
<b>Excess (deficiency) of revenue over expenditures and other financing sources (uses)</b>	<b>\$ <u>(125,438)</u></b>	<b>\$ <u>3,889</u></b>	<b>\$ <u>(121,549)</u></b>
<b>Fund balances, beginning of year</b>	<b>\$ <u>1,083,731</u></b>	<b>\$ <u>285,382</u></b>	<b>\$ <u>1,369,113</u></b>
<b>Fund balances, end of year</b>	<b>\$ <u><u>958,293</u></u></b>	<b>\$ <u><u>289,271</u></u></b>	<b>\$ <u><u>1,247,564</u></u></b>

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, 2012**

Net change in fund balances - governmental funds \$ (121,549)

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

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

Capital outlay expenditures	\$	416,392	
Depreciation expense		<u>(248,709)</u>	167,683

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 in the Statement of Activities. 26,408

Some expenses (compensated absences) reported in the statement of activities do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds. 1,817

Change in Net Assets of Governmental Activities \$ 74,359

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, 2012**

**1. Summary of Significant Accounting Policies**

The financial statements of the Green Country Technology Center No. 28 (the "Center") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units. The governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Center has elected to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board ("FASB") pronouncements and Accounting Principles Board ("APB") opinions, issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The more significant of the Center's accounting policies are described below.

**A. Reporting Entity**

In accordance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity," the Center has presented the entities, which comprise the primary government in the fiscal year 2012 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 assets and the statement of activities) report information on all of the non-fiduciary activities of the Center. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

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

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

**Fund Financial Statements**

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

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

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28  
OKMULGEE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**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 the Foundation and Incentive Aid Program. Expenditures include all costs associated with the daily operations of the schools except for programs funded for building repairs and maintenance, school construction and debt service on bonds and other long-term debt.

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

**Fiduciary Fund Types**

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

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

**Agency Fund** – The Center's Agency Fund consists of the Activity fund and the Federal Pell Grant fund. The Center's Activity fund is used to account for monies collected that are held on behalf of others as their agent and do not involve the measurement of results of operations. The Federal Pell Grant fund is used to account for student financial aid which is collected by the Center and disbursed to eligible students or to pay educational costs on their behalf. The administration is responsible under the authority of the Board, for collecting, disbursing and accounting for these funds.

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

**Account Groups**

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

**C. Basis of Accounting**

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

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

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

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28  
OKMULGEE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**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 Assets and Fund Balances**

The government-wide financial statements utilize a net asset presentation. Net assets are categories of investment in fixed assets (net of related debt), restricted net assets and unrestricted net assets.

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

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

Unrestricted Net Assets – represent unrestricted liquid assets.

Governmental Fund Financial Statements – The District 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 District 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 District's highest level of decision making authority (Board of Education) and cannot be used for any other purposes unless the same highest level (Board of Education) takes action to remove or change the designation.

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28  
OKMULGEE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

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

The District commits a portion of the fund balance to honor the commitments made by the District 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 District 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 District 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 and Cash Equivalents – The Center considers all cash on hand, demand deposits and investments to be cash and cash equivalents. 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 not paid by the following October 1, the property is offered for sale for the amount of taxes due. The owner has two years to redeem the property by paying the taxes and penalty owed. If at the end of two years the owner has not done so, the purchaser is issued a deed to the property.

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

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

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

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

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

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

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

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28  
OKMULGEE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

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

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

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

**H. Revenue, Expenses and Expenditures**

Revenues are classified by source as follows:

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

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

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

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

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

Expenditures are classified by function as follows:

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

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

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



**GREEN COUNTRY TECHNOLOGY CENTER NO. 28  
OKMULGEE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

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

Facilities Acquisition and Construction Services Expenditures – Consist of activities involved with the acquisition of land and buildings; remodeling buildings; the construction of buildings and additions to buildings; initial installation or extension of service systems and other built-in equipment; and improvement to sites.

Other Outlays Expenditures – A number of outlays of governmental funds are not properly classified as expenditures, but still require budgetary or accounting control. These are classified as Other Outlays. These include debt service payments (principal and interest).

Other Uses Expenditures – This includes scholarships provided by private gifts and endowments; student aid and staff awards supported by outside revenue sources (i.e., foundations). Also, expenditures for self-funded employee benefit programs administered either by the District or a third party administrator.

**2. Deposit Categories of Credit Risk**

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

1. Direct obligations of the United States Government to the payment of which the full faith and credit of the government is pledged.
2. Obligations to the payment of which the full faith and credit of the state is pledged.
3. Certificates of deposits of banks when such certificates of deposits are secured by acceptable collateral as in the deposit of other public monies.
4. Savings accounts or savings certificates of savings and loan associations to the extent that such accounts or certificates are fully insured by the Federal Savings and Loan Insurance Corporation.
5. Repurchase agreements that have underlying collateral consisting of those items specified in paragraphs 1 and 2 of this section including obligations of the United States, its agencies and instrumentalities, and where collateral has been deposited with a trustee of custodian bank in an irrevocable trust or escrow account established for such purposes.
6. County, municipal or school Center direct debt obligations for which an ad valorem tax may be levied or bond and revenue anticipation notes, money judgments against such county, municipality or school Center ordered by a court of record or bonds or bond and revenue anticipation notes issued by a public trust for which such county, municipality or school Center is a beneficiary thereof. All collateral pledged to secure public funds shall be valued at no more than market value.
7. Money market mutual funds regulated by the Securities and Exchange Commission and which investments consist of obligations of the United States, its agencies and instrumentalities, and investments in those items listed above.
8. Warrants, bonds or judgments of the school Center.

**GREEN COUNTRY TECHNOLOGY CENTER NO. I-52  
OKMULGEE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**Deposit Categories of Credit (continued)**

9. Qualified pooled investment programs, the investments of which consist of those items specified above, as well as obligations of the United States agencies and instrumentalities, regardless of the size of the Center's budget. To be qualified, a pooled investment program for school funds must be governed through an Interlocal cooperative agreement formed pursuant to Title 70 Section 5-117b, and the program must competitively select its investment advisors and other professionals. Any pooled investment program must be approved by the Board of Education.

**Custodial Credit Risk:**

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

**Interest Rate Risk:**

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

**Credit Risk:**

The Center has no formal written policy addressing credit risk.

**3. Capital Assets**

A summary of changes in general fixed assets for the year ended June 30, 2012, follows:

	<u>Balance June 30, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2012</u>
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated</b>				
Construction in process	\$ 437,448	\$ 62,552	\$ 500,000	\$ -
<b>Total capital assets not being depreciated</b>	<b>437,448</b>	<b>62,552</b>	<b>500,000</b>	<b>-</b>
<b>Capital assets being depreciated:</b>				
Buildings	\$ 2,220,816	\$ 500,000	\$ -	\$ 2,720,816
Equipment	493,484	353,840	-	847,324
Vehicles	441,068	-	15,500	425,568
<b>Total capital assets being depreciated:</b>	<b>3,155,368</b>	<b>853,840</b>	<b>15,500</b>	<b>3,993,708</b>
<b>Less accumulated depreciation:</b>	<b>1,137,383</b>	<b>248,709</b>	<b>15,500</b>	<b>1,370,592</b>
<b>Total capital assets being depreciated, net</b>	<b>2,017,985</b>	<b>605,131</b>	<b>-</b>	<b>2,623,116</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 2,455,433</b>	<b>\$ 667,683</b>	<b>\$ 500,000</b>	<b>\$ 2,623,116</b>

**GREEN COUNTRY TECHNOLOGY CENTER NO. I-52  
OKMULGEE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**4. Accounts Receivable**

Accounts receivables of the governmental activities consist of Ad Valorem tax, miscellaneous local, and interest income. Receivables detail by fund at June 30, 2012, is as follows:

Governmental Funds

	<u>General</u>	<u>Building</u>	<u>Total Governmental</u>
Receivables			
Ad valorem taxes	\$ 83,105	\$ 16,619	\$ 99,723
Interest	819	-	819
Reimbursement	3,900	-	3,900
Tuition	28,860	-	28,860
	<hr/>	<hr/>	<hr/>
Gross Receivables	116,684	16,619	133,302
Less deferred revenue	53,502	11,311	64,813
	<hr/>	<hr/>	<hr/>
Net total receivables	\$ 63,182	\$ 5,308	\$ 68,489

**5. Interfund Transactions**

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

**6. Employee Retirement System**

Description of Plan

The System is a qualified governmental defined benefit retirement plan. For GASB purposes it is a cost-sharing multiple-employer Public Employee Retirement System. The supervising authority for the management and operation of the System is a 13-member Board of Trustees, which acts as a fiduciary for investment of the funds and the application of plan interpretations. The System provides retirement and disability benefits, annual cost of living adjustments, death benefits and other benefits to plan members and beneficiaries. Oklahoma State Statutes establish benefit provisions and may be amended only through legislative action. The Oklahoma Teachers' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Oklahoma Teachers' Retirement System, P.O. Box 53624, Oklahoma City, Oklahoma 73152.

Basis of Accounting

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

The pension benefit obligation is a standardized disclosure measure of the present value of pension benefits. This pension valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of employee services performed to date and is adjusted for the effect of projected salary increases. There are no actuarial valuations performed on individual school districts. The nonfunded pension benefit obligation of the System, as determined as part of the latest actuarial valuation dated June 30, 2012, is as follows:

**GREEN COUNTRY TECHNOLOGY CENTER NO. I-52  
OKMULGEE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**Employee Retirement System (continued)**

		<u>Dollars in Millions</u>
Actuarial Accrued Liability	\$	18,588
Actuarial Value of Assets		<u>10.190</u>
Unfunded Actuarial Accrued Liability	\$	<u>8,398</u>

**Funding Policy**

A participant with five years of creditable service may retire with a normal retirement allowance at the age of sixty-two (62) or with reduced benefits as early as age fifty-five (55). The normal retirement allowance paid monthly for life and then to beneficiaries, if certain options are exercised, equals two percent of the average of the highest three earning years of contributory service multiplied by the number of years of credited service. Retiring members may count up to 120 days of unused accumulated sick leave toward an additional year of service credit. A participant leaving employment before attaining retirement age, but completing ten years of service, may elect to vest his accumulated contributions and defer receipt of a retirement annuity until a later date. When a participant dies in active service and has completed ten years of credited service, the beneficiary is entitled to a death benefit of \$18,000.00 and the participant's contributions plus interest. If the beneficiary is a surviving spouse, the surviving spouse may, in lieu of the death benefit, elect to receive, subject to the surviving spousal options, the participant's retirement benefits accrued at the time of death. The contribution rates for the Districts, which are not actuarially determined, and its employees are established by statute and applied to the employee's earnings, plus employer-paid fringe benefits. The employers' contribution rate is 9.5%. Employees contribute 7.0% of covered compensation.

**Annual Pension Cost**

The District's total contribution for 2012, 2011 and 2010 were \$112,577, \$168,240.33, and \$143,119, respectively. The District's total payroll for fiscal year 2011-12 amounted to \$1,615,065.

**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, 2012, 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.

**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, 2012.

**GREEN COUNTRY TECHNOLOGY CENTER NO. I-52  
OKMULGEE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**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 July 1, 2011, to June 30, 2012.

The encumbrance clerk/minutes clerk is bonded by Farmers Alliance, bond number BD075487, for the penal sum of \$100,000 for the term of July 1, 2011, to June 30, 2012.

The superintendent is bonded by Farmers Alliance, bond number BD075487, for the penal sum of \$100,000 for the term of July 1, 2011, to June 30, 2012.

**14. Long-Term Liabilities**

The following is a summary of long-term liabilities of the Center for the year ended June 30, 2012.

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2012</u>
Compensated Absences	\$ 18,063	\$ -	\$ 1,817	\$ 16,246
Total	\$ 18,063	\$ -	\$ 1,817	\$ 16,246

**COMBINING FINANCIAL STATEMENTS**

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28  
COMBINING BALANCE SHEET - FIDUCIARY FUNDS  
JUNE 30, 2012**

	Special Purpose Trust Fund	<u>Agency Funds</u>		
	Scholarship Fund	Activity Fund	Pell Grant Fund	Total
<b>ASSETS</b>				
Cash	\$ 185,170	\$ 34,594	\$ -	\$ 219,764
Investments	-	-	-	-
Interest receivable	<u>283</u>	<u>-</u>	<u>-</u>	<u>283</u>
Total assets	<u>\$ 185,453</u>	<u>\$ 34,594</u>	<u>\$ -</u>	<u>\$ 220,047</u>
<b>LIABILITIES AND FUND EQUITY</b>				
Liabilities:				
Due to other funds	\$ -	\$ 28,860	\$ -	\$ 28,860
Total liabilities	<u>\$ -</u>	<u>\$ 28,860</u>	<u>\$ -</u>	<u>\$ 28,860</u>
Fund equity:				
Unreserved/undesignated	\$ 185,453	\$ 5,734	\$ -	\$ 191,187
Total liabilities and fund equity	<u>\$ 185,453</u>	<u>\$ 34,594</u>	<u>\$ -</u>	<u>\$ 220,047</u>

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Agency Funds</u>		<u>Special Purpose Trust Fund</u>	<u>Total</u>
	<u>Pell Grant Fund</u>	<u>Activity Fund</u>	<u>Scholarship Fund</u>	
<b>Revenues</b>				
Local sources				
Interest	\$ -	\$ -	\$ 2,703	\$ 2,703
Miscellaneous	-	277,080	-	219,852
Federal sources				
Pell Grants	<u>219,852</u>	-	-	<u>219,852</u>
<b>Total revenues</b>	<b>\$ <u>219,852</u></b>	<b>\$ <u>277,080</u></b>	<b>\$ <u>2,703</u></b>	<b>\$ <u>499,635</u></b>
<b>Expenditures</b>				
Other outlays				
Scholarships	\$ -	\$ -	\$ 4,500	\$ 4,500
Student Financial Assistance	-	250,051	-	250,051
<b>Total expenditures</b>	<b>\$ <u>219,852</u></b>	<b>\$ <u>250,051</u></b>	<b>\$ <u>4,500</u></b>	<b>\$ <u>474,403</u></b>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ 27,029</u>	<u>\$ (1,797)</u>	<u>\$ 25,232</u>
Transfers In(out)	<u>\$ -</u>	<u>\$ (29,167)</u>	<u>\$ -</u>	<u>\$ (29,167)</u>
Fund balances, beginning of year	<u>\$ -</u>	<u>\$ 7,872</u>	<u>\$ 187,250</u>	<u>\$ 195,122</u>
Fund balances, end of year	<u><u>\$ -</u></u>	<u><u>\$ 5,734</u></u>	<u><u>\$ 185,453</u></u>	<u><u>\$ 191,187</u></u>



**SUPPORTING SCHEDULES**

**GREEN COUNTRY TECHNOLOGY DISTRICT NO. 28**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Fund balances, beginning of year	\$ 543,590	\$ 543,590	\$ 543,590	\$ -
Revenues:				
Local sources	\$ 1,521,940	\$ 1,521,940	\$ 1,919,625	\$ 397,685
Intermediate sources	-	-	-	-
State sources	1,315,326	1,315,326	1,309,931	(5,395)
Federal sources	49,027	49,027	78	(48,949)
Total revenues	\$ 2,886,293	\$ 2,886,293	\$ 3,229,634	\$ 343,341
Expenditures :				
Instruction	\$ 1,270,882	\$ 1,270,882	\$ 1,270,882	\$ -
Support services	1,551,766	1,551,766	1,551,766	-
Non-instructional services	26,230	26,230	26,230	-
Capital outlay	541,937	541,937	170,480	371,457
Other outlays	20,468	20,468	20,468	-
Other uses	18,600	18,600	18,600	-
Total expenditures	\$ 3,429,883	\$ 3,429,883	\$ 3,058,426	\$ 371,457
Excess of revenues over (under) expenses before adjustments to prior year encumbrances	\$ -	\$ -	\$ 714,798	\$ 714,798
Adjustments to prior year encumbrances			97,360	
Other financing sources (uses):				
Operating transfers in/out			-	
Bank charges			-	
Total other financing sources (uses)			-	
Cash fund balance, end of year - Budgetary basis			812,158	
Reconciliation of budgetary basis fund balance with GAAP fund balance				
Accounts receivable not recognized as revenue			63,182	
Expenses not recognized in GAAP basis			82,953	
GAAP fund balance, end of year			\$ 958,293	

**GREEN COUNTRY TECHNOLOGY DISTRICT NO. 28  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
BUILDING FUND  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Fund balances, beginning of year	\$ 268,328	\$ 268,328	\$ 268,328	\$ -
Revenues:				
Local sources	\$ 274,349	\$ 274,349	\$ 303,673	\$ 29,324
Intermediate sources	-	-	-	-
State sources	-	-	236	236
Federal sources	-	-	-	-
Total revenues	<u>\$ 274,349</u>	<u>\$ 274,349</u>	<u>\$ 303,909</u>	<u>\$ 29,560</u>
Expenditures :				
Instruction	\$ 542,677	\$ 542,677	\$ 508,881	\$ 33,796
Support services	-	-	-	-
Non-instructional services	-	-	-	-
Capital outlay	-	-	-	-
Other outlays	-	-	-	-
Other uses	-	-	-	-
Total expenditures	<u>\$ 542,677</u>	<u>\$ 542,677</u>	<u>\$ 508,881</u>	<u>\$ 33,796</u>
Excess of revenues over (under) expenses before adjustments to prior year encumbrances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,356</u>	<u>\$ 63,356</u>
Adjustments to prior year encumbrances			<u>3,809</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			67,165	
Reconciliation of budgetary basis fund balance with GAAP fund balance				
Taxes receivable not recognized as revenue			5,307	
Expenses not recognized in GAAP basis			216,799	
GAAP fund balance, end of year			<u>\$ 289,271</u>	

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28  
SCHEDULE OF FEDERAL AWARDS EXPENDED  
FOR THE YEAR ENDED JUNE 30, 2012**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA #</u>	<u>Grantor's Number</u>
<u>U.S. Department of Education</u>		
Direct Programs:		
<u>2010-2011 Programs</u>		
Pell Grant	84.063	PO63PO114810
Sub-Total		
Passed-Through State Department of Career and Technology Education:		
<u>U.S. Department of Veterans Affairs</u>		
Direct Programs:		
<u>2010-2011 Programs</u>		
VA Report Fee	64.115	N/A
Sub-Total		
<b>TOTAL FEDERAL ASSISTANCE</b>		

The accompanying notes are an integral part of this schedule.

	Balance at July 1, 2011	Receipts	Expenditures	Balance at June 30, 2012
\$	-	\$ 219,852	\$ 219,852	\$ -
\$	-	\$ 219,852	\$ 219,852	\$ -
\$	-	\$ 78	\$ 78	\$ -
\$	-	\$ 78	\$ 78	\$ -
\$	-	\$ 219,930	\$ 219,930	\$ -

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28  
OKMULGEE COUNTY, OKLAHOMA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012**

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

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

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

Total Federal Revenue as reflected on		
"Schedule of Federal Awards Expended"	\$	<u>219,930</u>
Total Federal Revenue as reflected on		
"Statement of Revenue, Expenditures and Changes In Fund Balance"	\$	78
Plus: Federal funds Transacted as Agency Funds		
Student Financial Aid		<u>219,852</u>
Reconciled Total	\$	<u>219,930</u>

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28  
SCHOOL ACTIVITY FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND SUB-ACCOUNT BALANCES  
FOR THE YEAR ENDED JUNE 30, 2012**

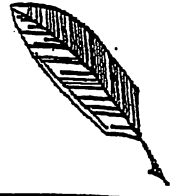
Activities	Balance 7-1-11	Deposited	Net Transfers/ Adjustments	Disbursed	Balance 6-30-12
Short Term Tuition	\$ -	\$ 143,072	\$ (4,479)	\$ 138,593	\$ -
Daytime Tuition/In District	-	103,986	(24,342)	79,644	-
Student Fees	14	-	-	14	-
Bookstore	-	1,065	-	1,065	-
Live Work Projects	-	11,875	-	11,875	-
Concessions	1,044	4,728	-	3,939	1,833
HOSA-LPN	16	-	-	-	16
Skills USA	-	204	-	204	-
FBLA/PBL/BPA	-	784	-	784	-
HOSA-HST	262	2,334	-	2,320	276
Long Term Nurse Aide	30	-	-	30	-
Miscellaneous	1,668	2,691	(46)	4,738	(425)
Scholarship	-	3,000	(300)	2,700	-
BCT Student Solutions	2,720	440	-	1,697	1,463
Sending School Cooperative	1,099	1,600	-	966	1,733
Mechanical Trades Fund	1,019	801	-	982	838
Concussion Pre-Test	-	500	-	500	-
<b>Total Activities</b>	<b>\$ 7,872</b>	<b>\$ 277,080</b>	<b>\$ (29,167)</b>	<b>\$ 250,051</b>	<b>\$ 5,734</b>

**REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS**



# KERRY JOHN PATTEN, C.P.A.

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



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

The Honorable Board of Education  
Green Country Technology Center No. 28  
Okmulgee County, Oklahoma

I have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Green Country Technology Center No. 28 (the "Center"), Okmulgee, Oklahoma, as of and for the year ended June 30, 2012, which collectively comprise Green Country Technology Center's basic financial statements and have issued my report thereon dated February 26, 2013. 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.

### Internal Control Over Financial Reporting

In planning and performing my audit, I considered Green Country Technology Center's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Green Country Technology Center's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Center's internal control over financial reporting.

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

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

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Green Country Technology Center's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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*. However, I noted certain immaterial instances of noncompliance that I have reported to management of Green Country Technology Center in a separate letter February 26, 2013.

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

  
Kerry John Patten, C.P.A.  
February 26, 2013

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28  
OKMULGEE COUNTY, OKLAHOMA  
SUMMARY OF PRIOR AUDIT FINDINGS  
JULY 1, 2011 TO JUNE 30, 2012**

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, 2011 TO JUNE 30, 2012**

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

**Previous Year's Audit Comments**

There were no items in the school's 2010-11 audit report, which required correction.

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

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28  
OKMULGEE COUNTY, OKLAHOMA  
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE AFFIDAVIT  
JULY 1, 2011 TO JUNE 30, 2012**

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 2011-12.

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



BY *Kerry John Patten*  
AUTHORIZED AGENT

Subscribed and sworn to before me on this

26 day of February, 2013

*Linda Kellick* 05010870  
NOTARY PUBLIC

My commission expires on:

30 day of Nov., 2013