

**ANNUAL FINANCIAL REPORT
WESTERN TECHNOLOGY CENTER NO. 12
WASHITA COUNTY, OKLAHOMA
JULY 1, 2011 TO JUNE 30, 2012**

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

**WESTERN TECHNOLOGY CENTER NO. 12
WASHITA COUNTY, OKLAHOMA
SCHOOL CENTER OFFICIALS
JUNE 30, 2012**

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**WESTERN TECHNOLOGY CENTER NO. 12
WASHITA COUNTY, OKLAHOMA
JUNE 30, 2012**

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**WESTERN TECHNOLOGY CENTER NO. 12
WASHITA COUNTY, OKLAHOMA
JUNE 30, 2012**

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INDEPENDENT AUDITOR'S REPORT

The Board of Education
Western Technology Center No. 12
Burns Flat, Oklahoma

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Western Technology Center No. 12, Washita County, Oklahoma as of and for the year ended June 30, 2012, which collectively comprise the school's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the school's management. My responsibility is to express opinions on these financial statements based on our audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

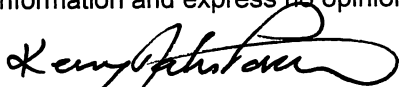
In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Western Technology Center No. 12, Washita County, Oklahoma, as of June 30, 2012, and the respective changes in financial position, thereof and where applicable, cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated March 8, 2013, on my consideration of the Western Technology Center's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

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

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Western Technology Center financial statements as a whole. The accompanying other supporting information, as listed in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The other supporting information and the schedule of expenditures of federal awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly presented, in all material respects, in relation to the basic financial statements taken as a whole.

The management's discussion and analysis on pages 3 through 8 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of supplementary information. However, I did not audit the information and express no opinion on it.



Kerry John Patten, C.P.A.
March 8, 2013

MANAGEMENT DISCUSSION AND ANALYSIS

Western Technology Center District No. 12
Washita County, Oklahoma
Management's Discussion and Analysis
June 30, 2012

Within the management's discussion and analysis of the Western Technology Center District No. 12 (the District) annual financial report, the District's management provides narrative discussion and analysis of the financial activities of the District for the fiscal year ended June 30, 2012. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements following this section. The reports are prepared using the integrated approach as prescribed by Government Accounting Standards Board (GASB) *for State and Local governments*, which also requires certain comparative information between the current year and the prior year to be presented.

Financial Highlights

- The District's assets on an accrual basis exceeded its liabilities by \$18,274,749 (net assets) for the fiscal year ended June 30, 2012, an increase during the fiscal year of \$2,645,843.
- Total net assets, as of June 30, 2012, are comprised of the following:
 - Capital assets, net of related debt, of \$6,992,188, which includes property and equipment net of accumulated depreciation reduced for the outstanding debt related to the purchase or construction of capital assets.
 - Unrestricted net assets of \$8,860,939, which represent the portion of net assets available to maintain the District's continuing obligations to citizens and creditors.
- General fund revenues for the year ended June 30, 2012, exceeded expenditures by \$876,304.
- Building fund revenues for the year ended June 30, 2012, exceeded expenditures by \$1,502,386.
- During the year ended June 30, 2012, the District reduced its long-term debt by \$184,202. This long-term debt is primarily associated with capital lease obligations issued in the fiscal year 2002 related to building construction and improvement projects and leases for equipment acquisitions and was paid off during fiscal year 2011-12.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction of the Western Technology Center District No.12's Basic financial statements. The district's basic financial statements comprise three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition of the basic financial statements themselves.

District-wide Financial Statements. The district-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net assets represent district-wide information on all the District's assets and liabilities, with the difference between assets and liabilities reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

See disclaimer in accompanying Independent Auditor's Report.

Western Technology Center District No. 12
Washita County, Oklahoma
Management's Discussion and Analysis
June 30, 2012

The statement of activities presents district-wide information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event, giving rise to the change, occurs, regardless of when cash is received or paid. Thus, some revenues and expenses reported in this statement will result in cash flows in future, fiscal periods (e.g., uncollected taxes).

The district-wide financial statements present functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include technical education, industry training, transportation, and administration.

The district-wide financial statements can be found on pages 9-10 of this report.

Fund Financial Statements. A fund is a grouping of related accounts, used to maintain control over resources that have been segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's most significant funds rather than the District as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for nonmajor funds is provided in the form of combining statements in a later section of this report.

The district has two kinds of funds:

Governmental funds are reported in the fund financial statements and encompass, essentially, the same functions reported as governmental activities in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on short-term inflows and outflows of spendable resources, as well as on balances of evaluating the District's short-term financing requirements. Most of the District's basic services are included in governmental funds. Property taxes, federal grants, state grants, and state formula aid finance most of these activities.

The District maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and building fund, which are considered to be major funds, and PELL grant fund. Because this information does not encompass the additional long term focus of the district-wide statements, we provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District adopts an annual, appropriated budget for its general and building funds. Budgetary comparison statements have been provided for each of these funds to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 11-13 of this report.

Fiduciary funds are funds for which the District is the trustee, or fiduciary, for assets that belong to others. The District is responsible for ensuring that the assets of the funds are used only for their intended purposes and by whom the assets belong. The District currently has only one fiduciary fund, the student activity fund. Fiduciary fund financial statements report resources that are not available to fund District programs and are not included in the district-wide financial statements as a result.

The basic fiduciary fund financial statements can be found on page 14 of this report.

See disclaimer in accompanying Independent Auditor's Report.

Western Technology Center District No. 12
Washita County, Oklahoma
Management's Discussion and Analysis
June 30, 2012

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. Notes to the financial statements can be found on pages 14-25 of this report.

Other information is provided in addition to the basic financial statements and accompanying notes. This report also presents certain required supplementary information, including budgetary comparison schedules for the general and building funds.

Financial Analysis of the District as a Whole

As year-to-year financial information is accumulated on a consistent basis, changes in the net assets may be observed and used to discuss the changing financial position of the District as a whole.

The District's net assets at fiscal year-end are \$18,274,749 This is a \$2,645,843 increase over last year's net assets of \$15,628,906.

The largest portion of the District's net assets, \$6,992,188, reflects its investment in capital assets, less any related debt net of related cash balances that is still outstanding used to acquire those assets. The District uses these capital assets to provide instruction, support, and transportation services; consequently, these assets are not available for future spending.

Although the District's investment in capital assets is reported net of related debt, net of related cash balances, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets, themselves, cannot be used to liquidate these liabilities.

An additional portion of the District's net assets, \$2,421,622 represents resources that are subject to certain restrictions on how they may be used. The remaining balance of unrestricted net assets, \$8,860,939 be used to meet the District ongoing obligations to citizens and creditors.

The following table provides a summary of the District's net assets as of the years ended June 30, 2011 and 2012:

Western Technology Center District No. 12			
Net Assets			
<u>June 30, 2011 and 2012</u>			
		<u>Government Activities</u>	
		<u>2011</u>	<u>2012</u>
Current Assets	\$	8,434,792	\$ 11,382,638
Capital and other assets		7,809,352	6,992,188
Total assets		<u>16,244,144</u>	<u>18,374,826</u>
Current Liabilities		234,682	100,077
Long-term liabilities		380,556	-
Total liabilities		<u>615,238</u>	<u>100,077</u>
Net assets:			
Invested in capital assets			
net of related debt		6,848,982	6,992,188
Restricted		1,286,932	2,421,622
Unrestricted		7,488,484	8,860,939
Total net assets	\$	<u><u>15,628,906</u></u>	\$ <u><u>18,274,749</u></u>

See disclaimer in accompanying Independent Auditor's Report

Western Technology Center District No. 12
Washita County, Oklahoma
Management's Discussion and Analysis
June 30, 2012

The following table provides a summary of the District's operating results for the years ended June 30, 2011 and 2012:

Western Technology Center District No. 12
Statement of Activities
June 30, 2011 and 2012

	Governmental Activities	
	2011	2012
Program revenue:		
Charges for services	\$ 709,078	\$ 769,898
Grant/contributions	721,769	298,317
General revenues:		
Property taxes	7,147,581	8,302,681
State aid	2,467,102	2,556,208
Interest	153,574	81,669
Other	106,034	336,892
Total revenues	11,305,138	12,345,665
Expenses:		
Instruction	3,544,634	3,832,583
Support services	5,473,815	5,440,095
Non-instruction services	370,537	376,482
Other outlays	50,091	42,842
Other Use	9,835	1,500
Capital outlay	147,519	6,320
Total expenses	9,596,431	9,699,822
Increase(decrease)in net assets	1,708,707	2,645,843
Net assets, beginning	13,920,199	15,628,906
Net assets, ending	\$ 15,628,906	\$ 18,274,749

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with budgetary and finance-related legal requirements.

Governmental funds

The focus of the District's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2012, the District's governmental funds reported combined ending fund balances of \$9,968,512 increase of \$2,379,690 in comparison with the prior year. Of the year-end-total, approximately \$7,400,090, is unreserved fund balance, which is available for spending at the District's discretion. Reserved fund balance includes \$2,417,942 committed for building construction, repair, and operation.

The general fund is the chief operating fund of the District and the largest source of day-to-day educational delivery. As of June 30, 2012, the unreserved fund balance of the general fund was \$7,400,090, an increase of \$729,504 from the prior year.

Western Technology Center District No. 12
Washita County, Oklahoma
Management's Discussion and Analysis
June 30, 2012

As a measure of the general fund's liquidity, it may be useful to compare the unreserved fund balance to total fund expenditures. Unreserved fund balance represents 68.9% of total general fund expenditures.

The District's main activities are instruction, support services, non-instruction services, capital outlay, and debt services. The following table shows each activity's total cost before any offsets for fees generated by the activities and governmental aid provided for specific programs.

The following table reflects total costs for the year ended June 30, 2011, and 2012.

Total Costs		
	2011	2012
Instruction	\$ 2,951,473	\$ 3,155,350
Support Service	5,535,985	5,350,353
Non-instruction services	370,539	376,482
Other outlays	645,917	227,045
Other uses	648,263	1,500
Capital outlay	81	334,213
Total cost of services	\$ 10,152,258	\$ 9,444,943

The cost of all governmental funds this year was \$ 9,444,943 as compared to \$10,152,258 for the prior fiscal year.

Sources of revenue for the District's governmental funds are as follows:

Total Revenues		
	2011	2012
Local Sources	\$ 7,898,322	\$ 8,877,860
Intermediate Sources		
State sources	2,857,006	2,592,733
Federal sources	354,113	272,371
Interest	153,574	81,669
Other	-	-
Total sources of revenue	\$ 11,263,015	\$ 11,824,633

General Fund Budgetary Highlights

There were no differences between the general fund's original budget and the final budget.

Western Technology Center District No. 12
Washita County, Oklahoma
Management's Discussion and Analysis
June 30, 2012

Capital Asset and Debt Administration

Capital Assets. The District's investment in capital assets for its governmental activities, as of June 30, 2012, amounted to \$6,992,188 net of accumulated depreciation. This investment in capital assets includes land, buildings and improvements, construction in progress, and equipment and vehicles.

Western Technology Center District No. 12

Capital Assets, net		<u>June 30, 2011 and 2012</u>	
	<u>2011</u>	<u>2012</u>	
Land	\$ 29,500	\$ 29,500	
Buildings and improvements	15,133,627	15,133,627	
Equipment and vehicles	2,522,778	2,867,257	
Construction in progress	-	-	
Capital assets	<u>17,685,905</u>	<u>18,030,384</u>	
Accumulated depreciation	<u>(10,254,638)</u>	<u>(11,010,242)</u>	
Capital assets, net	<u>\$ 7,431,267</u>	<u>\$ 6,992,188</u>	

Additional information concerning the District's capital assets is contained in the notes to the financial statements.

Long-Term Liabilities. As of June 30, 2012, the District had no outstanding debt. All Capital lease obligations were retired during fiscal year 2011-12.

Western Technology Center District No. 12

Outstanding Debt		<u>June 30, 2011 and 2012</u>	
	<u>2011</u>	<u>2012</u>	
Capital lease obligations	\$ <u>562,285</u>	\$ <u>-</u>	
Total outstanding debt	<u>\$ 562,285</u>	<u>\$ -</u>	

Economic Factors and Next Year's Budgets

The State of Oklahoma is still being affected by the current national economic downturn. The State's overall operating budget remains below pre-downturn levels and continues to impact allocations to the District from the State of Oklahoma. The short term outlook for the State of Oklahoma's economic situation appears more stable due to a stronger economic picture and what appears to be a renewed recovery, mainly due to increased gas exploration and sales tax collections in the State.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, Western Technology Center District No. 12, Post Office Box 1469, Burns Flat, Oklahoma 73624.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**WESTERN TECHNOLOGY CENTER NO. 12
STATEMENT OF NET ASSETS
JUNE 30, 2012**

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Current Assets	
Cash and cash equivalents	\$ 9,504,456
Property tax receivable	1,381,698
Due from other governments	155,174
Due from activity fund	60,436
Miscellaneous receivables	238,351
Prepays	42,523
Noncurrent Assets	
Capital assets, net of accumulated depreciation	<u>6,992,188</u>
Total Assets	<u>\$ 18,374,826</u>
<u>LIABILITIES</u>	
Current liabilities	
Accounts payable	<u>\$ 100,077</u>
Total Liabilities	<u>\$ 100,077</u>
<u>NET ASSETS</u>	
Invested in Capital Assets, net of related debt	\$ 6,992,188
Restricted for:	
Capital outlay	2,421,622
Unrestricted	<u>8,860,939</u>
Total Net Assets	<u>\$ 18,274,749</u>

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

**WESTERN TECHNOLOGY CENTER NO. 12
STATEMENT OF ACTIVITIES
FOR YEAR ENDING JUNE 30, 2012**

		Program Revenues		Capital Grants & Contributions	Net (Expenses) Revenue and Changes in Net Assets
Expenses	Charges for Services	Operating Grants & Contributions			Government Activities
Governmental Activities					
Instruction	\$ (3,832,583)	\$ 540,160	\$ 298,317	\$	\$ (2,994,106)
Support services-Instructional	(743,837)				(743,837)
Support services-Operational	(4,696,258)	229,738			(4,466,520)
Non-instruction	(376,482)				(376,482)
Capital outlay	(6,320)				(6,320)
Other uses	(1,500)				(1,500)
Other outlays	(42,842)				(42,842)
Total governmental activities	\$ (9,699,822)	\$ 769,898	\$ 298,317	\$ -	\$ (8,631,607)
 General revenues					
Taxes:					
Property taxes, levied for general purposes				\$	8,302,681
Other Taxes					9,794
State aid not restricted to specific purposes					
General					2,539,617
Other					16,591
Interest and investment earnings					81,669
Miscellaneous					327,098
Total general revenues					<u>11,277,450</u>
 Changes in net assets					
Changes in net assets					2,645,843
Net assets - beginning					<u>15,628,906</u>
Net assets - ending				\$	<u><u>18,274,749</u></u>

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

FUND FINANCIAL STATEMENTS

**WESTERN TECHNOLOGY CENTER NO. 12
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
GOVERNMENTAL FUNDS
JUNE 30, 2012**

	General Fund	Building Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 7,332,321	\$ 2,172,135	\$ 9,504,456
Receivables:			
Property taxes	938,870	442,828	1,381,698
Interest	-	-	-
Due from other governments	155,174	-	155,174
Due from activity fund	60,436	-	60,436
Misc.	-	238,351	238,351
Prepaid Insurance	42,523	-	42,523
Total assets	\$ 8,529,324	\$ 2,853,314	\$ 11,382,638
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts Payable	\$ 100,077	\$ -	\$ 100,077
Deferred revenue	882,357	431,691	1,314,048
Total liabilities	\$ 982,434	\$ 431,691	\$ 1,414,125
Fund Balance:			
Nonspendable Fund Balances:			
Prepaid Items	42,523	-	42,523
Restricted Fund Balances:			
Restricted by Statute	-	2,417,942	2,417,942
Other Restrictions of Fund Balances	-	-	-
Committed Fund Balances:			
Contractual obligations	-	-	-
Assigned Fund Balances:			
Encumbrances	104,277	3,680	107,957
Unassigned	\$ 7,400,090	\$ -	\$ 7,400,090
Total Fund Balances:	\$ 7,546,890	\$ 2,421,622	\$ 9,968,512
Total Liabilities and Fund Equity	\$ 8,529,324	\$ 2,853,314	\$ 11,382,638
<p>Amounts reported for governmental activities in the statement of assets, liabilities, and net assets are different because:</p> <p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is \$18,030,384 and the accumulated depreciation of \$11,010,242.</p> <p>Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.</p>			<p style="text-align: right;">6,992,189</p> <p style="text-align: right;">1,314,048</p> <p style="text-align: right;">\$ 18,274,749</p>
NET ASSETS OF GOVERNMENTAL ACTIVITIES			\$ 18,274,749

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

**WESTERN TECHNOLOGY CENTER NO. 12
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>General Fund</u>	<u>Building Fund</u>	<u>Total Governmental Funds</u>
Revenues:			
Local sources	\$ 7,451,469	\$ 1,508,060	\$ 8,959,529
Intermediate sources	-	-	-
State sources	2,591,087	1,646	2,592,733
Federal sources	272,371	-	272,371
	<u>10,314,927</u>	<u>1,509,706</u>	<u>11,824,633</u>
Total revenues			
Expenditures:			
Instructional	\$ 3,155,350	\$ -	\$ 3,155,350
Support services	5,350,353	-	5,350,353
Noninstructional	376,482	-	376,482
Capital outlay	327,893	6,320	334,213
Other Outlays	227,045	-	227,045
Other Uses	1,500	-	1,500
	<u>9,438,623</u>	<u>6,320</u>	<u>9,444,943</u>
Total expenditures:			
Excess of revenues over (under) expenses before adjustments to prior year encumbrances	\$ <u>876,304</u>	\$ <u>1,503,386</u>	\$ <u>2,379,690</u>
Excess of revenues and other sources of funds over (under) expenditures	\$ <u>876,304</u>	\$ <u>1,503,386</u>	\$ <u>2,379,690</u>
Fund balance, beginning of year	\$ <u>6,670,586</u>	\$ <u>918,236</u>	\$ <u>7,588,822</u>
Fund balance, end of year	\$ <u><u>7,546,890</u></u>	\$ <u><u>2,421,622</u></u>	\$ <u><u>9,968,512</u></u>

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

**WESTERN TECHNOLOGY CENTER NO. 12
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012**

Net change in fund balances-governmental funds \$ 2,379,690

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

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

Capital outlay expenditures	\$ 330,502	
Depreciation expense	<u>(769,581)</u>	(439,079)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net assets

Principal payments	184,202
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Because some revenues will not be collected for several months after the fiscal year end, they are not considered "available" and are deferred in the governmental funds. Deferred revenues increased by this amount this year.

521,030

Change in Net Assets Governmental Activities	\$ <u><u>2,645,843</u></u>
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The notes to the financial statements are an integral part of this statement.

**WESTERN TECHNOLOGY CENTER NO. 12
STATEMENT OF NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2012**

	Agency Funds		
<u>ASSETS</u>	Student Financial Aid Fund	Activity Fund	Total
Cash	\$ 1	\$ 27,810	\$ 27,811
Miscellaneous Receivables	-	60,436	60,436
Total assets	\$ 1	\$ 88,246	\$ 88,247
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Due to student organizations	-	27,810	27,810
Due to other funds	-	60,436	60,436
Total liabilities	\$ -	\$ 88,246	\$ 88,246
Fund balances:	\$ 1	\$ -	\$ 1
Unreserved/undesignated			
Total liabilities and fund equity	\$ 1	\$ 88,246	\$ 88,247

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

**WESTERN TECHNOLOGY CENTER NO. 12
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - FEDERAL PELL GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2012**

	Pell Grant Fund
Revenues	
Federal sources	
Pell Grants	\$ <u>404,379</u>
Total revenues	\$ <u>404,379</u>
Expenditures	
Other outlays	
Student Financial Assistance	\$ <u>407,162</u>
Total expenditures	\$ <u>407,162</u>
Excess of revenues over expenditures	\$ <u>(2,783)</u>
Fund balances, beginning of year	\$ <u>2,784</u>
Fund balances, end of year	\$ <u><u>1</u></u>

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

NOTES TO FINANCIAL STATEMENTS

**WESTERN TECHNOLOGY CENTER NO. 12
WASHITA COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS
FOR THE YEAR ENDED JUNE 30, 2012**

1. Summary of Significant Accounting Policies

The financial statements of the Western Technology Center No. 12 (the "Center") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units. The governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Center has elected to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board ("FASB") pronouncements and Accounting Principles Board ("APB") opinions, issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The more significant of the Center's accounting policies are described below.

A. Reporting Entity

In accordance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity," the Center has presented the entities which comprise the primary government in the fiscal year 2012 financial statements.

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

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

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

B. Basis of Presentation

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

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

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

Fund Financial Statements

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

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

**WESTERN TECHNOLOGY CENTER NO. 12
WASHITA COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS
FOR THE YEAR ENDED JUNE 30, 2012**

Summary of Significant Accounting Policies (continued)

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 State Department of Career Technology formula operations program. Expenditures include all costs associated with the daily operations of the schools except for programs funded for building repairs, maintenance, and school construction.

Special Revenue Fund – The special revenue funds are used for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Building Fund – The building fund consists mainly of monies derived from property taxes levied for the purpose of erecting, remodeling, repairing, or maintaining school buildings and for purchasing furniture, equipment and computer software to be used on or for 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.

Fiduciary Fund Types

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

The terms “permanent” and “private purpose” refer to whether or not the Center is under an obligation to maintain the trust principal. Agency funds generally 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.

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

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

Account Groups

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

C. Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

**WESTERN TECHNOLOGY CENTER NO. 12
WASHITA COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS
FOR THE YEAR ENDED JUNE 30, 2012**

Summary of Significant Accounting Policies (continued)

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

D. Budgets and Budgetary Accounting

A budget is legally adopted by the Board of Education for the General Fund and Special Revenue Fund that includes revenues and expenditures. These budgets are prepared on a budgetary basis of accounting. Budgetary control is maintained by fund, function, and activity and budgeted expenditures may not exceed appropriations at the fund level. Amendments may be made to the budget without approval by the governing body at the function and activity levels. Fund level budgetary amendments require approval of the governing body.

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

E. Management Estimates – Use of Estimates

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

F. Net Assets

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

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

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

Unrestricted Net Assets – represent unrestricted liquid assets.

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

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

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

**WESTERN TECHNOLOGY CENTER NO. 12
WASHITA COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS
FOR THE YEAR ENDED JUNE 30, 2012**

Summary of Significant Accounting Policies (continued)

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

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

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

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

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

G. Assets, Liabilities and Cash Fund Balances

Cash and Cash Equivalents – The Center considers all cash on hand, demand deposits and highly liquid investments be cash and cash equivalents.

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

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

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

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

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

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

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

**WESTERN TECHNOLOGY CENTER NO. 12
WASHITA COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS
FOR THE YEAR ENDED JUNE 30, 2012**

Summary of Significant Accounting Policies (continued)

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Improvements that add value or extend the asset lives are capitalized and depreciated over twenty-five years.

Assets capitalized have an original cost of \$5,000 or more, and a useful life over one year. Depreciation has been calculated on each class of depreciable property using the modified half-year convention straight-line method. Estimated useful life's are as follows:

Buildings and structures	25 years
Improvements	25 years
Equipment	5 years
Furniture and fixtures	5 years
Vehicles	5 years

Compensated Absences – All twelve-month employees are eligible for ten (10) days to eighteen (18) days paid vacation each year depending on classification and length of service. Sick days accrue at one day per month. Vacation days must be taken by June 30 of the year following the end of the fiscal year it is earned, and is forfeited if not taken by June 30. Upon retirement or termination, the Center does not purchase any leave accumulated under policy guidelines. No liability for unused leave has been included in the accompanying financial statements, since no payment is made upon an employee leaving employment with the District.

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

Fund Equity – Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

H. Revenue, Expenses and Expenditures

Revenues are classified by source as follows:

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

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

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

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

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

**WESTERN TECHNOLOGY CENTER NO. 12
WASHITA COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS
FOR THE YEAR ENDED JUNE 30, 2012**

Summary of Significant Accounting Policies (continued)

Expenditures are classified by function as follows:

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

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

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

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

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

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

2. Deposit Categories of Credit Risk

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

1. Direct obligations of the United States Government to the payment of which the full faith and credit of the government is pledged.
2. Obligations to the payment of which the full faith and credit of the state is pledged.
3. Certificates of deposits of banks when such certificates of deposits are secured by acceptable collateral as in the deposit of other public monies.
4. Savings accounts or savings certificates of savings and loan associations to the extent that such accounts or certificates are fully insured by the Federal Savings and Loan Insurance Corporation.

**WESTERN TECHNOLOGY CENTER NO. 12
WASHITA COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS
FOR THE YEAR ENDED JUNE 30, 2012**

Deposit Categories of Credit Risk (continued)

5. Repurchase agreements that have underlying collateral consisting of those items specified in paragraphs 1 and 2 of this section including obligations of the United States, its agencies and instrumentalities, and where collateral has been deposited with a trustee of custodian bank in an irrevocable trust or escrow account established for such purposes.
6. County, municipal or school district direct debt obligations for which an ad valorem tax may be levied or bond and revenue anticipation notes, money judgments against such county, municipality or school district ordered by a court of record or bonds or bond and revenue anticipation notes issued by a public trust for which such county, municipality or school district is a beneficiary thereof. All collateral pledged to secure public funds shall be valued at no more than market value.
7. Money market mutual funds regulated by the Securities and Exchange Commission and which investments consist of obligations of the United States, its agencies and instrumentalities, and investments in those items listed above.
8. Warrants, bonds or judgments of the school district.
9. Qualified pooled investment programs, the investments of which consist of those items specified above, as well as obligations of the United States agencies and instrumentalities, regardless of the size of the district's budget. To be qualified, a pooled investment program for school funds must be governed through an Interlocal cooperative agreement formed pursuant to Title 70 Section 5-117b, and the program must competitively select its investment advisors and other professionals. Any pooled investment program must be approved by the Board of Education.

The District's investment policy instructs the treasurer to minimize risks by diversifying the investment portfolio; structuring investments so that securities mature in time to meet cash requirements; and by investing the full amount of all accounts of the District.

Custodial Credit Risk:

Deposits and Investments - The District's demand deposits are required by law to be collateralized by the amount that is not federally insured.

Securities pledged as collateral are held by a third party or Federal Reserve Bank. Joint custody safekeeping receipts are held in the name of the depositing institution, but are pledged to the Center. The security cannot be released, substituted, or sold without the technology center Treasurer's approval and release of the security.

Certificates of deposit are collateralized at least by the amount not federally insured. As of June 30, 2012, the Center had no deposits exposed to custodial credit risk.

The Center investments consist of direct obligations of the U.S. government and agencies' securities.

Interest Rate Risk:

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

**WESTERN TECHNOLOGY CENTER NO. 12
WASHITA COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS
FOR THE YEAR ENDED JUNE 30, 2012**

Deposit Categories of Credit Risk (continued)

Credit Risk:

The Center has no formal written policy addressing credit risk.

At June 30, 2012, the Center has no investments that are not guaranteed by the full faith and credit of the United States Government.

3. Receivables

Receivables at June 30, 2012, for the District's individual major funds, net of applicable allowances for uncollectible accounts are as follows:

	<u>General Fund</u>	<u>Building Fund</u>	<u>Total</u>
Receivables, net:			
Property taxes, delinquent	\$ 938,870	\$ 442,828	\$ 1,381,698
Grants	134,916	-	134,916
Other	<u>80,694</u>	<u>238,351</u>	<u>319,045</u>
Total receivables, Gross	<u>1,154,480</u>	<u>681,179</u>	<u>1,835,659</u>
Less: Deferred revenue	(882,357)	(431,691)	(1,314,048)
Total receivables, net	<u>\$ 272,123</u>	<u>\$ 249,488</u>	<u>\$ 521,611</u>

**WESTERN TECHNOLOGY CENTER NO. 12
WASHITA COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS
FOR THE YEAR ENDED JUNE 30, 2012**

4. Capital Assets

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

<u>Capital Assets Not Being Depreciated</u>	<u>Balance 7/1/2011</u>	<u>Additions</u>	<u>Transfers</u>	<u>Retirements</u>	<u>Balance 6/30/2012</u>
Land	\$ 29,500	\$ -	\$ -	\$ -	\$ 29,500
 Total Assets Not Being Depreciated	 29,500	 -	 -	 -	 29,500
 <u>Capital Assets Being Depreciated</u>					
Buildings & Improvements	15,133,627	-	-	-	15,133,627
Vehicles & Equipment	2,522,778	330,502	-	(13,977)	2,867,257
 Total Capital Assets Being Depreciated	 17,656,405	 330,502	 -	 (13,977)	 18,000,884
 Less: Accumulated Depr.	 (10,254,638)	 (769,581)	 -	 (13,977)	 (11,010,242)
 Total Assets Being Depr. - Net	 7,401,767	 (439,079)	 -	 -	 6,962,688
 Total Capital Assets Net	 \$ 7,431,267	 \$ (439,079)	 \$ -	 \$ -	 \$ 6,992,188

Depreciation expense for the year ended June 30, 2012, was charged to functions of the District as follows:

Governmental activities:

Instruction	\$ 677,232
Support services	92,349
Total governmental activities	\$ 769,581

5. Leases

The Center had no capital lease commitments at June 30, 2012.

6. Interfund Transactions

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

**WESTERN TECHNOLOGY CENTER NO. 12
WASHITA COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS
FOR THE YEAR ENDED JUNE 30, 2012**

7. Employee Retirement System

Description of Plan

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

Basis of Accounting

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

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

		<u>Dollars in Millions</u>
Actuarial Accrued Liability	\$	18,588
Actuarial Value of Assets		<u>10,190</u>
Unfunded Actuarial Accrued Liability	\$	<u>8,398</u>

Funding Policy

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

**WESTERN TECHNOLOGY CENTER NO. 12
WASHITA COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS – GAAP BASIS
FOR THE YEAR ENDED JUNE 30, 2012**

Employee Retirement System (continued)

Annual Pension Cost

The District's total contribution for 2012, 2011 and 2010 were \$734,709, \$747,560 and \$634,720, respectively. The District's total payroll for fiscal year 2011-12 amounted to \$4,609,380.

8. General Long-Term Debt

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

At June 30, 2012, the Center had no long-term debt.

9. Litigation

The Center is contingently liable for lawsuits and other claims in the ordinary course of its operations. The settlement of such contingencies under the budgetary process would require appropriation of revenues yet to be realized and would not materially affect the financial position of the Center at June 30, 2012.

10. Contingent Liabilities

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

11. Affiliated Organizations

A foundation associated with the Center, but not included in the financial statements, is the Western Technology Center Foundation (the Foundation). Trustees for the Foundation include the Superintendent of the District. Trustees for the Foundation are, essentially, independent of the District, i.e., the District's Board of Education does not exercise any oversight authority over the Foundation and there are no financial interdependencies.

12. Surety Bonds

Employees are covered by an employee blanket bond, coverage for employee dishonesty by American States Insurance Company, Bond Number 01-CG-208497-8, for the penal sum of \$150,000 for the term of July 1, 2011 to July 1, 2012.

REQUIRED SUPPLEMENTARY INFORMATION

SUPPORTING SCHEDULES

WESTERN TECHNOLOGY CENTER NO. 12
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Fund balances, beginning of year	\$ 6,348,274	\$ 6,348,274	\$ 6,348,274	\$ -
Revenues:				
Local sources	\$ 6,462,743	\$ 6,462,743	\$ 7,407,333	\$ 944,590
Intermediate sources	-	-	-	-
State sources	2,389,027	2,389,027	2,635,824	246,797
Federal sources	144,999	144,999	246,557	101,558
	<u>\$ 8,996,769</u>	<u>\$ 8,996,769</u>	<u>\$ 10,289,714</u>	<u>\$ 1,292,945</u>
Expenditures:				
Instruction	\$ 3,806,020	\$ 3,806,020	\$ 3,121,833	\$ 684,187
Support services	7,320,018	7,320,018	5,350,709	1,969,309
Non-instructional services	415,432	415,432	376,046	39,386
Capital outlay	2,326,000	2,326,000	334,077	1,991,923
Other outlays	498,000	498,000	227,045	270,955
Other uses	979,573	979,573	1,500	978,073
	<u>\$ 15,345,043</u>	<u>\$ 15,345,043</u>	<u>\$ 9,411,210</u>	<u>\$ 5,933,833</u>
Excess of revenues over (under) expenses before adjustments to prior year encumbrances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,226,778</u>	<u>\$ 7,226,778</u>
Adjustments to prior year encumbrances			<u>1,265</u>	
Other financing sources (uses):				
Operating transfers in/out			\$ -	
Bank charges			-	
			<u>\$ -</u>	
Total other financing sources (uses)			<u>\$ -</u>	
Cash fund balance end of year			<u>\$ 7,228,043</u>	
Reconciliation of budgetary fund balance with GAAP fund balance				
Budgetary fund balance June 30, 2012			\$ 7,228,043	
Accounts receivable not recognized as revenue			272,123	
Expenses not recognized in budgetary basis			(100,077)	
Expenses not recognized in GAAP basis (reserves and prepaid insurance)			146,801	
GAAP basis fund balance June 30, 2012			<u>\$ 7,546,890</u>	

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

**WESTERN TECHNOLOGY CENTER NO. 12
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
BUILDING FUND
FOR THE YEAR ENDED JUNE 30, 2012**

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Fund balances, beginning of year	\$ 911,764	\$ 911,764	\$ 911,764	\$ -
Revenues:				
Local sources	\$ 1,146,125	\$ 1,146,125	\$ 1,265,045	\$ 118,920
Intermediate sources	-	-	-	-
State sources	-	-	1,646	1,646
Federal sources	-	-	-	-
	\$ 1,146,125	\$ 1,146,125	\$ 1,266,691	\$ 120,566
Expenditures:				
Instruction	\$ -	\$ -	\$ -	\$ -
Support services	-	-	-	-
Non-instructional services	-	-	-	-
Capital outlay	1,662,889	1,662,889	10,000	1,652,889
Other outlays	395,000	395,000	-	395,000
Other uses	-	-	-	-
	\$ 2,057,889	\$ 2,057,889	\$ 10,000	\$ 2,047,889
Excess of revenues collected over (under) expenses paid before adjustments to prior year encumbrances	\$ -	\$ -	\$ 2,168,455	\$ 2,168,455
Adjustments to prior year encumbrances			-	
Other financing sources (uses):				
Operating transfers in/out			\$ -	
Bank charges			-	
Total other financing sources (uses)			\$ -	
Cash fund balance end of year			\$ 2,168,455	
Reconciliation of budgetary fund balance with GAAP fund balance				
Budgetary fund balance June 30, 2012			\$ 2,168,455	
Accounts receivable not recognized as revenue			249,487	
Expenses not recognized in GAAP basis (reserves)			3,680	
GAAP basis fund balance June 30, 2012			\$ 2,421,622	

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

**WESTERN TECHNOLOGY CENTER NO. 12
SCHEDULE OF FEDERAL AWARDS EXPENDED
FOR THE YEAR ENDED JUNE 30, 2012**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA #</u>	<u>Grantor's Number</u>
<u>U.S. Department of Education</u>		
Direct Programs:		
<u>2010-2011 Programs</u>		
* Pell Grant	84.063	P063P103380
Sub-Total		
Passed-Through Oklahoma Department <u>of Career and Technology Education</u>		
<u>2010-2011 Programs</u>		
Tech Prep	84.243	N/A
TANF	93.558	N/A
* Carl Perkins	84.048	N/A
Sub-Total		
Passed-Through Oklahoma Department <u>of Rehabilitation Services</u>		
<u>2010-2011 Programs</u>		
Rehabilitation	84.126	N/A
Sub-Total		
<u>U.S. Department of Labor</u>		
Passed-Through Oklahoma Department <u>of Career and Technology Education</u>		
<u>2010-2011 Programs</u>		
WIA ARRA	17.259	N/A
Sub-Total		
<u>National Science Foundation</u>		
Passed-Through Oklahoma Department <u>of Career and Technology Education</u>		
<u>2010-2011 Programs</u>		
Tech Prep-College Credit Fee	84.243	N/A
Sub-Total		
* Major Program		
TOTAL FEDERAL ASSISTANCE		

The accompanying notes are an integral part of this schedule

Balance at July 1, 2011	Revenue	Expenditures	Balance at June 30, 2012
\$ -	\$ 374,999	\$ 374,999	\$ -
\$ -	\$ 374,999	\$ 374,999	\$ -
\$ -	\$ 26,590	\$ 26,590	\$ -
-	73,638	73,638	-
-	143,224	143,224	-
\$ -	\$ 243,452	\$ 243,452	\$ -
\$ -	\$ 12,677	\$ 12,677	\$ -
\$ -	\$ 12,677	\$ 12,677	\$ -
\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -
\$ -	\$ 631,128	\$ 631,128	\$ -

**WESTERN TECHNOLOGY CENTER NO. 12
WASHITA COUNTY, OKLAHOMA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

1. For all federal programs, the Center uses the fund types prescribed by the Oklahoma State Department of Career and Technology Education and conforms to the system of accounting authorized by the State of Oklahoma. General and Building Funds are used to account for resources restricted, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in the General Fund.
2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial measurement focus. All federal grant funds were accounted for in the General Fund. With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

The modified accrual basis of accounting is used for the Governmental Fund types and accrual basis of accounting for Agency funds. This basis of accounting recognizes revenue from all sources when they are received. Federal grant funds are considered to be recognized when encumbered or reserved to the extent of expenditures made under the provisions of the grant.

**WESTERN TECHNOLOGY CENTER NO. 12
SCHOOL ACTIVITY FUND
STATEMENT OF REVENUE, EXPENDITURES, AND FUND BALANCE
BURNS FLAT CAMPUS
FOR THE YEAR ENDED JUNE 30, 2012**

Activities	Balance 7-1-11	Deposited	Net Transfers/ Adjustments	Disbursed	Balance 6-30-12
Construction Trades	\$ 3,538	\$ -	\$ -	\$ 604	\$ 2,934
Health Careers	623	3,180	-	1,686	2,117
Auto Collision	10	469	(21)	341	117
Auto Service	498	88	-	103	483
Bio Med Academy	-	105	-	100	-
NTHS	293	2,471	(10)	2,128	626
Refund	-	568,162	1,706	513,294	56,574
Bus Tech/Web Design	786	1,070	(43)	1,522	291
Cosmetology	1,251	9,920	(50)	10,531	590
Diesel Service	96	-	-	-	96
Networking	215	15	-	70	160
Culinary Arts	126	-	-	20	106
Printing & Digital Design	115	-	-	-	115
OSSM	-	11,638	(440)	11,194	4
Petty Cash	-	313	-	313	-
Welding	691	-	-	-	691
Snack Bar	1,006	41,627	442	39,339	3,736
Service Careers	130	386	-	491	25
Grand Total	\$ 9,378	\$ 639,444	\$ 1,584	\$ 581,736	\$ 68,670

**WESTERN TECHNOLOGY CENTER NO. 12
SCHOOL ACTIVITY FUND
STATEMENT OF REVENUE, EXPENDITURES, AND FUND BALANCE
SAYRE CAMPUS
FOR THE YEAR ENDED JUNE 30, 2012**

Activities	Balance 7-1-11	Deposited	Net Transfers/ Adjustments	Disbursed	Balance 6-30-12
Refund	\$ -	\$ 42,642	\$ -	\$ 42,642	\$ -
Snack Bar	1,984	9,780	-	10,093	1,671
Business/Web Design	7,637	6,723	-	7,255	7,105
Health/Science	-	1,996	-	1,305	-
Cosmetology	1,066	2,554	-	1,505	2,115
Automotive/Ag	2,888	84	-	807	2,165
National Honor	15	1,330	-	1,345	-
Marketing	-	1,341	-	637	704
Petty Cash	-	200	-	200	-
Grand Total	\$ 13,590	\$ 66,650	\$ -	\$ 65,789	\$ 14,451

**WESTERN TECHNOLOGY CENTER NO. 12
SCHOOL ACTIVITY FUND
STATEMENT OF REVENUE, EXPENDITURES, AND FUND BALANCE
WEATHERFORD CAMPUS
FOR THE YEAR ENDED JUNE 30, 2012**

Activities	Balance 7-1-11	Deposited	Net Transfers/ Adjustments	Disbursed	Balance 6-30-12
Refund	\$ -	\$ 307,273	\$ -	\$ 304,360	\$ 2,913
Snack Bar	85	55	-	-	140
Hygiene	795	520	-	752	563
Petty Cash	-	210	-	210	-
Dental Asst.	412	2,222	-	2,076	558
Grand Total	<u>\$ 1,292</u>	<u>\$ 310,280</u>	<u>\$ -</u>	<u>\$ 307,398</u>	<u>\$ 4,174</u>

WESTERN TECHNOLOGY CENTER NO. 12
SCHOOL ACTIVITY FUND
STATEMENT OF REVENUE, EXPENDITURES, AND FUND BALANCE
HOBART CAMPUS
FOR THE YEAR ENDED JUNE 30, 2012

Activities	Balance 7-1-11	Deposited	Net Transfers/ Adjustments	Disbursed	Balance 6-30-12
Refund	\$ -	\$ 17,723	\$ -	\$ 16,775	\$ 948.00
Petty Cash	-	200	-	200	-
Grand Total	<u>\$ -</u>	<u>\$ 17,923</u>	<u>\$ -</u>	<u>\$ 16,975</u>	<u>\$ 948.00</u>

REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS

KERRY JOHN PATTEN, C.P.A.

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



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

The Honorable Board of Education
Western Technology Center No. 12
Washita County, Oklahoma

I have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Western Technology Center No. 12 (The "Center"), Burns Flat, Oklahoma, as of and for the year ended June 30, 2012, which collectively comprise Western Technology Center's basic financial statements and have issued my report thereon dated Date of release. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Western Technology Center's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

Kerry John Patten, C.P.A.
March 8, 2013

KERRY JOHN PATTEN, C.P.A.

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



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

The Honorable Board of Education
Western Technology Center No. 12
Washita County, Oklahoma

Compliance

I have audited the compliance of Western Technology Center with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have direct and material effect on 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 Audit 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 Western Technology Center's management. My responsibility is to express an opinion on Western Technology 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 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 Western Technology 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 Western Technology Center's compliance with those requirements.

In my opinion, Western Technology Center complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

The management of Western Technology Center is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered Western Technology Center's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 entity's internal control over compliance.

A *deficiency in 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 and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses in internal control over compliance. 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 and use of management, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties.

A handwritten signature in black ink, appearing to read "Kerry John Patten". The signature is fluid and cursive, with a large initial "K" and a long, sweeping tail.

Kerry John Patten, CPA
March 8, 2013

**WESTERN TECHNOLOGY CENTER NO. 12
WASHITA COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the basic financial statements of Western Technology Center.
2. There were no audit findings reported of deficiencies in internal control, which the auditor considers to be "significant deficiencies" as defined in A.I.C.P.A. standards.
3. No instances of noncompliance material to the financial statements of Western Technology Center which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit..
4. There were no audit findings reported of deficiencies in internal control over major programs, which the auditor considers to be "significant deficiencies" as defined by A.I.C.P.A. standards.
5. The auditor's report on compliance for the major federal award programs for Western Technology Center expresses an unqualified opinion on all major federal programs.
6. There were no audit findings that are required to be reported in accordance with OMB Circular A-133 relative to major federal award programs for Western Technology Center.
7. The programs tested as major programs included: Pell (84.063) and Carl Perkins (84.048).
8. The threshold for distinguishing Types A and B programs was \$300,000.00.
9. Western Technology Center did qualify as a low risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

1. No matters were reported.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

1. No matters were reported.

**WESTERN TECHNOLOGY CENTER NO. 12
WASHITA COUNTY, OKLAHOMA
SUMMARY OF PRIOR AUDIT FINDINGS
JULY 1, 2011 TO JUNE 30, 2012**

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

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

**WESTERN TECHNOLOGY CENTER NO. 12
WASHITA COUNTY, OKLAHOMA
SCHEDULE OF COMMENTS
JULY 1, 2011 TO JUNE 30, 2012**

Based on my tests of accounting records and related procedures, I found nothing to indicate that Western Technology Center No. 12 had not complied with significant compliance rules and regulations of the Oklahoma State Department of Career & Technology Education.

Previous Year's Audit Comments

There were no items in the school's 2010-11 audit report, which required resolution during the year ended June 30, 2012.

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

WESTERN TECHNOLOGY CENTER NO. 12
WASHITA COUNTY, OKLAHOMA
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE AFFIDAVIT
JULY 1, 2011 TO JUNE 30, 2012

State of Oklahoma)
County of Tulsa)

The undersigned auditing firm of lawful age, being first duly sworn on oath, says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with Western Technology Center Center for the audit year 2011-12.

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

BY *Kerry John Patten*
AUTHORIZED AGENT

Subscribed and sworn to before me on this
9th day of March, 2013



Linda Kellick 05010870
NOTARY PUBLIC

My commission expires on:
30 day of Nov., 2013