

ANNUAL FINANCIAL REPORT
GREEN COUNTRY TECHNOLOGY CENTER NO. 28
OKMULGEE COUNTY, OKLAHOMA
JULY 1, 2016 TO JUNE 30, 2017

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

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28
OKMULGEE COUNTY, OKLAHOMA
SCHOOL CENTER OFFICIALS
JUNE 30, 2017**

Board of Education

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

Superintendent of Schools

Larry Killebrew

Technology Center Treasurer

Linda Been

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28
OKMULGEE COUNTY, OKLAHOMA
JUNE 30, 2017**

TABLE OF CONTENTS

	Page
Report of Independent Auditor	1
Management's Discussion and Analysis	3
Basic Financial Statements	
Government-Wide Financial Statements -	
Statement of Net Assets	8
Statement of Activities	9
Fund Financial Statements	
Balance Sheet - Governmental Funds	10
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	11
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	12
Notes to the Financial Statements	13
Combining Financial Statements	
Statement of Net Position – Fiduciary Funds	27
Statement of Changes in Pell Grant and Scholarship Fund Net Position.....	28
Required Supplementary Information	
Budgetary Comparison Schedule – Budgetary Basis General Fund.....	29
Budgetary Comparison Schedule – Budgetary Basis Building Fund.....	30
Schedule of Proportionate Share of the Net Pension Liability Oklahoma Teachers Retirement System	31
Schedule of Contributions to the Oklahoma Teachers Retirement System	32
Supplementary Information	
Schedule of Expenditures of Federal Awards	33
Notes to the Schedule of Federal Awards.....	34
School Activity Fund – Statement of Revenues, Expenditures, and Sub-Account Balances	35
Reports Required by <i>Government Auditing Standards</i>	
Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements performed in Accordance With <i>Government Auditing Standards</i>	36

(continued)

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28
OKMULGEE COUNTY, OKLAHOMA
JUNE 30, 2017**

TABLE OF CONTENTS

Summary of Prior Audit Findings	38
Schedule of Comments	39
Schedule of Accountant's Professional Liability Insurance Affidavit	40

KERRY JOHN PATTEN, C.P.A.

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



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Green Country Technology Center No. 28, Okmulgee County, Oklahoma, as of and for the year ended June 30, 2017, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Green Country Technology Center as of June 30, 2017, and the respective changes in its financial position and, where applicable, cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Auditing Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basis 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 February 28, 2018, 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, 2018

MANAGEMENT DISCUSSION AND ANALYSIS

GREEN COUNTRY TECHNOLOGY CENTER SCHOOL DISTRICT NO.28
OKMULGEE COUNTY, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017

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, 2017. 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, Schuler, 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 12 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.

See auditor's disclaimer of opinion

GREEN COUNTRY TECHNOLOGY CENTER SCHOOL DISTRICT NO.28
OKMULGEE COUNTY, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2017

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.

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.

See auditor's disclaimer of opinion

GREEN COUNTRY TECHNOLOGY CENTER SCHOOL DISTRICT NO.28
OKMULGEE COUNTY, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2017

- 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.
- 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 there 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 increased \$259,137 over the prior year net position. The following reflects the net position information at June 30, 2016, and June 30, 2017. The increase in position is due to slightly increased property taxes, federal and state aid income, interest income, and decreases in instruction expense.

Net Position

	<u>FY2017</u>	<u>FY2016</u>
Current Assets	\$2,828,601	\$2,526,834
Net Capital Assets	<u>\$2,988,478</u>	<u>\$3,004,046</u>
Total Assets	\$5,817,079	\$5,530,880
<u>Deferred Outflow of Resources</u>		
Deferred pension expense	<u>\$1,092,139</u>	<u>\$ 294,349</u>
Long term Liabilities		
Compensated Absences	\$ 0	\$ 16,090
Deferred Pension Expense	\$ 0	0
Net Pension Liability	<u>\$3,468,969</u>	<u>\$2,459,224</u>
Total Liabilities	\$3,468,969	\$2,475,314
<u>Deferred Inflow of Resources</u>		
Deferred inflow related to pensions	<u>\$ 81,558</u>	<u>\$ 250,361</u>
Net Assets Invested in Capital Assets		
Net of Related Debt	\$2,988,478	\$3,004,046
Unrestricted	<u>\$ 370,213</u>	<u>\$ 95,508</u>
Total Net Position	\$3,358,691	\$3,099,554

See auditor's disclaimer of opinion

GREEN COUNTRY TECHNOLOGY CENTER SCHOOL DISTRICT NO.28
OKMULGEE COUNTY, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017

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 2017

Changes in Net Position

Revenues		
<u>Program Revenues</u>	<u>2017</u>	<u>2016</u>
Charges for Services	\$ 255,323	\$304,693
Operating Grants and Contributions	\$ 94,429	\$ 88,190
General Revenues		
Property & Other Taxes	\$2,004,584	\$1,913,193
Federal & State Aid	\$1,477,549	\$1,499,635
Interest and Investment Earnings	\$ 14,309	8,967
Miscellaneous	\$ 41,470	16,228
Total Revenues	\$3,887,664	\$3,830,906
<u>Expenses</u>		
Instruction	\$1,500,919	\$1,226,271
Support Services	\$1,803,535	\$1,852,479
Non-Instructional	\$ 11,885	\$ 0
Other Outlays	\$ 2,624	\$ 12,261
Capital Outlays	\$ 68,438	0
Depreciation – Unallocated	\$ 241,126	\$ 332,268
Total Expenses	\$3,628,527	\$3,423,279
Decrease in Net Position	\$ 259,137	\$ 415,579

Revenues increased by approximately \$ 56,758 from the previous fiscal year. This was mainly due to a increase in charges for services, operating grants, and miscellaneous revenues.

Expenses increased approximately \$205,248 from the previous fiscal year. Instructional expenses were up, offset by slight reductions in support services expense and depreciation expense.

See auditor's disclaimer of opinion

GREEN COUNTRY TECHNOLOGY CENTER SCHOOL DISTRICT NO.28
OKMULGEE COUNTY, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017

Debt Administration

As of June 30, 2017, 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 2015 Thomas Saf-T-Liner c2, 53 passenger bus VIN#4UZABPDU3FCFWP600 and one 2015 Thomas Saf-T-Liner C2 71 passenger bus VIN#4UZABRDU5FCFY4126 with combined lease charges of \$27,000.00 annually. On July 1, 2017 these will be replaced with 2017 buses.

Building

Construction was completed in the Panter Building to provide additional office space.

Factors Bearing on Green Country Technology Center's Future

The district continues to face challenges regarding the ad-valorem tax base from which the District derives a major portion of its revenue. The tax base has grown slightly, but at lower rate than much of the state. Further revenue loss is caused by legislative initiated incentives which remove certain properties in the district from a portion or all of ad valorem taxation and revenue loss occurs from the purchase of properties by Native American Tribes which subsequently remove the properties from the ad valorem tax rolls. Other factors include the 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.

See auditor's disclaimer of opinion

GOVERNMENT-WIDE FINANCIAL STATEMENTS

GREEN COUNTRY TECHNOLOGY CENTER NO. 28
STATEMENT OF NET POSITION
JUNE 30, 2017

	Governmental Activities
<u>ASSETS</u>	
Cash	\$ 2,258,217
Investments	400,000
Property tax receivable	79,073
Due from activity fund	73,776
Due from other governments	5,644
Prepaid insurance	11,891
Capital assets	
Capital assets, net of accumulated depreciation	<u>2,988,478</u>
Total Assets	\$ <u>5,817,079</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>	
Deferred pension expense	\$ <u>1,092,139</u>
<u>LIABILITIES</u>	
Long-Term Liabilities	
Compenstated absences	\$ -
Net pension liability	<u>3,468,969</u>
Total Liabilities	\$ <u>3,468,969</u>
<u>DEFERRED INFLOW OF RESOURCES</u>	
Deferred inflow of resources related to pensions	\$ <u>81,558</u>
<u>NET POSITION</u>	
Invested in Capital Assets, net of related debt	\$ 2,988,478
Unrestricted	<u>370,213</u>
Total Net Position	\$ <u><u>3,358,691</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, 2017

	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Net (Expenses) Revenue and Changes in Net Position
Governmental Activities:					
Instruction	\$ (1,500,919)	\$ 252,418	\$ 94,429	\$ -	\$ (1,154,072)
Support Services:					
Students	(176,464)	-	-	-	(176,464)
Instructional Staff	(5,644)	-	-	-	(5,644)
General Administration	(193,410)	-	-	-	(193,410)
School Administration	(427,377)	-	-	-	(427,377)
Business	(288,352)	-	-	-	(288,352)
Operation of Plant	(598,560)	2,905	-	-	(595,655)
Student Transportation	(113,728)	-	-	-	(113,728)
Other Uses	(11,885)	-	-	-	(11,885)
Capital Outlay	(68,438)	-	-	-	(68,438)
Other Outlays	(2,624)	-	-	-	(2,624)
Depreciation - Unallocated	(241,126)	-	-	-	(241,126)
Governmental Activities	\$ (3,628,527)	\$ 255,323	\$ 94,429	\$ -	\$ (3,278,775)
General revenues					
Taxes:					
Property taxes, levied for general purposes					\$ 2,001,889
Other Taxes					2,695
Federal and State aid not restricted to specific purposes:					
General					1,477,549
Interest and investment earnings					14,309
Miscellaneous					41,470
Total general revenues					3,537,912
Changes in net position					259,137
Net position - beginning					3,099,554
Net position - ending					\$ 3,358,691

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, 2017

	Governmental Fund Types		
	General Fund	Special Revenue Fund	Total
<u>ASSETS</u>			
Cash	\$ 1,206,905	\$ 1,051,312	\$ 2,258,217
Investments	400,000	-	400,000
Property tax receivable	65,031	14,042	79,073
Due from activity fund	73,776	-	73,776
Due from other governments	5,644	-	5,644
Prepaid Insurance	11,891	-	11,891
Total assets	\$ <u>1,763,247</u>	\$ <u>1,065,354</u>	\$ <u>2,828,601</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Deferred revenue	29,304	6,938	36,242
Total liabilities	\$ <u>29,304</u>	\$ <u>6,938</u>	\$ <u>36,242</u>
Fund balances:			
Nonspendable Fund Balances:			
<i>Prepaid Items</i>	\$ 11,891	\$ -	\$ 11,891
Restricted Fund Balances:			
<i>Restricted by Statute</i>	-	1,058,416	1,058,416
<i>Other Restrictions of Fund Balance</i>	-	-	-
Committed Fund Balances:			
<i>Contractual Obligations</i>	-	-	-
Assigned Fund Balances:			
<i>Encumbrances</i>	184,577	-	184,577
Unassigned	1,537,475	-	1,537,475
Total Fund Balances:	\$ <u>1,733,943</u>	\$ <u>1,058,416</u>	2,792,359
Total liabilities and fund balances	\$ <u>1,763,247</u>	\$ <u>1,065,354</u>	

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 \$6,001,180 and accumulated depreciation is \$3,012,702.	2,988,478
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.	36,242
Net Pension obligations are not due and payable in the current period and, are not reported in the funds	(3,468,969)
Deferred outflows and inflows of resources related to pensions are applicable to future periods, and therefore, are not reported in the funds.	1,010,581
Net Position of governmental activities	\$ <u>3,358,691</u>

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, 2017

	Governmental Fund Types		
	General	Special Revenue	Total
Revenues			
Local sources	\$ 2,006,289	\$ 340,436	\$ 2,346,725
Intermediate sources	-	-	-
State sources	1,479,795	449	1,480,244
Federal sources	94,429	-	94,429
Total revenues	\$ 3,580,513	\$ 340,885	\$ 3,921,398
Expenditures			
Instruction	\$ 1,463,821	\$ -	\$ 1,463,821
Support services	1,813,571	-	1,813,571
Non-instructional services	-	-	-
Capital outlay	293,996	-	293,996
Other outlays	2,624	-	2,624
Other uses	11,885	-	11,885
Repayments	-	-	-
Total expenditures	\$ 3,585,897	\$ -	\$ 3,585,897
Excess of revenues over (under) expenses before adjustments to prior year encumbrances	\$ (5,384)	\$ 340,885	\$ 335,501
Other financing sources (uses):			
Bond sale proceeds	\$ -	\$ -	\$ -
Operating transfers in/(out)	-	-	-
Bank charges	-	-	-
Total other financing sources (uses)	\$ -	\$ -	\$ -
Excess (deficiency) of revenue over expenditures and other financing sources (uses)	\$ (5,384)	\$ 340,885	\$ 335,501
Fund balances, beginning of year	\$ 1,739,327	\$ 717,531	\$ 2,456,858
Fund balances, end of year	\$ 1,733,943	\$ 1,058,416	\$ 2,792,359

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, 2017

Net change in fund balances - governmental funds		\$ 335,501
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	\$ 225,558	
Depreciation expense	<u>(241,126)</u>	(15,568)
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.		
		(33,734)
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.		
		16,090
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.		
		<u>(43,152)</u>
Change in Net Position of Governmental Activities		<u>\$ 259,137</u>

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, 2017**

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 2017 basic financial statements.

The Center is a corporate body for public purposes created under Title 70 of the Oklahoma Statutes and, accordingly, is a separate entity for operating and financial reporting purposes. The Center is part of the public school system of Oklahoma under the general direction and control of the State Board of Education and is financially dependent on the State of Oklahoma for support. The general operating authority for the public school system is the Oklahoma School Code contained in Title 70, Oklahoma Statutes.

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

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

B. Basis of Presentation

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

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

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

Fund Financial Statements

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

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

GREEN COUNTRY TECHNOLOGY CENTER NO. 28
OKMULGEE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

Summary of Significant Accounting Policies (continued)

Fund Financial Statements

General Fund – The General Fund is used to account for all financial transactions except those required to be accounted for in another fund. Major revenue sources include state and local property taxes and state funding under Formula Operations. Expenditures include all costs associated with the daily operations of the schools except for programs funded for building repairs and maintenance, school construction and debt service on bonds and other long-term debt.

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

Fiduciary Fund Types

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

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

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

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

Account Groups

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

C. Basis of Accounting

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

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

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

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28
OKMULGEE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

Summary of Significant Accounting Policies (continued)

D. Budgets and Budgetary Accounting

A budget is legally adopted by the Board of Education for the General Fund and Special Revenue Fund that includes revenues and expenditures. These budgets are prepared on a budgetary basis of accounting. Budgetary control is maintained by fund, function, and activity and budgeted expenditures may not exceed appropriations at the fund level.

Amendments may be made to the budget without approval by the governing body at the function and activity levels. Fund level budgetary amendments require approval of the governing body.

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

E. Management Estimates – Use of Estimates

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

F. Net Position and Fund Balances

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

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

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

Unrestricted Net Position – represent unrestricted liquid assets.

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

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

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

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

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28
OKMULGEE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

Summary of Significant Accounting Policies (continued)

The Center commits a portion of the fund balance to honor the commitments made by the Center for encumbrances (purchase orders) for which goods or services have not yet been received. The fund balance committed to encumbrances will be equivalent to the purchase orders rolled forward from one fiscal year to the next fiscal year.

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

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

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

G. Assets, Liabilities and Cash Fund Balances

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

Investments - Investments consist of direct obligations of the United States Government and Agencies. All investments are recorded at cost, which approximates market value.

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

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

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

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

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

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

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

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

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

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28
OKMULGEE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

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 entities 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, 2017**

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

Deferred inflows of resources: Deferred inflows are the acquisition of net position by the center that are applicable to a future reporting period. At June 30, 2017, the center deferred inflows of resources were comprised of deferred inflows to pensions.

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

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

New accounting pronouncements issued not yet adopted: The GASB has also issued several new accounting pronouncements which will be effective for the center in future fiscal years. A description of the new accounting pronouncements and the centers consideration of the impact of these pronouncements are described below:

Statement No. 84, Fiduciary Activities, issued February 2017, will be effective for the District beginning with its fiscal year ending June 30, 2020. The objective of Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28
OKMULGEE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

Summary of Significant Accounting Policies (continued)

Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. This statement describes four fiduciary funds that should be reported, if applicable; (1) pension (and other employee benefit) trust funds, (2) investments trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

This statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

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

Statement No. 87, Leases, issued June 2017, will be effective for the District beginning with its fiscal year ending June 30, 2021 with earlier adoption encouraged. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee's right to use the leased asset. In addition, the District must report the (1) amortization expense for using the lease asset over the shorter term of the lease or the useful life of the underlying asset, (2) interest expense on the lease liability and (3) note disclosures about the lease. The Statement provides exceptions from the single-approach for short-term leases, financial purchases, leases of assets that are investments, and certain regulated leases. This statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, non-lease components embedded in lease contracts (such as service agreements), and leases with related parties.

The technology center is currently evaluating the impact that these new standards will have on its financial statements.

2. Deposit Categories of Credit Risk

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

1. Direct obligations of the United States Government to the payment of which the full faith and credit of the government is pledged.
2. Obligations to the payment of which the full faith and credit of the state is pledged.
3. Certificates of deposits of banks when such certificates of deposits are secured by acceptable collateral as in the deposit of other public monies.
4. Savings accounts or savings certificates of savings and loan associations to the extent that such accounts or certificates are fully insured by the Federal Savings and Loan Insurance Corporation.
5. Repurchase agreements that have underlying collateral consisting of those items specified in paragraphs 1 and 2 of this section including obligations of the United States, its agencies and instrumentalities, and where collateral has been deposited with a trustee of custodian bank in an irrevocable trust or escrow account established for such purposes.

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28
OKMULGEE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

Deposit Categories of Credit (continued)

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.
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.

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28
OKMULGEE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

3. Capital Assets

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

	Balance June 30, 2016	Additions	Reductions	Balance June 30, 2017
Governmental activities:				
Capital assets being depreciated:				
Buildings & Improvements	\$ 3,570,110	\$ 8,000	\$ -	\$ 3,578,110
Equipment	1,723,471	217,558		1,941,029
Vehicles	482,041	-	-	482,041
Total capital assets being depreciated:	5,775,622	225,558	-	6,001,180
Less accumulated depreciation:	(2,771,576)	(241,126)	-	(3,012,702)
Total capital assets being depreciated, net	3,004,046	(15,568)	-	2,988,478
Governmental activities capital assets, net	\$ 3,004,046	\$ (15,568)	\$ -	\$ 2,988,478

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, 2017, is as follows:

Governmental Funds

	General	Building	Total Governmental
Receivables			
Ad valorem taxes	\$ 65,031	\$ 14,042	\$ 79,073
Federal grants	5,644	-	5,644
Tuition & fees	73,776	-	73,776
Gross Receivables	144,451	14,042	158,493
Less deferred revenue	29,304	6,938	36,242
Net total receivables	\$ 115,147	\$ 7,104	\$ 122,251

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.

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28
OKMULGEE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

Employee Retirement System (continued)

The System provides retirement and disability benefits, annual cost of living adjustments, death benefits and other benefits to plan members and beneficiaries. Oklahoma State Statutes establish benefit provisions and may be amended only through legislative action. The District has no responsibility or authority for the operation and administration of the system nor has it any liability, except for contribution requirements. The Oklahoma Teachers' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Oklahoma Teachers' Retirement System, P.O. Box 53624, Oklahoma City, Oklahoma 73152.

Basis of Accounting

The System's financial statements are prepared using the cash basis of accounting, except for accruals of interest income. Plan member contributions are recognized in the period in which the contributions are made. Benefits and refunds are recognized when paid. The pension benefit obligation is a standardized disclosed measure of the present value of pension benefits. This pension valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of employee services performed to date and is adjusted for the effect of projected salary increases. There are no actuarial valuations performed on individual school districts. The System has an under-funded pension benefit obligation as determined as part of the latest actuarial valuation.

Funding Policy

The District, the State of Oklahoma, and the participating employee make contributions. The contribution rates for the District and its employees are established by and may be amended by Oklahoma Statutes. The rates are not actuarially determined. The rates are applied to the employee's earnings plus employer-paid fringe benefits. The required contribution for the participating members is 7.0% of compensation. Additionally, OTRS receives "federal matching contributions" for positions whose funding comes from federal sources or certain grants. The District and State are required to contribute 14.0% of applicable compensation. Contributions received by the System from the State of Oklahoma are from 3.54% of its revenues from sales tax use taxes, corporate income taxes and individual income taxes. The District contributed 9.5% and the State of Oklahoma plus the federal contribution contributed the remaining 4.5% during this year. The District is allowed by the Oklahoma Teachers' Retirement System to make the required contributions on behalf of the participating members. The school is required to pay 16.5% for any compensated retired teachers already receiving retirement benefits.

Annual Pension Cost

The Center's total contribution for 2017, 2016, and 2015 were \$183,071, \$176,594, and \$168,942 respectively. The Center's total covered payroll for fiscal year 2016-17 amounted to \$1,927,068.

On Behalf Contributions

The State of Oklahoma makes retirement contributions each year for teachers employed by Oklahoma School Districts. The contribution amounts are based on the teacher's years of service and amounts paid are prescribed by O.S. 70 Section 17-108.2 subsection A. During fiscal year 2016-17, the State of Oklahoma's contribution was \$10,710. 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, 2017, the Center reported a liability of \$3,468,969 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The center's proportion of the net pension liability was based on the Center's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2016. Based upon this information, the center's proportion was .04156664 percent.

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28
OKMULGEE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

Employee Retirement System (continued)

For the year ended June 30, 2017, the center recognized pension expense of \$43,152. At June 30, 2017, the Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$	\$ 80,535
Changes of assumptions	417,713	
Net difference between projected and actual earnings on pension plan investments	404,954	-
Differences in center's proportionate share of contributions and changes in proportion	86,401	-
System contributions during measurement date	-	1,023
Center contributions subsequent to the measurement date	183,071	-
Total	\$ <u>1,092,139</u>	\$ <u>81,558</u>

Deferred pension outflows totaling \$183,071 resulting from the center's contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. The deferred outflows totaling \$404,954 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 \$80,535 resulting from differences between expected and actual experience will be recognized in pension expense using the average expected remaining service life of the plan participants. The average expected remaining life of the plan participants is determined by taking the calculated total future service years of the plan participants divided by the number of people in the Plan including retirees. The total future service years of the plan participants are estimated at 5.71 years at June 30, 2016 and are determined using the mortality, termination, retirement and disability assumptions associated with the Plan.

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

Year ended,	
2017	\$ 137,958
2018	137,958
2019	273,259
2020	219,305
2021	59,030
	\$ <u>827,510</u>

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28
OKMULGEE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

Employee Retirement System (continued)

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

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

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

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

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

**The Real Estate total expected return is

Discount rate – A single discount rate of 7.50% was used to measure the total pension liability as of June 30, 2016. This single discount rate was based solely on the expected rate of return on pension plan investments of 7.50%. Based on the stated assumptions and the projection of cash flows, the pension plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine total pension liability.

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28
OKMULGEE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

Employee Retirement System (continued)

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	\$ 4,559,700	\$ 3,468,969	\$ 2,581,689

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

8. General Long-Term Debt

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, 2017, 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, 2013.

11. Contingent Liabilities

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

12. Risk Management

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

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28
OKMULGEE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

13. Surety Bonds

The treasurer/activity fund custodian is bonded by Farmers Alliance, bond number BD075487, for the penal sum of \$100,000 for the term of August 30, 2016, to August 30, 2017.

The encumbrance clerk/minutes clerk is bonded by Farmers Alliance, bond number BD075487, for the penal sum of \$100,000 for the term of August 30, 2016, to August 30, 2017.

The superintendent is bonded by Farmers Alliance, bond number BD075487, for the penal sum of \$100,000 for the term of August 30, 2016, to August 30, 2017.

14. Long-Term Liabilities

The following is a summary of long-term liabilities of the Center for the year ended June 30, 2016.

	Balance July 1, 2016	Additions	Retirements	Balance June 30, 2016
Compensated Absences	\$ 16,090	\$ -	\$ 16,090	\$ -
Total	\$ 16,090	\$ -	\$ 16,090	\$ -

COMBINING FINANCIAL STATEMENTS

GREEN COUNTRY TECHNOLOGY CENTER NO. 28
STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2017

	Special Purpose Trust Fund	Agency Funds		
		Scholarship Fund	Activity Fund	Pell Grant Fund
				Total
ASSETS				
Cash	\$	185,653	\$ 82,814	\$ 37.00
Investments		-	-	-
Interest receivable		-	-	-
Total assets	\$	<u>185,653</u>	<u>\$ 82,814</u>	<u>\$ 37.00</u>
				<u>268,504</u>
LIABILITIES AND NET POSITION				
Liabilities:				
Due to other funds	\$	-	\$ 73,776	\$ -
Due to student organizations		-	9,038	9,038
Total liabilities	\$	-	<u>\$ 82,814</u>	<u>\$ -</u>
				<u>73,776</u>
Net position				
Reserved for scholarships	\$	<u>185,653</u>	\$ -	37
				<u>185,690</u>
Total liabilities and net position	\$	<u>185,653</u>	<u>\$ 82,814</u>	<u>37</u>
				<u>259,466</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, 2017

	Agency Fund	Special Purpose Trust Fund	
	Pell Grant Fund	Scholarship Fund	Total
Revenues			
Local sources			
Interest	-	2,388	\$ 2,388
Miscellaneous	-	-	-
Federal sources			
Pell Grants	164,623	-	164,623
Pell Grants Adm Fees	235	-	235
Total revenues	\$ 164,858	\$ 2,388	\$ 167,246
Expenditures			
Other outlays			
Scholarships	-	1,500	\$ 1,500
Tuition and fees	113,795	-	113,795
Student Financial Assistance	51,026	-	51,026
Total expenditures	\$ 164,821	\$ 1,500	\$ 166,321
Excess of revenues over expenditures	\$ 37	\$ 888	\$ 925
Transfers In(out)	-	-	-
Net position, beginning of year	-	184,765	\$ 184,765
Net position, end of year	\$ 37	\$ 185,653	\$ 185,690

REQUIRED SUPPLEMENTARY INFORMATION

GREEN COUNTRY TECHNOLOGY DISTRICT NO. 28
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Fund balances, beginning of year	\$ 1,334,852	\$ 1,334,852	\$ 1,334,852	\$ -
Revenues:				
Local sources	\$ 1,607,528	\$ 1,607,528	\$ 1,978,994	\$ 371,466
Intermediate sources	-	-	-	-
State sources	1,446,596	1,446,596	1,469,085	22,489
Federal sources	<u>81,636</u>	<u>81,636</u>	<u>169,538</u>	<u>87,902</u>
Total revenues	\$ <u>3,135,760</u>	\$ <u>3,135,760</u>	\$ <u>3,617,617</u>	\$ <u>481,857</u>
Expenditures :				
Instruction	\$ 1,460,733	\$ 1,460,733	\$ 1,457,823	\$ 2,910
Support services	1,857,882	1,857,882	1,855,329	2,553
Non-instructional services	-	-	-	-
Capital outlay	1,137,488	1,137,488	281,190	856,298
Other uses	<u>14,509</u>	<u>14,509</u>	<u>14,509</u>	<u>-</u>
Total expenditures	\$ <u>4,470,612</u>	\$ <u>4,470,612</u>	\$ <u>3,608,851</u>	\$ <u>861,761</u>
Excess of revenues over (under) expenses before adjustments to prior year encumbrances	\$ <u>-</u>	\$ <u>-</u>	\$ 1,343,618	\$ <u>1,343,618</u>
Adjustments to prior year encumbrances			<u>78,710</u>	
Other financing sources (uses):				
Operating transfers in/out			-	
Bank charges			<u>-</u>	
Total other financing sources (uses)			<u>-</u>	
Cash fund balance, end of year - Budgetary basis			<u>\$ 1,422,328</u>	
Reconciliation of budgetary basis fund balance with GAAP fund balance				
Budgetary fund balance, June 30, 2017			\$ 1,422,328	
Accounts receivable not recognized as revenue			115,147	
Prepaid insurance not recognized in Regulatory Basis			11,891	
Expenses not recognized in GAAP basis			<u>184,577</u>	
GAAP fund balance, end of year			<u>\$ 1,733,943</u>	

GREEN COUNTRY TECHNOLOGY DISTRICT NO. 28
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
BUILDING FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Fund balances, beginning of year	\$ 711,264	\$ 711,264	\$ 711,264	\$ -
Revenues:				
Local sources	\$ 301,465	\$ 301,465	\$ 339,599	\$ 38,134
Intermediate sources	-	-	-	-
State sources	-	-	449	449
Federal sources	-	-	-	-
Total revenues	<u>\$ 301,465</u>	<u>\$ 301,465</u>	<u>\$ 340,048</u>	<u>\$ 38,583</u>
Expenditures :				
Instruction	\$ -	\$ -	\$ -	\$ -
Support services	1,012,729	1,012,729	-	1,012,729
Non-instructional services	-	-	-	-
Capital outlay	-	-	-	-
Other outlays	-	-	-	-
Other uses	-	-	-	-
Total expenditures	<u>\$ 1,012,729</u>	<u>\$ 1,012,729</u>	<u>\$ -</u>	<u>\$ 1,012,729</u>
Excess of revenues over (under) expenses before adjustments to prior year encumbrances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,051,312</u>	<u>\$ 1,051,312</u>
Adjustments to prior year encumbrances			<u>-</u>	
Other financing sources (uses):				
Operating transfers in/out			-	
Bank charges			<u>-</u>	
Total other financing sources (uses)			<u>-</u>	
Cash fund balance, end of year - Budgetary basis			<u>\$ 1,051,312</u>	
Reconciliation of budgetary basis fund balance with GAAP fund balance				
Budgetary fund balance, June 30, 2017			\$ 1,051,312	
Taxes receivable not recognized as revenue			<u>7,104</u>	
GAAP fund balance, end of year			<u>\$ 1,058,416</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 ENDED JUNE 30, 2017**

	<u>2015</u>	<u>2016</u>	<u>2017</u>
School's proportion of the net pension liability	.039846%	.04049599%	.04156664%
School's proportionate share of the net pension liability	\$ 2,143,638	\$ 2,459,224	\$ 3,468,969
School's covered-employee payroll	\$ 1,778,335	\$ 1,858,880	\$ 1,927,068
School's proportionate share of the net pension liability as a percentage of its covered-employee payroll	120.54%	132.30%	180.01%
Plan fiduciary net position as a percentage of total pension liability	72.43%	70.31%	62.24%

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

Notes to Schedule:

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

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

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

GREEN COUNTRY TECHNOLOGY CENTER NO. 28
OKMULGEE COUNTY, OKLAHOMA
SCHEDULE OF THE CONTRIBUTIONS
OKLAHOMA TEACHERS RETIREMENT SYSTEM
LAST TEN FISCAL YEARS*
FOR THE YEAR ENDED JUNE 30, 2017

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually required contribution	\$ 168,942	\$ 176,594	\$ 183,071
Contributions in relation to the Contractually required contribution	168,942	176,594	183,071
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
School's covered-employee payroll	\$ 1,778,335	\$ 1,858,880	\$ 1,927,068
Contributions as a percentage of covered- employee payroll	9.50%	9.51%	9.50%

Notes to Schedule:

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

SUPPLEMENTARY INFORMATION

GREEN COUNTRY TECHNOLOGY CENTER NO. 28
SCHEDULE OF FEDERAL AWARDS EXPENDED
FOR THE YEAR ENDED JUNE 30, 2017

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA #	Grantor's Number
<u>U.S. Department of Education</u>		
Direct Programs:		
<u>2016-2017 Programs</u>		
Pell Grant	84.063	PO63PO164810
Sub-Total		
Passed-Through State Department of Career and Technology Education:		
Passed-Through State Department of Career and Technology Education		
<u>2016-2017 Programs</u>		
Carl Perkins Secondary	84.148	N/A
Sub-Total		
<u>U.S. Department of Veterans Affairs</u>		
Direct Programs:		
<u>2016-2017 Programs</u>		
VA Report Fee	64.115	N/A
Sub-Total		
TOTAL FEDERAL ASSISTANCE		

The accompanying notes are an integral part of this schedule.

<u>Balance at July 1, 2016</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Balance at June 30, 2017</u>
\$ <u>-</u>	\$ <u>164,821</u>	\$ <u>164,821</u>	\$ <u>-</u>
\$ <u>-</u>	\$ <u>164,821</u>	\$ <u>164,821</u>	\$ <u>-</u>
\$ <u>-</u>	\$ <u>94,170</u>	\$ <u>94,170</u>	\$ <u>-</u>
\$ <u>-</u>	\$ <u>94,170</u>	\$ <u>94,170</u>	\$ <u>-</u>
\$ <u>-</u>	\$ <u>24</u>	\$ <u>-</u>	\$ <u>24</u>
\$ <u>-</u>	\$ <u>24</u>	\$ <u>-</u>	\$ <u>24</u>
\$ <u>-</u>	\$ <u>259,015</u>	\$ <u>258,991</u>	\$ <u>24</u>

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28
OKMULGEE COUNTY, OKLAHOMA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017**

1. For all federal programs, the Center uses the fund types prescribed by the Oklahoma State Department of Career and Technology Education and conforms to the system of accounting authorized by the State of Oklahoma. 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:

	<u>Revenue</u>
Total Federal Revenue as reflected on	
"Schedule of Federal Awards Expended"	\$ <u>259,015</u>
 Total Federal Revenue as reflected on	
"Statement of Revenue, Expenditures and Changes In Fund Balance"	\$ 94,429
Plus: Federal funds Transacted as Agency Funds	
Student Financial Aid	<u>164,586</u>
 Reconciled Total	 \$ <u>259,015</u>

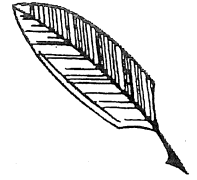
GREEN COUNTRY TECHNOLOGY CENTER NO. 28
SCHOOL ACTIVITY FUND
STATEMENT OF REVENUES, EXPENDITURES, AND SUB-ACCOUNT BALANCES
FOR THE YEAR ENDED JUNE 30, 2017

Activities	Balance 7-1-16	Deposited	Net Transfers/ Adjustments	Disbursed	Balance 6-30-17
Short Term Tuition	\$ -	\$ 145,272	\$ (18,188)	\$ 127,084	\$ -
Daytime Tuition/In District	-	111,231	4,149	115,380	-
Industry Specific	-	650	-	550	100
Bookstore	1,002	172	(509)	665	-
Live Work Projects	88	10,489	(577)	10,000	-
Concessions	1,084	5,129	-	5,264	949
HOSA-LPN	16	-	-	-	16
Skills USA	15	1,137	-	837	315
FBLA/PBL/BPA	108	384	-	368	124
HOSA-HST	343	1,230	-	1,213	360
Miscellaneous	834	6,930	(229)	6,040	1,495
Scholarship	-	10,250	(3,913)	6,338	-
BCT Student Solutions	1,958	80	-	-	2,038
OTAG	-	8,617	(500)	8,117	-
Sending School Cooperative	1,282	1,000	-	966	1,316
Mechanical Trades Fund	3,964	361	(2,000)	-	2,325
Total Activities	\$ <u>10,694</u>	\$ <u>302,932</u>	\$ <u>(21,767)</u>	\$ <u>282,822</u>	\$ <u>9,038</u>

REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

KERRY JOHN PATTEN, C.P.A.

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



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

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

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Green Country Technology Center No. 28, Okmulgee County, Oklahoma (Center), as of and for the year ended June 30, 2017, 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, 2018.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Center's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, I do not express an opinion on the effectiveness of the 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. However, I identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs that I consider to be significant deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 39 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.

A handwritten signature in black ink, appearing to read "Kerry John Patten", with a large, sweeping flourish at the end.

Kerry John Patten, C.P.A.
Broken Arrow, OK
February 28, 2018

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28
OKMULGEE COUNTY, OKLAHOMA
SUMMARY OF PRIOR AUDIT FINDINGS
JULY 1, 2016 TO JUNE 30, 2017**

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

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

**GREEN COUNTRY TECHNOLOGY CENTER NO. 28
OKMULGEE COUNTY, OKLAHOMA
SCHEDULE OF COMMENTS
JULY 1, 2016 TO JUNE 30, 2017**

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

There were no items in the school's 2015-16 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, 2016 TO JUNE 30, 2017

State of Oklahoma)
County of Tulsa)

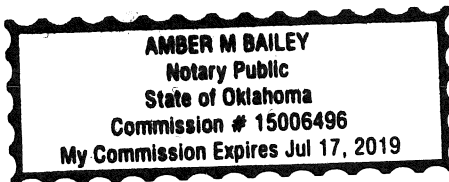
The undersigned auditing firm of lawful age, being first duly sworn on oath, says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with Green Country Technology Center for the audit year 2016-17.

Kerry John Patten, C.P.A.

AUDITING FIRM

BY *Kerry John Patten*

AUTHORIZED AGENT



Subscribed and sworn to before me on this
1st day of March, 2018

Amber M Bailey

NOTARY PUBLIC

My commission expires on:
17th day of July, 2019