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**FINANCIAL STATEMENTS - REGULATORY BASIS  
AND REPORTS OF INDEPENDENT AUDITOR**

**TRI COUNTY TECHNOLOGY CENTER NO. 1,  
WASHINGTON COUNTY, OKLAHOMA**

**JUNE 30, 2012**

**Audited by**

**JACK H. JENKINS  
CERTIFIED PUBLIC ACCOUNTANT  
A PROFESSIONAL CORPORATION  
TULSA, OK**

**TRI COUNTY TECHNOLOGY CENTER NO. 1  
WASHINGTON COUNTY, OKLAHOMA  
JUNE 30, 2012**

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WASHINGTON COUNTY, OKLAHOMA  
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WASHINGTON COUNTY, OKLAHOMA  
JUNE 30, 2012**

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**TRI COUNTY TECHNOLOGY CENTER NO. 1  
WASHINGTON COUNTY, OKLAHOMA  
TECHNOLOGY CENTER OFFICIALS  
JUNE 30, 2012**

**BOARD OF EDUCATION**

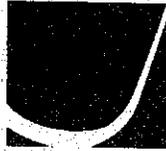
President	Mike Moore
Vice-President	Gil Greenwood
Clerk	George Halkiades
Deputy Clerk	John Woolman
Member	Maryjane Mashunkashey

**TECHNOLOGY CENTER SUPERINTENDENT**

Lindel Fields

**TECHNOLOGY CENTER TREASURER**

Kim Smith



**Jack H. Jenkins, CPA** *A Professional Corporation*

## INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education  
Tri County Technology Center No. 1  
Bartlesville, Oklahoma 74006-6029

I have audited the accompanying financial statements of governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Bartlesville No. 1, Bartlesville, Oklahoma (the "Center") as of and for the year ended June 30, 2012, which collectively comprise the Center's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Center's management. 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 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall combined financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

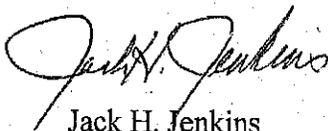
In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government activities, the business type activities, each major fund, and the aggregate remaining fund information of the Center as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued a report dated February 13, 2013, on my consideration of the Center's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 7 through 16 and 42 through 43 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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 method of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Bartlesville School District No. I-030's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and supporting schedules listed in the accompanying table of contents are presented for purpose of additional analysis, and are 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 and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Jack H. Jenkins  
Certified Public Accountant, P.C.

February 13, 2013

**MANAGEMENT'S DISCUSSION & ANALYSIS**

# ***TRI COUNTY TECHNOLOGY CENTER NO. 1***

## **Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2012**

The discussion and analysis of *Tri County Technology Center No. 1's* financial performance provides an overall review of the Technology Center's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the Technology Center's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the Technology Center's financial performance.

### **Financial Highlights**

Key financial highlights for fiscal year 2012 are as follows:

- In total, net assets increased \$607 thousand, which represents a 3.5 percent increase from fiscal year 2011. Net assets of governmental activities increased \$663 thousand, which represents a 4.2 percent increase from fiscal year 2011. Net assets of the business-type activity, which includes food service and childcare services, decreased \$56 thousand, which represents a 3.6 percent decrease from fiscal year 2011.
- **General** revenues accounted for \$10,456 thousand in revenue or 84 percent of all revenues. Program specific revenues, in the form of charges for services and sales, grants, and contributions, accounted for \$2,038 thousand or 16 percent of total revenues of \$12,494 thousand. Fiscal year 2012 total revenue increased from fiscal year 2011 by \$1,104 thousand.
- **Total assets** of governmental activities increased \$513 thousand, primarily due to the remodel of Culinary Arts Snack Bar, new boilers, and purchase of program machinery and equipment.
- The Technology Center had \$11,134 thousand in expenses related to governmental activities; only \$1,622 thousand of these expenses were offset by program specific charges for services and sales, grants, and contributions. General and building revenues (primarily property taxes, and state funding) of \$10,456 thousand were adequate to provide for these programs.

# **TRI COUNTY TECHNOLOGY CENTER NO. 1**

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012  
(continued)

## **Using the Basic Financial Statements**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand *Tri County Technology Center No. 1* as a financial whole, or as an entire operating entity.

The statement of net assets and statement of activities provide information about the activities of the whole Technology Center, presenting both an aggregate view of the Technology Center's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Technology Center's most significant funds with all other non-major funds presented in total in a single column. For *Tri County Technology Center*, the General Fund is the most significant.

## **Reporting the Technology Center as a Whole**

### **Statement of Net Assets and Statement of Activities**

While this report contains the large number of funds used by the Technology Center to provide programs and activities, the view of the Technology Center as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2012?" The statement of net assets and the statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting system used by most private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash was received or paid.

These two statements report the Technology Center's net assets and changes in those assets. This change in net assets is important because it identifies whether the financial position of the Technology Center has improved or diminished, as a whole. The cause of this change may be the result of many factors, some financial, some not. Non-financial factors include the Technology Center's property tax base, current property tax laws in Oklahoma restricting revenue growth, facility conditions, required educational programs, and other factors.

# ***TRI COUNTY TECHNOLOGY CENTER NO. 1***

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012  
(continued)

## **Reporting the Technology Center as a Whole (continued)**

### **Statement of Net Assets and Statement of Activities (continued)**

In the statement of net assets and the statement of activities, the Technology Center is divided into two distinct kinds of activities:

**Governmental Activities** – Most of the Technology Center's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, and extracurricular activities.

**Business-Type Activities** – This service is provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The Food Service and Child Care Service enterprise funds are reported as business activities.

## **Reporting the Technology Center's Most Significant Funds**

### **Fund Financial Statements**

Fund financial reports provide detailed information about the Technology Center's major funds. The Technology Center uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Technology Center's most significant funds. The Technology Center's major governmental funds are the General Fund and Building Fund.

### **Governmental Funds**

Most of the Technology Center's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal year end for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide

# ***TRI COUNTY TECHNOLOGY CENTER NO. 1***

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2012

(continued)

## **Reporting the Technology Center's Most Significant Funds (continued)**

### **Governmental Funds (continued)**

a detailed short-term view of the Technology Center's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs. The relationship, or differences, between governmental activities reported in the statement of net assets and the statement of activities and the governmental funds is reconciled in the financial statements.

### **Enterprise Fund**

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

# TRI COUNTY TECHNOLOGY CENTER NO. 1

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012  
(continued)

## The Technology Center as a Whole

The perspective of the statement of net assets is of the Technology Center as a whole. Table 1 provides a summary of the Technology Center's net assets for 2012 compared to 2011:

**Table 1**  
**Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
<b><u>ASSETS</u></b>						
Current and other assets	\$ 4,988,538	5,097,235	770	853	4,989,308	5,098,088
Noncurrent assets	11,620	11,913	-	-	11,620	11,913
Capital assets, net	11,933,839	12,281,637	1,544,102	1,599,798	13,477,941	13,893,348
Total assets	<u>16,933,997</u>	<u>17,390,785</u>	<u>1,544,872</u>	<u>1,600,651</u>	<u>18,478,869</u>	<u>18,991,436</u>
<b><u>LIABILITIES</u></b>						
Current and other liabilities	761,544	1,872,034	-	-	761,544	1,872,034
Noncurrent liabilities	176,291	185,698	-	-	176,291	185,698
Total liabilities	<u>937,835</u>	<u>2,057,732</u>	<u>-</u>	<u>-</u>	<u>937,835</u>	<u>2,057,732</u>
<b><u>NET ASSETS</u></b>						
Invested in capital assets net of related debt	11,933,839	12,281,637	1,544,102	1,599,798	13,477,941	13,881,435
Restricted	11,620	11,913	-	-	11,620	11,913
Unrestricted	4,050,703	3,039,503	770	853	4,051,473	3,040,356
Total net assets	<u>\$ 15,996,162</u>	<u>15,333,053</u>	<u>1,544,872</u>	<u>1,600,651</u>	<u>18,478,869</u>	<u>16,933,704</u>

Total assets decreased \$513 thousand. Net assets of the Technology Center's governmental activities increased \$663 thousand. The net assets of the business-type activities decreased \$56 thousand.

# TRI COUNTY TECHNOLOGY CENTER NO. 1

## Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2012

**Table 2** reflects the change in net assets for fiscal year 2012.

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for services and sales	\$ 947,009	939,177	415,518	373,182	1,362,527	1,312,359
Operating grants and contributions	675,263	885,402	-	-	675,263	885,402
Total program revenues	<u>1,622,272</u>	<u>1,824,579</u>	<u>415,518</u>	<u>373,182</u>	<u>2,037,790</u>	<u>2,197,761</u>
<b>General Revenues:</b>						
Property taxes	6,485,474	6,231,866	-	-	6,485,474	6,231,866
State aid formula grant	2,408,850	2,572,474	-	-	2,408,850	2,572,474
Other state aid	442,994	326,202	-	-	442,994	326,202
Interest and investment earnings	4,017	5,126	-	-	4,017	5,126
Miscellaneous income	969,606	17,624	-	-	969,606	17,624
Transfers-internal activities	(281,723)	(249,981)	281,723	249,981	-	-
Stopped warrants	(66)	254	-	-	(66)	254
Adjustment to prior year encumbrances	145,369	39,045	-	-	145,369	39,045
Total general revenues	<u>10,174,521</u>	<u>8,942,610</u>	<u>281,723</u>	<u>249,981</u>	<u>10,456,244</u>	<u>9,192,591</u>
Total revenues	<u>\$ 11,796,793</u>	<u>10,767,189</u>	<u>697,241</u>	<u>623,163</u>	<u>12,494,034</u>	<u>11,390,352</u>
<b>Program Expenses:</b>						
Instruction	\$ 4,031,865	3,898,826	-	-	4,031,865	3,898,826
Support services	5,010,515	4,826,008	-	-	5,010,515	4,826,008
Non-instructional	1,008,244	536,089	-	-	1,008,244	536,089
Other outlays	1,083,060	1,023,658	-	-	1,083,060	1,023,658
Food services	-	-	248,459	225,181	248,459	225,181
Child care services	-	-	504,561	472,536	504,561	472,536
Total expenses	<u>11,133,684</u>	<u>10,284,581</u>	<u>753,020</u>	<u>697,717</u>	<u>11,886,704</u>	<u>10,982,298</u>
Increase (decrease) in net assets	<u>\$ 663,109</u>	<u>482,608</u>	<u>(55,779)</u>	<u>(74,554)</u>	<u>607,330</u>	<u>408,054</u>

Unaudited - See Independent Auditor's Report

# **TRI COUNTY TECHNOLOGY CENTER NO. 1**

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012  
(continued)

## **Governmental Activities**

The statement of activities reflects the cost of program services and the charges for services and sales, grants, and contributions offsetting those services. Table 3, for governmental activities, indicates the total cost of services and the net cost of services. It identifies the cost of these services supported by tax revenues and unrestricted state entitlements.

**Table 3**  
**Governmental Activities**

	<u>Total Cost</u> <u>of Services</u> <u>2012</u>	<u>Total Cost</u> <u>of Services</u> <u>2011</u>	<u>Net Cost</u> <u>of Services</u> <u>2012</u>	<u>Net Cost</u> <u>of Services</u> <u>2011</u>
Instruction	\$ 4,031,865	3,898,826	2,410,164	2,335,914
Support services	5,010,515	4,826,008	5,009,944	4,564,341
Non-instructional	1,008,244	536,089	1,008,244	536,089
Other outlays	1,083,060	1,023,658	1,083,060	1,023,658
Total expenses	<u>\$ 11,133,684</u>	<u>10,284,581</u>	<u>9,511,412</u>	<u>8,460,002</u>

The dependence upon tax revenues for governmental activities is apparent. Sixty percent of instruction activities are supported through taxes and other general revenues. For all governmental activities general revenues support is 85 percent. The community, as a whole, is the primary support for *Tri County Technology Center No. 1's* students.

## **Business-Type Activity**

The business-type activities of the Technology Center are the food service operation and childcare service. These programs had revenues and transfers of \$675 thousand and expenses of \$753 thousand for fiscal year 2012. Total revenues increased \$52 thousand and expenses increased \$56 thousand from the prior fiscal year.

The business activities receive no direct support from tax revenues.

# ***TRI COUNTY TECHNOLOGY CENTER NO. 1***

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012  
(continued)

## **The Technology Center's Funds**

The Technology Center's governmental funds are accounted for using the modified accrual basis of accounting. Total governmental funds had revenues and other financing sources of \$11,797 thousand and expenditures and other financing uses of \$11,134 thousand.

## **General Fund Budgeting Highlights**

The Technology Center's budget is prepared according to Oklahoma law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted funds were the General Fund and Building Fund.

During the course of fiscal 2012, the Technology Center amended its General Fund budget as needed. The Technology Center uses a site-based budget. The budgeting systems are designed to tightly control total site budgets, but provide flexibility for site management.

Final budgeted revenues and other financing sources for General and Building Funds, in the amount of \$14,782 thousand, were above original budgeted revenues and other financing sources, in the amount of \$14,080 thousand. Of this \$702 thousand difference, most was due to conservative tax estimates and additional fund balance carryover.

General fund expenditures and other financing uses were budgeted at \$9,190 thousand while actual expenditures were \$9,302 thousand. The difference comes from frugal spending from all staff to secure an increased fund balance at year-end. Building Fund expenditures and other financing uses were budgeted at \$2,043 thousand while actual expenditures were \$1,493 thousand. The major difference was due to a couple of projects being put off until July of the next year.

# TRI COUNTY TECHNOLOGY CENTER NO. 1

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012  
(continued)

## Capital Assets and Debt Administration

### Capital Assets

At the end of fiscal year 2012, the Technology Center had \$13,478 thousand invested in capital assets, \$11,934 thousand of which was in governmental activities.

Table 4 reflects fiscal year 2012 balances:

**Table 4**  
**Capital Assets at June 30**

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 28,000	28,000	-	-	28,000	28,000
Construction in progress	-	996,622	-	-	-	996,622
Buildings	23,865,196	22,750,684	1,983,338	1,970,054	25,848,534	24,658,860
Improvements	1,809,938	1,789,121	176,713	176,713	1,986,651	1,965,834
Machinery and equipment	1,726,337	1,538,815	114,936	114,936	1,841,273	1,653,751
Less accumulated depreciation	(15,495,632)	(14,821,605)	(730,885)	(661,905)	(16,226,517)	(15,483,510)
Total net assets	\$ 11,933,839	12,281,637	1,544,102	1,599,798	13,477,941	13,881,435

The primary decrease in capital assets for governmental activities is a result of accumulated depreciation and no major projects were completed in FY 12.

# ***TRI COUNTY TECHNOLOGY CENTER NO. 1***

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012  
(continued)

## **Current Issues**

*Tri County Technology Center No. 1* continues to excel in the financial area and in meeting the strategic aims set by the Center each year. The past year shows a slight increase due to the Technology Center's frugal spending and dedicated collection efforts.

The Center has 14 strategic aims it measures each fiscal year. In FY 12, all 14 of the strategic aim goals were met and/or exceeded. Some of the aims were a 97% employee retention rate; an average wage of full-time graduates of \$13.38; total enrollment in 2012 for the Technology Center was 10,841; graduate licensure and certification rate of 99% was outstanding exceeding Tri County's 3-year average of 96%; 11 programs with national certifications, placing Tri County on target to reach our Vision 2020 goal of 75%; and completion/retention rate of full-time students at 95% was exceptional with Tri County Technology Center ranking number 1 out of all 29 Oklahoma Technology Centers.

The Center completed 18 capital improvement projects, 5 major repainting projects, 3 re-carpeting projects, 3 hard floor projects, and 3 lighting projects. In addition a new PA with strobe alarm system and new access control was installed throughout the campus. The Technology Center also spent over \$83 thousand upgrading program equipment to ensure state of the art equipment for student learning.

## **Contacting the Technology Center's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Technology Center's finances and to reflect the Technology Center's accountability for the monies it receives. Questions about this report or additional financial information needs should be directed to Kim Smith, CPA Chief Financial Officer and Director of Operations, *Tri County Technology Center No. 1*, 6101 SE Nowata Rd., Bartlesville, Oklahoma 74006.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**TRI COUNTY TECHNOLOGY CENTER NO. 1**  
**STATEMENT OF NET ASSETS - GOVERNMENT WIDE**  
**JUNE 30, 2012**

<u>ASSETS</u>	<u>GOVERNMENT ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTALS</u> (Memorandum Only)	
			<u>2012</u>	<u>2011</u>
<b>Current assets</b>				
Cash, and cash equivalents	\$ 4,757,962		4,757,962	4,934,382
Property taxes receivable	143,005		143,005	61,064
Receivables from other governments	87,571		87,571	101,789
Inventories		770	770	853
<b>Total current assets</b>	<u>4,988,538</u>	<u>770</u>	<u>4,989,308</u>	<u>5,098,088</u>
<b>Noncurrent assets</b>				
<b>Restricted assets</b>				
Unemployment reserve funds	11,620		11,620	11,913
<b>Total restricted assets</b>	<u>11,620</u>	<u>-</u>	<u>11,620</u>	<u>11,913</u>
<b>Capital assets</b>				
Construction in progress	-		-	996,622
Land	28,000		28,000	28,000
Improvements	1,809,938	176,713	1,986,651	1,965,834
Buildings	23,865,196	1,983,338	25,848,534	24,720,738
Machinery and equipment	1,726,337	114,936	1,841,273	1,653,751
Less accumulated depreciation	(15,495,632)	(730,885)	(16,226,517)	(15,483,510)
<b>Total capital assets</b>	<u>11,933,839</u>	<u>1,544,102</u>	<u>13,477,941</u>	<u>13,881,435</u>
<b>Total noncurrent assets</b>	<u>11,945,459</u>	<u>1,544,102</u>	<u>13,489,561</u>	<u>13,893,348</u>
<b>Total assets</b>	<u>16,933,997</u>	<u>1,544,872</u>	<u>18,478,869</u>	<u>18,991,436</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>				
<b>Current liabilities</b>				
Accounts payable and other current liabilities	761,544		761,544	1,872,034
<b>Noncurrent liabilities</b>				
Accrued compensated absences	176,291		176,291	185,698
<b>Total liabilities</b>	<u>937,835</u>	<u>-</u>	<u>937,835</u>	<u>2,057,732</u>
<b>Net assets</b>				
Invested in capital assets, net of related debt	11,933,839	1,544,102	13,477,941	13,881,435
Restricted for unemployment compensation	11,620		11,620	11,913
Unrestricted	4,050,703	770	4,051,473	3,040,356
<b>Total net assets</b>	<u>15,996,162</u>	<u>1,544,872</u>	<u>17,541,034</u>	<u>16,933,704</u>
<b>Total liabilities and net assets</b>	<u>\$ 16,933,997</u>	<u>1,544,872</u>	<u>18,478,869</u>	<u>18,991,436</u>

The accompanying notes are an integral part of these financial statements.

**TRI COUNTY TECHNOLOGY CENTER NO. 1  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2012**

Functions/Programs	Program Revenues				Net (Expense)/Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	TOTALS
<b>Governmental Activities -</b>							
Instruction	\$ 4,031,865	947,009	674,692	-	(2,410,164)		(2,410,164)
Support services	5,010,515		571		(5,009,944)		(5,009,944)
Non-instructional	1,008,244				(1,008,244)		(1,008,244)
Other outlays	1,083,060				(1,083,060)		(1,083,060)
Total general government	11,133,684	947,009	675,263	-	(9,511,412)		(9,511,412)
<b>Business-Type Activities -</b>							
Food services	248,459	144,184				(104,275)	(104,275)
Child care services	504,561	271,334				(233,227)	(233,227)
Total business-type activities	753,020	415,518	-	-		(337,502)	(337,502)
Total primary government	\$ 11,886,704	1,362,527	675,263	-	(9,511,412)	(337,502)	(9,848,914)
<b>General revenues-</b>							
Property taxes					6,485,474		6,485,474
State aid formula grants					2,408,850		2,408,850
Other state aid					442,994		442,994
Interest and investment earnings					4,017		4,017
Miscellaneous income					969,606	281,723	969,606
Operating transfers					(281,723)		-
Estopped warrants					(66)		(66)
Lapsed appropriations					145,369		145,369
Total general revenues and special items					10,174,521	281,723	10,456,244
Change in net assets					663,109	(55,779)	607,330
Net assets, beginning of period					15,333,053	1,600,651	16,933,704
Net assets, end of period					\$ 15,996,162	1,544,872	17,541,034

The accompanying notes are an integral part of these financial statements.

**FUND FINANCIAL STATEMENTS**

**TRI COUNTY TECHNOLOGY CENTER NO. 1  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2012**

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>	<u>TOTALS (Memorandum Only)</u>	
			<u>2012</u>	<u>2011</u>
<u>ASSETS</u>				
Cash, and cash equivalents	\$ 3,069,218	1,688,744	4,757,962	4,934,382
Property taxes receivable	122,001	21,004	143,005	61,064
Receivables from other governments	<u>87,000</u>	<u>571</u>	<u>87,571</u>	<u>101,789</u>
Total Assets	<u>3,278,219</u>	<u>1,710,319</u>	<u>4,988,538</u>	<u>5,097,235</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities				
Accounts payable and other liabilities	<u>452,683</u>	<u>308,861</u>	<u>761,544</u>	<u>1,872,034</u>
Total liabilities	<u>452,683</u>	<u>308,861</u>	<u>761,544</u>	<u>1,872,034</u>
Fund Equity				
Unrestricted	<u>2,825,536</u>	<u>1,401,458</u>	<u>4,226,994</u>	<u>3,225,201</u>
Total liabilities and net assets	<u>\$ 3,278,219</u>	<u>1,710,319</u>		

Amounts reported for governmental activities in the Statement of Net Assets - Government Wide are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

Capital assets	\$ 27,429,471	
Depreciation	<u>(15,495,632)</u>	
		11,933,839
Other assets not available for the current period		
Unemployment compensation		11,620
Other liabilities not payable for the current period		
Compensated absences		<u>(176,291)</u>
Net assets of governmental activities in the Statement of Net Assets		<u>\$ 15,996,162</u>

The accompanying notes are an integral part of these financial statements.

**TRI COUNTY TECHNOLOGY CENTER NO. 1**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND EQUITY - GOVERNMENTAL FUNDS**  
**JUNE 30, 2012**

	GENERAL FUND	SPECIAL REVENUE FUND	TOTALS (Memorandum Only)	
			2012	2011
<b>Revenues</b>				
Local sources	\$ 6,213,719	2,192,958	8,406,677	7,193,766
State sources	2,851,273		2,851,273	2,898,676
Federal sources	675,263		675,263	885,402
Total revenues	<u>9,740,255</u>	<u>2,192,958</u>	<u>11,933,213</u>	<u>10,977,844</u>
<b>Expenditures</b>				
Instruction	3,848,085	183,780	4,031,865	3,898,826
Support services	3,998,135	1,012,380	5,010,515	4,826,008
Operation of non-instructional services	1,008,244		1,008,244	331,414
Facilities, acquisition and const. services		296,450	296,450	1,388,297
Other outlays	44,100		44,100	39,995
Other uses	403,378		403,378	609,955
Total expenditures	<u>9,301,942</u>	<u>1,492,610</u>	<u>10,794,552</u>	<u>11,094,495</u>
Revenues over (under) expenditures	438,313	700,348	1,138,661	(116,651)
<b>Other financing sources (uses)</b>				
Operating transfers in (out)	(281,723)		(281,723)	(249,981)
Bank charges	(448)		(448)	(18)
Estopped warrants	(66)		(66)	254
Lapsed appropriations	78,311	67,058	145,369	39,045
Total other financing sources (uses)	<u>(203,926)</u>	<u>67,058</u>	<u>(136,868)</u>	<u>(210,700)</u>
Revenue and other sources over (under) expenditures and other uses	234,387	767,406	1,001,793	(327,351)
Cash fund balance, beginning of year	<u>2,591,149</u>	<u>634,052</u>	<u>3,225,201</u>	<u>3,552,552</u>
Cash fund balance, end of year	<u>\$ 2,825,536</u>	<u>1,401,458</u>	<u>4,226,994</u>	<u>3,225,201</u>

The accompanying notes are an integral part of these financial statements.

**TRI COUNTY TECHNOLOGY CENTER NO. 1  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND EQUITY - GOVERNMENTAL FUNDS  
 JUNE 30, 2012**

Reconciliation of the change in fund balances - total governmental funds  
 to the change in net assets of governmental activities:

Net change in fund balance - total governmental funds	\$ 1,001,793
<p>Amounts reported for governmental activities in the Statement of          Activities are different because:</p> <p style="padding-left: 20px;">Governmental funds report capital outlays as expenditures while          governmental activities report depreciation expense to allocate          those expenditures over the life of the asset</p>	
Depreciation	(674,027)
Fixed asset additions (deletions), net	326,229
Unemployment compensation deposit	(293)
Compensated absences	9,407
Change in net assets of governmental activities	\$ 663,109

The accompanying notes are an integral part of these financial statements.

**TRI COUNTY TECHNOLOGY CENTER NO. 1**  
**STATEMENT OF NET ASSETS - PROPRIETARY FUNDS**  
**JUNE 30, 2012**

<u>ASSETS</u>	FOOD	CHILD CARE	TOTALS	
	SERVICE	SERVICES	(Memorandum Only)	
			2012	2011
Current assets				
Inventories	\$ 770		770	853
Noncurrent assets				
Capital assets	506,397	1,037,705	1,544,102	1,599,798
Total Assets	<u>507,167</u>	<u>1,037,705</u>	<u>1,544,872</u>	<u>1,600,651</u>
 <u>LIABILITIES AND NET ASSETS</u> 				
Net assets				
Invested in capital assets, net of related debt	506,397	1,037,705	1,544,102	1,599,798
Unrestricted net assets	770		770	853
Total net assets	<u>\$ 507,167</u>	<u>1,037,705</u>	<u>1,544,872</u>	<u>1,600,651</u>

The accompanying notes are an integral part of these financial statements.

**TRI COUNTY TECHNOLOGY CENTER NO. 1**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES**  
**IN NET ASSETS - REGULATORY BASIS - PROPRIETARY FUNDS**  
**JUNE 30, 2012**

	FOOD SERVICE	CHILD CARE SERVICES	TOTALS (Memorandum Only)	
			2012	2011
Operating revenue				
Food sales	\$ 144,184		144,184	121,047
Child Care Services		271,334	271,334	252,135
Total operating revenues	<u>144,184</u>	<u>271,334</u>	<u>415,518</u>	<u>373,182</u>
Operating expenses				
Cost of goods sold	120,708	39,422	160,130	136,772
Personal services	99,703	412,400	512,103	483,915
Other services and charges	6,103	5,704	11,807	2,574
Depreciation	21,945	47,035	68,980	74,456
Total operating expenses	<u>248,459</u>	<u>504,561</u>	<u>753,020</u>	<u>697,717</u>
Revenues over (under) expenses	(104,275)	(233,227)	(337,502)	(324,535)
Other financing sources (uses)				
Operating transfers in (out)	<u>82,247</u>	<u>199,476</u>	<u>281,723</u>	<u>249,981</u>
Revenue and other sources over (under) expenses and other uses	(22,028)	(33,751)	(55,779)	(74,554)
Net assets, beginning of year	<u>529,195</u>	<u>1,071,456</u>	<u>1,600,651</u>	<u>1,675,205</u>
Net assets, end of year	<u>\$ 507,167</u>	<u>1,037,705</u>	<u>1,544,872</u>	<u>1,600,651</u>

The accompanying notes are an integral part of these financial statements.

**TRI COUNTY TECHNOLOGY CENTER NO. 1  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012**

	FOOD SERVICE	CHILD CARE SERVICES	TOTALS (Memorandum Only)	
			2012	2011
<b>Cash Flows from Operating Activities:</b>				
Receipts from customers	\$ 144,184	271,334	415,518	373,182
Payments to employees	(99,703)	(412,400)	(512,103)	(483,915)
Payments to suppliers	(126,728)	(45,126)	(171,854)	(139,248)
Net Cash Provided by Operating Activities	<u>(82,247)</u>	<u>(186,192)</u>	<u>(268,439)</u>	<u>(249,981)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Operating subsidies and transfers (to) from other funds	82,247	199,476	281,723	249,981
Net Cash Provided (Used) by Operating Activities	<u>82,247</u>	<u>199,476</u>	<u>281,723</u>	<u>249,981</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Acquisition of capital assets	-	(13,284)	(13,284)	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>-</u>	<u>(13,284)</u>	<u>(13,284)</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-	-	-	-
Balance - beginning of the year	-	-	-	-
Balance - end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>				
Operating income (loss)	\$ (104,275)	(233,227)	(337,502)	(324,535)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	21,945	47,035	68,980	74,456
Inventory adjustment	83		83	98
Net cash provided by operating activities	<u>\$ (82,247)</u>	<u>(186,192)</u>	<u>(268,439)</u>	<u>(249,981)</u>

The accompanying notes are an integral part of these financial statements.

**TRI COUNTY TECHNOLOGY CENTER NO. 1**  
**STATEMENT OF NET ASSETS**  
**ALL FIDUCIARY FUND TYPES**  
**JUNE 30, 2012**

	AGENCY FUNDS	
	ACTIVITY FUNDS	
	2012	2011
<u>ASSETS</u>		
Cash	\$ 41,120	77,492
<u>LIABILITIES AND FUND EQUITY</u>		
Liabilities		
Funds held for school organizations	\$ 41,120	77,492

The accompanying notes are an integral part of these financial statements.

**TRI COUNTY TECHNOLOGY CENTER NO.1**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

<u>Activities</u>	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Net</u> <u>Transfers</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
Student-General	\$ -	1,896	20	1,135	781
Skills USA-ACR	335	1,085	60	748	732
Skills USA-AST	663	800		502	961
Skills USA-AWT	1,064	2,129	334	2,140	1,387
Skills USA-CAD	144	524	(120)	489	59
HOSA-DAT	2,681	3,955	2,091	8,727	-
Skills USA-COS	6,557	7,988	803	7,909	7,439
DECA-Marketing	322	3,120	(417)	2,507	518
Skills USA-GCT	772	1,394	60	1,397	829
SADHA-Hygiene-008	15	568		558	25
Skills USA-PMO	477	1,739	(108)	1,531	577
SADHA-Hygiene-009	37	1,566		1,482	121
BPA1-BCT (Highschool)	185	3,515	1,306	4,229	777
HOSA-HST	-	7,396	(467)	5,594	1,335
HOSA-PN	4,234	348	2,025	2,382	4,225
FCCLA-ECE	751	1,894	(225)	2,058	362
Commis Club Account-CUL	3,690	770	(394)	1,725	2,341
FCCLA-CDC	1,429	2,900	(2)	3,751	576
TCT Employee Fund	8,195	9,010	353	16,324	1,234
Skills USA-IT	945	1,233	432	927	1,683
Skills USA-CONSTR	690	4,445	114	3,946	1,303
Skills USA-PE	340	2,616		2,162	794
SADHA-Hygiene-010	322	15		337	-
Full Time Programs	30,562	457,170	(2,881)	483,820	1,031
Adult Training and Development	58	167,225	(18,779)	145,514	2,990
LPN Registration Fees	7,003	3,605	(995)	2,288	7,325
United Way	100	-	888	888	100
Career Assistance Center	-	6,200		6,200	-
BAC Misc. Funds	1,834	-		916	918
Bookstore Account	-	1,047	204	1,251	-
SS Screening/Malaby	278	802		944	136
Health Certification	346	-		-	346
Medical Testing-Clancy	215	-		-	215
Internal Service	3,000	136,123	(4,745)	134,378	-
General Fund/Misc. Rev. & Ref.	\$ 248	-	(248)	-	-
<b>TOTAL ASSETS - AGENCY FUNDS</b>	<b>77,492</b>	<b>833,078</b>	<b>(20,691)</b>	<b>848,759</b>	<b>41,120</b>
<b>LIABILITIES AND FUND EQUITY</b>					
Funds held for school organizations	\$ 77,492	833,078	(20,691)	848,759	41,120

The accompanying notes are an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**

**TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

Tri County Technology Center No. 1 (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 Center system of Oklahoma under the general direction and control of the State Board of Career and Technology Education and is financially dependent on State of Oklahoma support. The general operating authority for the public Center system is the Oklahoma Center Code contained in Title 70, Oklahoma Statutes. The governing body of the technology center is the Board of Education composed of elected members. The appointed superintendent is the executive officer of the Center.

The financial statements of Tri County Technology Center No. 1 comply with accounting principles generally accepted in the United States of America (GAAP). The Center's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statement for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. For enterprise funds, GASB Statement No.'s 20 and 34 provide the Center the option of electing to apply FASB pronouncements issued after November 30, 1989. The Center has elected not to apply those pronouncements.

In evaluating how to define the Center, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion involves considering whether the activity is conducted within the geographic boundaries of the technology center and is generally available to its patrons. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the technology center is able to exercise

**TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**1. Summary of Significant Accounting Policies – cont'd**

oversight responsibilities. Based upon the application of these criteria, a prior year component unit has now been omitted. Tri County Tech Endowment Fund, Inc. was formally presented as a blended component unit and is a non-profit corporation organized to make unsecured educational loans to deserving and needy students who could not otherwise obtain loans, to award scholarships and to assist and advance the establishment and maintenance of better facilities at Tri County Technology Center No.1. During fiscal year 2009, the Endowment Fund was moved under the auspices of the Bartlesville Community Foundation. See Note 10 for the amounts residing in the fund.

*B. Fund Accounting*

Government Wide Financial Statements

The statement of net assets and statement of activities display information about the overall financial position and activities of the Center as a whole with the exception of the fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Center or meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds or that category or type; and
2. Total assets, liabilities, revenues, or expenditures of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

**TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

1. **Summary of Significant Accounting Policies – cont'd**

**Governmental Fund Types**

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds).

General Fund - The general fund is used to account for all financial transactions except those required to be accounted for in another fund. Major revenue sources include state and local property taxes and state funding under the Foundation and Incentive Aid Program. Expenditures include all costs associated with the daily operations of the Centers except for programs funded for building repairs and maintenance, Center construction and debt service on bonds and other long-term debt. The general fund includes federal and state restricted monies that must be expended for specific programs.

Special Revenue Fund - The special revenue fund is the Center's building fund.

Building Fund - The building fund consists of monies derived property taxes levied for the purpose of erecting, remodeling, repairing, or maintaining Center buildings and for purchasing furniture, equipment and computer software to be used on or for the Technology Center property, for paying energy and utility costs, for purchasing telecommunications services, for paying fire and casualty insurance premiums for Center facilities, for purchasing security systems, and for paying salaries of security personnel.

Debt Service Fund - The debt service fund is the Center's sinking fund and is used to account for the accumulation of financial resources for the payment of general long-term (including judgments) debt principal, interest and related costs. The primary revenue sources are local property taxes levied specifically for debt service and interest earnings from temporary investments. The Center did not maintain a debt service fund in 2011-12.

Capital Projects Funds - The capital projects fund is the Center's bond fund and is used to account for the proceeds of bond sales to be used exclusively for acquiring Center sites, constructing and equipping new Center facilities, renovating existing facilities, and acquiring transportation equipment.

**TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

1. **Summary of Significant Accounting Policies – cont'd**

**Proprietary Fund Types**

The Center's Proprietary Funds, or Enterprise Funds, are used to account for business -like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes two activities reported in the Enterprise Fund. They are Food Services and Child Care Services.

**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 a trust agreement, either a nonexpendable trust fund or an expendable trust fund is used depending on whether there is an obligation to maintain trust principal. Agency funds are used to account for assets that the Center holds on behalf of others as their agent and do not involve measurement of results of operations.

Agency Fund - The agency fund is the Center activities fund which is used to account for monies collected principally through fundraising efforts of the student and Center-sponsored groups. The administration is responsible, under the authority of the Board, in collecting, disbursing and accounting for these activity funds.

**Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when transactions are recorded regardless of the measurement focus applied.

**Measurement Focus**

On the government -wide Statement of Net Assets and the Statement of Activities, both governmental and "business-like activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

**TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**1. Summary of Significant Accounting Policies – cont'd**

a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported. Proprietary fund equity is classified as net assets.

c. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

In the government -wide Statement of Net Assets and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds and fiduciary agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

**TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

2. **Basis of Accounting**

**Assets, Liabilities and Fund Equity**

Cash and Investments - For the purpose of the Statement of Net Assets, "cash, including time deposits" include all demand, savings accounts, and certificates of deposits of the Center. For the purpose of the proprietary fund Statement of Cash Flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less. Investments are carried at fair value. Fair value is based on quoted market price.

Receivables - In the government -wide statements, receivables consist of all revenues earned at year-end and not yet received. All accounts receivable are considered collectable at year end. Major receivable balances for the governmental activities include property taxes, grants, and contracts. Business -type activities had no receivables.

Inventories - The Food Service inventory consists of food held for resale. All inventories are at the lower of cost or market. The cost of other consumable materials and supplies on hand are immaterial to the financial statements, and the Center has therefore chosen to report these items as expenditures at the time of purchase.

Fixed Assets - The accounting treatment over property, plant, and equipment (fixed assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government -wide or fund financial statements.

*Government-wide Statements*

In the government -wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. If the original purchase price or construction cost is unknown, a professional appraisal may be necessary. Estimated historical cost was used to report the majority of the buildings and infrastructures. Historical cost was used to report land, furniture and equipment.

**TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**2. Basis of Accounting – cont'd**

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of assets is as follows:

• Buildings and infrastructure	40 years
• Machinery and Equipment	3 – 20 years
• Furniture	10 years
• Vehicles	5 – 7 years

In the government-wide financial statements all machinery, equipment, furniture and automobiles costing \$5,000 or more has been capitalized and depreciated over the estimated useful life, Improvements will be depreciated over the remaining life of the asset. Land will be recorded as a capital asset regardless of the cost or value.

*Fund Financial Statements*

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition, Fixed assets used in proprietary fund operations are accounted for the same as in the government -wide statements,

Restricted Assets - The Center has no restricted assets.

Long-Term Debt - The Center has no long-term debt.

Compensated Absences - A twelve-month full time employee (working 20 or more hours per week) has a vacation ranging from 10 to 20 working days per year depending on the individual's years of service. Vacation may be accumulated to a total of not to exceed two times the maximum number of days earned annually. Sick leave is earned at a rate of one day per month for all Center employees up to a maximum of 70 days. Upon retirement or termination, employees are paid for 100 per cent of unused vacation leave at the employee's current salary rate. Unused sick leave is paid at a rate of \$25 per day if the employee has been employed at least four years with Tri County Technology Center No.1. Compensated absences liability at June 30, 2012 totaled \$176,291.

**TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**2. Basis of Accounting – cont'd**

Equity Classification

*Government -wide Financial Statements*

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvements of those assets.
- b. Restricted net assets - Consists of net assets with constraints placed on the use whether by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

*Fund Financial Statements*

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government -wide statements.

*Revenues Expenditures and Expenses*

Property Tax Revenues - 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's service area of Washington, Osage and Nowata counties. The county assessor, upon receipt of the certification of tax levies from the counties' excise boards, extends the tax levies on the tax roll for submission to the county treasurers prior to October 1. The county treasurers 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.

**TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**2. Basis of Accounting – cont'd**

If the first payment is not made timely, the entire tax becomes due and payable on January 2. Second half taxes become delinquent on April 1 of the year following the year of assessment. If not paid by the following October 1, the property is offered for sale for the amount of taxes due. The owner has two years to redeem the property by paying the taxes and penalty owed. If at the end of two years the owner has not done so, the purchaser is issued a deed to the property.

State Revenues - Revenues from state sources for current operations are primarily governed by the state aid formula under the provisions of Article XVUI, Title 70, Oklahoma Statutes. The State Board of Education administers the allocation of state aid funds to school districts based on information accumulated from the districts.

After review and verification of reports and supporting documentation, the State Department of Education may adjust subsequent fiscal period allocations of money for prior year errors disclosed by review. Normally, such adjustments are treated as reductions or additions of revenue of the year when the adjustment is made.

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 Oklahoma Department of Career and Technology Education requires that categorical education 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 Center either as direct grants or under various programs passed through the State Department of Education.

The Federal government also makes payments to technology centers whose revenues are adversely affected by the presence of Federal activities. Although these payments are made in consideration of lost property tax revenue, the Oklahoma State Department of Education advocates classifying such amounts as revenue from Federal sources.

Operating Revenues and Expenses - Operating revenues and expenses for proprietary funds are those that result from providing service and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, non-capital financing, or investing activities.

**TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**3. Cash and Investments**

The carrying amount of the Center's deposits was \$4,757,962 and the bank balance was \$4,757,962 at June 30, 2012. Of the bank balance, \$250,000 was insured by federal depository insurance and the balance was collateralized by the pledging financial institution as required by Oklahoma State Law.

The Center's investment policies are governed by state statute. Permissible investments include direct obligations of the United States Government and Agencies; certificates of deposit of savings and loan associations, and bank and trust companies; and savings accounts or savings certificates of savings and loan associations, and trust companies. Collateral is required for demand deposits and certificates of deposit for all amounts not covered by federal deposit insurance.

The Center had no investments at June 30, 2012.

**TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**4. Capital Assets**

Capital asset activity for the year ended June 30, 2012, was as follows:

Category	Balance 7/1/2011	Additions	Deletions	Balance 6/30/2012
Land	\$ 28,000			28,000
Construction in Progress	996,622		996,622	-
Land Improvements	1,965,834	20,817		1,986,651
Buildings	24,720,738	1,127,796		25,848,534
Machinery and equipment	1,653,751	187,522		1,841,273
Accumulated depreciation	(15,483,510)	(743,007)		(16,226,517)
Total net assets	<u>13,881,435</u>	<u>593,128</u>	<u>996,622</u>	<u>13,477,941</u>

Governmental activities:

Land	28,000			28,000
Construction in Progress	996,622		996,622	-
Land improvements	1,789,121	20,817		1,809,938
Buildings	22,750,684	1,114,512		23,865,196
Machinery and equipment	1,538,815	187,522		1,726,337
Accumulated depreciation	(14,821,605)	(674,027)		(15,495,632)
Total net assets	<u>12,281,637</u>	<u>648,824</u>	<u>996,622</u>	<u>11,933,839</u>

Business-type activities:

Land improvements	176,713			176,713
Buildings	1,970,054	13,284		1,983,338
Machinery and equipment	114,936			114,936
Accumulated depreciation	(661,905)	(68,980)		(730,885)
Total net assets	<u>\$ 1,599,798</u>	<u>(55,696)</u>	<u>-</u>	<u>1,544,102</u>

**TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2012**

**5. Interfund Transactions**

*Operating Transactions*

Inter-fund 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 non-routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers.

	Operating Transfers In	Operating Transfers Out
Food Service Fund	\$ 82,247	
Child Care Fund	199,476	
General Fund		281,723
Totals	\$ 281,723	281,723

**6. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**7. Employee Retirement System**

Plan Description

The Center participates in the state-administered Oklahoma Teachers' Retirement Plan, a cost-sharing, multiple-employer defined benefit public employee retirement system (PERS), which is administered by the board of trustees of the Oklahoma Teachers' Retirement System (the "System"). The System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Title 70 Section 17 of the Oklahoma Statutes establishes benefit provisions and may be

**TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**7. Employee Retirement System – cont'd**

amended only through legislative action. The Oklahoma Teachers' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to Teachers' Retirement System of Oklahoma, P.O. Box 53524, Oklahoma City, OK 73152 or by calling (405) 521-2387.

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 disclosure measure of the present value of pension benefits. This pension valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of employee services performed to date and is adjusted for the effect of projected salary increases. There are no actuarial valuations performed on individual Technology Centers. The System has an under-funded pension benefit obligation as determined as part of the latest actuarial valuation.

Funding Policy

The Center, the State of Oklahoma, and the participating employee make contributions. The contribution rates for the Center 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. Beginning, July 1, 2010, the Center and State were required to contribute 14.5% of applicable compensation. Contributions received by the System are from a percentage of its revenues from sales taxes, use taxes, corporate income taxes and individual income taxes. The Center contributed 9.5% beginning January 1, 2010 and the State of Oklahoma contributed the remaining 5.0% during the year. The Center is allowed by the Oklahoma Teacher's Retirement System to make the required contributions on behalf of the participating members. In addition, the Center is required to match the retirement paid on salaries that are funded with federal funds.

Annual Pension Cost

The Center's portion of the total contributions for 2012, 2011 and 2010 were \$478,043, \$458,642, and \$438,323 respectively.

**TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**8. Budgets and Budgetary Accounting**

Tri County Technology Center No. 1 operates under the Alternative School District Budget Act provided by Oklahoma State Statutes. In accordance with this act, the proposed budget plan is prepared and presented at a public hearing which must be held within forty-five (45) days preceding the beginning of the budget year.

The school board approves the budget within the thirty (30) day period preceding the beginning of the fiscal year. The adopted budget must be in effect no later than the first day of the technology center's fiscal year.

The Board of Education legally adopts a budget for the General Fund and Building Fund.

An amended budget is required when ad valorem taxes have been certified by the County Excise Board. Additional amendments can be made throughout the fiscal year.

**9. Unemployment Compensation**

The Center participates in the Oklahoma Public Schools Unemployment Compensation Account under the sponsorship of the Oklahoma State School Boards Association and the cooperative council for Oklahoma School Administration. The account was established to let technology centers self-insure unemployment benefits for school employees. The funds are held in the name of each center as reserves to pay unemployment claims. Each technology center is individually liable for the portion of the benefits paid from the fund attributable to wages paid by the center in the same manner as if no group account had been established. The reserve funds may be withdrawn from the account upon request of the center. At June 30, 2012, the Tri County Technology Center had reserves on deposit with the Oklahoma Public Schools Unemployment Compensation Account totaling \$11,620.

**10. Endowment Fund**

During fiscal year 2009, all funds from the Tri County Tech Endowment Fund, Inc. were transferred to the Bartlesville Community Foundation (BCF). Control of the operating funds for the Tri County Tech Endowment Fund, Inc. were transferred back to Tri County Technology Center, but the endowment fund remains with the Bartlesville Community Foundation. For fiscal year end December 31, 2012, the Tri County Tech Endowment Fund, Inc. will be audited separately from the Bartlesville Community Foundation and a separate audit report will be issued. As of June 30, 2012, the balance for the Endowment Funds held with BCF was \$205,215.

**TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**11. Risk Management**

Governments face the risk of possible loss due to theft of, damage to, or destruction of assets, job-related illnesses or injuries to employees, torts, and acts of God. Tri County Technology Center No. 1 has elected to manage these risks by purchasing insurance coverage. In the past three years, settlements have not exceeded this coverage.

**12. Subsequent Events**

Management has evaluated subsequent events through the date of the audit report, which is the date the financial statements were available to be issued and have determined that no additional information needs to be added to the financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION –  
REGULATORY BASIS - FINANCIAL STATEMENTS**

**TRI COUNTY TECHNOLOGY CENTER NO. 1  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -  
 REGULATORY BASIS - BUDGETED GENERAL FUND  
 JUNE 30, 2012**

	GENERAL FUND		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
<b>Revenues</b>			
Local sources	\$ 5,443,781	5,855,185	5,850,573
State sources	2,778,930	2,835,338	2,851,844
Federal sources	644,999	692,368	689,481
Total revenues	<u>8,867,710</u>	<u>9,382,891</u>	<u>9,391,898</u>
<b>Expenditures</b>			
Instruction	3,860,199	3,848,085	3,848,085
Support services	4,035,255	3,998,135	3,998,135
Operation of non-instructional services	808,731	1,008,244	1,008,244
Other outlays	2,269,253	2,651,885	44,100
Other uses	420,950	403,378	403,378
Total expenditures	<u>11,394,388</u>	<u>11,909,727</u>	<u>9,301,942</u>
Revenues over (under) expenditures	(2,526,678)	(2,526,836)	89,956
<b>Other financing sources (uses)</b>			
Bank fees			(448)
Lapsed appropriations			78,311
Estopped warrants			(66)
Total other financing sources (uses)			<u>77,797</u>
Revenue and other sources over (under) expenditures and other uses	(2,526,678)	(2,526,836)	167,753
Cash fund balance, beginning of year	<u>2,526,678</u>	<u>2,526,836</u>	<u>2,448,782</u>
Cash fund balance, end of year	<u>\$ -</u>	<u>-</u>	<u>2,616,535</u>

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

**TRI COUNTY TECHNOLOGY CENTER NO. 1**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -**  
**REGULATORY BASIS - ALL BUDGETED SPECIAL REVENUE FUNDS**  
**JUNE 30, 2012**

	SPECIAL REVENUE FUNDS		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Revenues			
Local sources	\$ 2,081,500	2,191,869	2,191,869
State sources			
Federal sources			
Total revenues	<u>2,081,500</u>	<u>2,191,869</u>	<u>2,191,869</u>
Expenditures			
Instruction	205,013	183,780	183,780
Support services	1,594,994	1,012,380	1,012,380
Facilities acquisitions and construction	242,600	296,449	296,450
Other outlays	643,343	1,379,883	
Total expenditures	<u>2,685,950</u>	<u>2,872,492</u>	<u>1,492,610</u>
Revenues over (under) expenditures	(604,450)	(680,623)	699,259
Other financing sources (uses)			
Lapsed appropriations			67,058
Total other financing sources (uses)			<u>67,058</u>
Revenue and other sources over (under) expenditures and other uses	(604,450)	(680,623)	766,317
Cash fund balance, beginning of year	<u>604,450</u>	<u>680,623</u>	<u>613,566</u>
Cash fund balance, end of year	<u>\$ -</u>	<u>-</u>	<u>1,379,883</u>

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

**OTHER SUPPLEMENTARY INFORMATION**

**TRI COUNTY TECHNOLOGY CENTER NO. 1  
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND  
 FUND EQUITY - REGULATORY BASIS - ALL GOVERNMENTAL FUNDS  
 JUNE 30, 2012**

<u>ASSETS</u>	GOVERNMENTAL FUND TYPES		TOTALS	
	GENERAL	SPECIAL	(Memorandum Only)	
	FUND	REVENUE FUND	2012	2011
Cash	<u>\$ 3,069,218</u>	<u>1,688,744</u>	<u>4,757,962</u>	<u>4,934,382</u>
 <u>LIABILITIES AND FUND EQUITY</u>				
Liabilities				
Warrants payable	380,484	28,136	408,620	471,571
Encumbrances	<u>72,199</u>	<u>280,725</u>	<u>352,924</u>	<u>1,400,463</u>
Total liabilities	<u>452,683</u>	<u>308,861</u>	<u>761,544</u>	<u>1,872,034</u>
Fund Equity				
Cash fund balances	<u>2,616,535</u>	<u>1,379,883</u>	<u>3,996,418</u>	<u>3,062,348</u>
Total Liabilities and Fund Equity	<u>\$ 3,069,218</u>	<u>1,688,744</u>	<u>4,757,962</u>	<u>4,934,382</u>

**TRI COUNTY TECHNOLOGY CENTER NO. 1**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN CASH FUND BALANCES - REGULATORY BASIS - ALL GOVERNMENTAL FUNDS**  
**JUNE 30, 2012**

	GOVERNMENTAL FUND TYPES		TOTALS	
	GENERAL FUND	SPECIAL REVENUE FUND	(Memorandum Only) 2012	2011
Revenues				
Local sources	\$ 5,850,573	2,191,869	8,042,442	7,241,989
State sources	2,851,844		2,851,844	2,898,676
Federal sources	689,481		689,481	877,951
Total revenues	<u>9,391,898</u>	<u>2,191,869</u>	<u>11,583,767</u>	<u>11,018,616</u>
Expenditures				
Instruction	3,848,085	183,780	4,031,865	3,898,826
Support services	3,998,135	1,012,380	5,010,515	4,826,008
Operation of non-instructional services	1,008,244		1,008,244	581,587
Facilities, acquisition and const. services		296,450	296,450	1,388,297
Other outlays	44,100		44,100	39,995
Other uses	403,378		403,378	609,955
Total expenditures	<u>9,301,942</u>	<u>1,492,610</u>	<u>10,794,552</u>	<u>11,344,668</u>
Revenues over (under) expenditures	89,956	699,259	789,215	(326,052)
Other financing sources (uses)				
Bank charges	(448)		(448)	(18)
Estopped warrants	(66)		(66)	254
Lapsed appropriations	78,311	67,058	145,369	39,045
Total other financing sources (uses)	<u>77,797</u>	<u>67,058</u>	<u>145,303</u>	<u>39,281</u>
Revenue and other sources over (under) expenditures and other uses	167,753	766,317	934,070	(286,771)
Cash fund balance, beginning of year	<u>2,448,782</u>	<u>613,566</u>	<u>3,062,348</u>	<u>3,349,119</u>
Cash fund balance, end of year	<u>\$ 2,616,535</u>	<u>1,379,883</u>	<u>3,996,418</u>	<u>3,062,348</u>

**TRI COUNTY TECHNOLOGY CENTER NO. 1**  
**COMBINING STATEMENT OF ASSETS, LIABILITIES AND**  
**FUND EQUITY - REGULATORY BASIS - ALL FIDUCIARY FUND TYPES**  
**JUNE 30, 2012**

	AGENCY FUNDS	
	ACTIVITY FUNDS	
	2012	2011
<u>ASSETS</u>		
Cash	\$ 41,120	77,492
<u>LIABILITIES AND FUND EQUITY</u>		
Liabilities		
Funds held for school organizations	\$ 41,120	77,492

**TRI COUNTY TECHNOLOGY CENTER NO. 1**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**REGULATORY BASIS - ALL AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

<u>Activities</u>	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Net</u> <u>Transfers</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
Student-General	\$ -	1,896	20	1,135	781
Skills USA-ACR	335	1,085	60	748	732
Skills USA-AST	663	800		502	961
Skills USA-AWT	1,064	2,129	334	2,140	1,387
Skills USA-CAD	144	524	(120)	489	59
HOSA-DAT	2,681	3,955	2,091	8,727	-
Skills USA-COS	6,557	7,988	803	7,909	7,439
DECA-Marketing	322	3,120	(417)	2,507	518
Skills USA-GCT	772	1,394	60	1,397	829
SADHA-Hygiene-008	15	568		558	25
Skills USA-PMO	477	1,739	(108)	1,531	577
SADHA-Hygiene-009	37	1,566		1,482	121
BPA1-BCT (Highschool)	185	3,515	1,306	4,229	777
HOSA-HST	-	7,396	(467)	5,594	1,335
HOSA-PN	4,234	348	2,025	2,382	4,225
FCCLA-ECE	751	1,894	(225)	2,058	362
Commis Club Account-CUL	3,690	770	(394)	1,725	2,341
FCCLA-CDC	1,429	2,900	(2)	3,751	576
TCT Employee Fund	8,195	9,010	353	16,324	1,234
Skills USA-IT	945	1,233	432	927	1,683
Skills USA-CONSTR	690	4,445	114	3,946	1,303
Skills USA-PE	340	2,616		2,162	794
SADHA-Hygiene-010	322	15		337	-
Full Time Programs	30,562	457,170	(2,881)	483,820	1,031
Adult Training and Development	58	167,225	(18,779)	145,514	2,990
LPN Registration Fees	7,003	3,605	(995)	2,288	7,325
United Way	100	-	888	888	100
Career Assistance Center	-	6,200		6,200	-
BAC Misc. Funds	1,834	-		916	918
Bookstore Account	-	1,047	204	1,251	-
Techworks Academy	278	802		944	136
Health Certification	346	-		-	346
Medical Testing-Clancy	215	-		-	215
Internal Service	3,000	136,123	(4,745)	134,378	-
General Fund/Misc. Rev. & Ref.	\$ 248	-	(248)	-	-
<b>TOTAL ASSETS - AGENCY FUNDS</b>	<b>77,492</b>	<b>833,078</b>	<b>(20,691)</b>	<b>848,759</b>	<b>41,120</b>
<b>LIABILITIES AND FUND EQUITY</b>					
Funds held for school organizations	\$ 77,492	833,078	(20,691)	848,759	41,120

**TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

The other supplemental schedules of the Tri County Technology Center No. 1 (the "Center") have been prepared on a regulatory basis of accounting. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America. The accounting policies are prescribed by the Oklahoma Department of Education and conform to the system of accounting authorized by the State of Oklahoma. The following is a summary of the more significant accounting policies.

**Fund Accounting**

The schedules use funds and account groups to present the Center's financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain district functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental Fund Types

Governmental Funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds).

Account Groups

Account groups are not funds and consist of self-balancing set of accounts used only to establish accounting control over long-term debt and general fixed assets not accounted for in proprietary funds.

**TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

General Long-Term Debt Account Group - This account group was established to account for all long-term debt of the Center, which is offset by the amount available in the debt service fund and the amount to be provided in future years to complete retirement of the debt principal. It is also used to account for liabilities for compensated absences and early retirement incentives which are to be paid from funds provided in future years.

General Fixed Asset Account Group - This account group is used to account for property, plant and equipment of the Center. Land, buildings, nonstructural improvements, and all other physical assets in all funds are considered expenditures in the year of acquisition and are not recorded as assets for financial statement purposes. The Center does not present the General Fixed Asset Account Group.

Memorandum Only - Total Column

The total only column on the financial statements is captioned "memorandum only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position or results of operations in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation. Inter-fund eliminations have not been made in the aggregation of this data.

**Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental and expendable trust funds are presented using the Regulatory basis of accounting. Revenues are recognized when they are received rather than earned. Under the Statutory basis of accounting, expenditures are generally recognized when encumbered/reserved rather than at the time the related fund liability is incurred. Fiduciary type funds are accounted for using the cash basis of accounting. These practices differ from generally accepted accounting principles.

**Encumbrances**

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders and other commitments of resources are recorded as expenditures of the applicable fund - is utilized in all governmental funds of the Center. Appropriations not used or encumbered, lapse at the end of the year.

**TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS – REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

**Assets Liabilities and Fund Equity**

Cash and Cash Equivalents - the Center considers all cash on hand, demand deposits and highly liquid investments, with an original maturity of three months or less when purchased, to be cash and cash equivalents.

Investments - Investments consist of certificates of deposits issued by banks with maturities greater than three months when purchased. All investments are recorded at cost, which approximates market value.

Inventories - The value of consumable inventories at June 30, 2012, are not presented in accordance with the Regulatory basis of accounting.

Fixed Assets and Property Plant and Equipment - The General Fixed Asset Account Group is not presented.

**TRI COUNTY TECHNOLOGY CENTER NO. 1  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012**

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Federal Grantor's/Pass-through Grantor's Number	Program or Award Amount	Beginning Balance 7/01/2011	Revenue Collected	Total Expenditures	Ending Balance 6/30/2012
<u>U.S. Department of Education</u>							
<u>Direct Programs:</u>							
* Pell Grant	84.063	P063P113104	\$ 400,000	(16,381)	391,037	396,787	(5,750)
Pell Grant 2010-11 - Note 1	84.063	P063P103104			16,381		
College Work Study	84.033	P033A113457	19,218		14,442	19,218	(4,776)
Supplemental Education Opportunities Grant	84.077	P007A113457	5,950		2,100	5,425	(3,325)
Subtotal			<u>425,168</u>	<u>(16,381)</u>	<u>423,960</u>	<u>421,430</u>	<u>(13,851)</u>
<u>Passed Through State Department of Career and Technology Education:</u>							
Tech Centers That Work	84.048		12,000	(6,896)	11,956	12,000	(44)
Tech Centers That Work 2010-11 - Note 1	84.048		26,590		11,082	26,022	(14,940)
Tech Prep	84.243			(3,000)	3,000		
Tech Prep 2010-11 - Note 1	17.259			(984)	984		
ARRA, Youth Grant from Local Workforce Investment Board	84.048			(5,535)	5,535		
Carl Perkins Supp. - Transitions 2010-11 - Note 1	84.048			(24,580)	24,580		
Carl Perkins Supp. - Aerospace 2010-11 - Note 1	84.048		96,370		92,905	96,370	(3,465)
Carl Perkins Secondary Grant	84.048			(10,070)	10,070		
Carl Perkins Secondary Grant 2010-11 - Note 1	84.048		9,187		4,594	9,187	(4,593)
Carl Perkins Post Secondary	84.048			(5,630)	5,630		
Carl Perkins Post Secondary 2010-11 - Note 1	84.048		144,147	(56,695)	177,232	143,579	(23,042)
Subtotal							
<u>U.S. Department of Human Services</u>							
<u>Passed Through the State Department of Human Services:</u>							
TANF	93.558		110,254	(28,713)	59,576	110,254	(50,678)
TANF 2010-11 - Note 1	93.558			(28,713)	28,713		
Subtotal			<u>110,254</u>	<u>(28,713)</u>	<u>88,289</u>	<u>110,254</u>	<u>(50,678)</u>
Total Federal Assistance			\$ 679,569	(101,789)	689,481	675,263	(87,571)

\* Major federal programs

Note 1 - These amounts represent reimbursements for prior year expenditures which were not received until the current fiscal year.

Note 2 - This schedule was prepared on a regulatory basis of accounting consistent with the preparation of the combined financial statements.

**TRI COUNTY TECHNOLOGY CENTER NO. 1  
SCHEDULE OF SURETY BONDS  
FOR THE YEAR ENDED JUNE 30, 2012**

<u>BONDING COMPANY</u>	<u>POSITION COVERED</u>	<u>BOND NUMBER</u>	<u>COVERAGE AMOUNT</u>	<u>EFFECTIVE DATES</u>
CNA Surety Co.	Treasurer	69788218	\$100,000	9/30/11-9/30/12
RLI Insurance Co.	Superintendent	LSM0116614	\$100,000	7/1/11-7/1/12
	Encumbrance Clerk	DRS1076028	\$5,000	7/1/11-7/1/12
	Activity Fund Custodian	DRS1076028	\$5,000	7/1/11-7/1/12
	Minutes Clerk	DRS1076028	\$5,000	7/1/11-7/1/12
	Payroll Clerk	DRS1076028	\$5,000	7/1/11-7/1/12
	Financial Aid Clerk	DRS1076028	\$5,000	7/1/11-7/1/12



**Jack H. Jenkins, CPA** *A Professional Corporation*

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

The Honorable Board of Education  
Tri County Technology Center No. 1  
Bartlesville, Oklahoma 74006-6029

I have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Bartlesville No. 1, Bartlesville, Oklahoma, as of and for the year ended June 30, 2012, and have issued my report thereon, dated February 13, 2013. I conducted my audit in accordance with generally accepted auditing standards accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

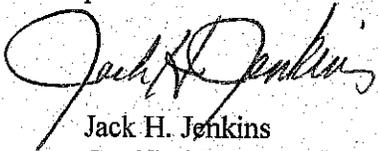
*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. There can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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*.

This report is intended solely for the information of the Board of Education, management, Oklahoma State Auditor and Inspector's Office and the Oklahoma State Department of Career and Technology Education, and is not intended to be and should not be used by anyone other than these specified parties.



Jack H. Jenkins  
Certified Public Accountant, P.C.

February 13, 2013



**Jack H. Jenkins, CPA** *A Professional Corporation*

**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT  
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Honorable Board of Education  
Tri County Technology Center No. 1  
Bartlesville, Oklahoma 74006-6029

**Compliance**

I have audited the compliance of Tri County Technology Center No. 1, Bartlesville, Oklahoma, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2012. The Center's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Center's management. My responsibility is to express an opinion on the Center's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Center's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the Center's compliance with those requirements.

In my opinion, Tri County Technology Center No. 1, Bartlesville, Oklahoma complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2012. The results of my auditing procedures disclosed no instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133.

## Internal Control Over Compliance

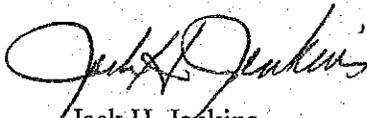
The management of Tri County Technology Center No. 1, Bartlesville, Oklahoma is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the Center's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Center's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

This report is intended solely for the information of the board of education and management, all applicable federal and state agencies, and those other Governments from which federal financial assistance was received and is not intended to be, and should not be, used by anyone other than these specified parties.



Jack H. Jenkins  
Certified Public Accountant, P.C.

February 13, 2013

**TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JULY 1, 2011 TO JUNE 30, 2012**

**Summary of Auditor's Results**

1. An unqualified opinion was issued on the financial statements in conformity with accounting principles generally accepted in the United States of America
2. No significant deficiencies relating to the audit of the financial statements are reported in the Schedule of Findings and Questioned Costs.
3. No instances of noncompliance material to the financial statements of the Center were reported during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the "Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133"
5. An unqualified opinion report was issued on the compliance of major federal award programs.
6. The audit disclosed no audit findings and questioned costs, which are required to be reported under OMB Circular A-133 § 510(a).
7. The program tested as a major federal program was: Pell Grant Program.
8. The dollar threshold used to determine between Type A and Type B programs was \$300,000.
9. The District did not qualify to be a low-risk auditee.

**Findings – Financial Statement Audit**

None

**Findings and Questioned Costs – Major Federal Award Programs Audit**

None

**TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY  
DISPOSITION OF PRIOR YEAR'S SCHEDULE OF FINDINGS  
JULY 1, 2011 TO JUNE 30, 2012**

None.

**TRI COUNTY TECHNOLOGY CENTER NO. 1, WASHINGTON COUNTY  
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL  
LIABILITY INSURANCE AFFIDAVIT  
JULY 1, 2011 TO JUNE 30, 2012**

State of Oklahoma    )  
County of Tulsa       )

The undersigned auditing firm representative 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 Center Audit Law" at the time of audit contract and during the entire audit engagement with Tri County Technology Center for the audit year 2011-12.

Jack H. Jenkins, CPA, P.C.

AUDITING FIRM

BY *Jack H. Jenkins*  
AUTHORIZED AGENT

Subscribed and sworn to before me on this  
13<sup>th</sup> day of February, 2013

*Michael Kemper*  
NOTARY PUBLIC

