

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT  
OF  
OREGON-DAVIS SCHOOL CORPORATION  
STARKE COUNTY, INDIANA  
July 1, 2004 to June 30, 2006



**FILED**  
01/10/2007



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials .....	2
Independent Accountant's Report .....	3
Financial Information:	
Government-Wide Financial Statements:	
Statement of Cash and Investments .....	4-5
Statement of Cash Activities .....	6-7
Fund Financial Statements:	
Governmental Funds:	
Statement of Receipts, Disbursements, and Cash and Investment Balances – Governmental Funds .....	8-9
Proprietary Funds:	
Statement of Receipts, Disbursements, and Changes in Cash and Investments – Proprietary Fund .....	10-11
Fiduciary Funds:	
Statement of Receipts, Disbursements, and Changes in Cash and Investments – Fiduciary Funds .....	12-13
Statement of Cash and Investments – Fiduciary Funds .....	14-15
Notes to Financial Information .....	16-18
Supplementary Information:	
Schedule of Capital Assets .....	19
Schedule of Long-Term Debt .....	20
Examination Results and Comments:	
Collection of Amounts Due .....	21-22
Advance Payments .....	22
Overdrawn Cash Balance .....	22
Exit Conference .....	23

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Susan G. Rowles	07-01-04 to 06-30-07
Superintendent of Schools	William A. Rentschler	07-01-04 to 06-30-07
President of the School Board	Jerry Pearish Kristopher Rannells Shirley Budka	07-01-04 to 06-30-05 07-01-05 to 06-30-06 07-01-06 to 06-30-07



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE OREGON-DAVIS SCHOOL CORPORATION, STARKE COUNTY, INDIANA

We have examined the financial information presented herein of the Oregon-Davis School Corporation (School Corporation), for the period of July 1, 2004 to June 30, 2006. The School Corporation's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above present fairly, in all material respects, the financial information of the School Corporation for the years ended June 30, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

November 30, 2006

OREGON-DAVIS SCHOOL CORPORATION  
 STATEMENT OF CASH AND INVESTMENTS  
 June 30, 2005

<u>Assets</u>	<u>Governmental Activities</u>
Current assets:	
Cash and investments	\$ 3,064,918
Restricted assets:	
Cash and investments	<u>307,517</u>
Total assets	<u>\$ 3,372,435</u>
 <u>Net Assets</u>	
Restricted for:	
Debt service	\$ 307,517
Unrestricted	<u>3,064,918</u>
Total net assets	<u>\$ 3,372,435</u>

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

OREGON-DAVIS SCHOOL CORPORATION  
 STATEMENT OF CASH AND INVESTMENTS  
 June 30, 2006

<u>Assets</u>	<u>Governmental Activities</u>
Current assets:	
Cash and investments	\$ 3,513,298
Restricted assets:	
Cash and investments	<u>(1,748)</u>
Total assets	<u>\$ 3,511,550</u>
 <u>Net Assets</u>	
Restricted for:	
Debt service	\$ (1,748)
Unrestricted	<u>3,513,298</u>
Total net assets	<u>\$ 3,511,550</u>

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

OREGON-DAVIS SCHOOL CORPORATION  
STATEMENT OF CASH ACTIVITIES  
For the Year Ended June 30, 2005

Functions/Programs	Disbursements	Program Receipts		Net (Disbursement) Receipts
		Charges for Services	Operating Grants and Contributions	Total
Governmental activities:				
Instruction	\$ 2,198,274	\$ -	\$ 53,491	\$ (2,144,783)
Support services	3,562,987	186,081	103,155	(3,273,751)
Community services	79,555	-	-	(79,555)
Nonprogrammed charges	211,287	-	-	(211,287)
Debt service	1,408,552	-	-	(1,408,552)
<b>Total governmental activities</b>	<b>\$ 7,460,655</b>	<b>\$ 186,081</b>	<b>\$ 156,646</b>	<b>(7,117,928)</b>
General receipts:				
Property taxes				3,380,527
Other local sources				1,168,400
State aid				3,185,193
Grants and contributions not restricted				159,222
Bonds and loans				700,000
Sale of property, adjustments, and refunds				65,415
Investment earnings				48,782
				8,707,539
				1,589,611
				1,782,824
				\$ 3,372,435

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

OREGON-DAVIS SCHOOL CORPORATION  
STATEMENT OF CASH ACTIVITIES  
For the Year Ended June 30, 2006

Functions/Programs	Disbursements	Program Receipts		Net (Disbursement) Receipts
		Charges for Services	Operating Grants and Contributions	Total
Governmental activities:				
Instruction	\$ 2,049,501	\$ -	\$ 41,794	\$ (2,007,707)
Support services	3,924,034	182,503	122,430	(3,619,101)
Community services	96,604	-	-	(96,604)
Nonprogrammed charges	436,560	-	-	(436,560)
Debt service	1,776,650	-	-	(1,776,650)
Total governmental activities	\$ 8,283,349	\$ 182,503	\$ 164,224	(7,936,622)
General receipts:				
Property taxes				2,354,420
Other local sources				1,126,737
State aid				3,350,931
Grants and contributions not restricted				158,246
Bonds and loans				700,000
Sale of property, adjustments, and refunds				264,258
Investment earnings				121,145
Total general receipts and transfers				8,075,737
Change in cash and investments				139,115
Net assets - beginning				3,372,435
Net assets - ending				\$ 3,511,550

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

OREGON-DAVIS SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
GOVERNMENTAL FUNDS  
For The Year Ended June 30, 2005

	General	Transportation Operating	Rainy Day	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
<b>Receipts:</b>								
Local sources	\$ 1,785,309	\$ 395,186	\$ -	\$ 1,030,688	\$ 586,155	\$ 104,064	\$ 201,336	\$ 4,102,738
Intermediate sources	339	-	-	-	-	-	150	489
State sources	3,230,598	-	-	-	-	-	45,960	3,276,558
Federal sources	-	-	-	-	-	-	224,503	224,503
Bonds and loans	700,000	-	-	-	-	-	-	700,000
Sale of property, adjustments and refunds	23,134	2,860	38,298	-	-	-	1,123	65,415
Intergovernmental transfers	2,950	-	75,000	-	-	-	2,072	80,022
<b>Total receipts</b>	<u>5,742,330</u>	<u>398,046</u>	<u>113,298</u>	<u>1,030,688</u>	<u>586,155</u>	<u>104,064</u>	<u>475,144</u>	<u>8,449,725</u>
<b>Disbursements:</b>								
<b>Current:</b>								
Instruction	2,078,746	-	-	-	-	-	119,528	2,198,274
Support services	1,975,858	324,516	-	-	190,627	-	332,100	2,823,101
Community services	76,422	-	-	-	-	-	3,133	79,555
Nonprogrammed charges	208,387	-	-	-	75,000	-	7,922	291,309
Debt services	700,000	-	-	708,552	-	-	-	1,408,552
<b>Total disbursements</b>	<u>5,039,413</u>	<u>324,516</u>	<u>-</u>	<u>708,552</u>	<u>265,627</u>	<u>-</u>	<u>462,683</u>	<u>6,800,791</u>
Excess of total receipts over total disbursements	702,917	73,530	113,298	322,136	320,528	104,064	12,461	1,648,934
Cash and investments - beginning	(159,160)	242,281	75,000	(14,619)	470,422	(1,573)	129,497	741,848
Cash and investments - ending	<u>\$ 543,757</u>	<u>\$ 315,811</u>	<u>\$ 188,298</u>	<u>\$ 307,517</u>	<u>\$ 790,950</u>	<u>\$ 102,491</u>	<u>\$ 141,958</u>	<u>\$ 2,390,782</u>

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

RECONCILIATION OF THE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF CASH ACTIVITIES

Net change in fund balances - total governmental funds	\$ 1,648,934
Amounts reported for governmental activities in the statement of cash activities are different because:	
Internal service funds are not reported as a part of governmental funds.	<u>(59,323)</u>
Change in cash and investments of governmental activities	<u>\$ 1,589,611</u>

OREGON-DAVIS SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
GOVERNMENTAL FUNDS  
For The Year Ended June 30, 2006

	General	Transportation Operating	Rainy Day	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
<b>Receipts:</b>								
Local sources	\$ 1,301,030	\$ 308,538	\$ -	\$ 767,384	\$ 357,645	\$ 88,113	\$ 202,412	\$ 3,025,122
Intermediate sources	679	-	-	-	-	-	263	942
State sources	3,382,688	-	-	-	-	-	48,445	3,431,133
Federal sources	-	-	-	-	-	-	242,267	242,267
Bonds and loans	700,000	-	-	-	-	-	-	700,000
Sale of property, adjustments and refunds	24,736	13,783	-	-	15,792	-	3,019	57,330
Intergovernmental transfers	462	-	305,000	-	-	-	6,237	311,699
<b>Total receipts</b>	<u>5,409,595</u>	<u>322,321</u>	<u>305,000</u>	<u>767,384</u>	<u>373,437</u>	<u>88,113</u>	<u>502,643</u>	<u>7,768,493</u>
<b>Disbursements:</b>								
<b>Current:</b>								
Instruction	1,940,487	-	-	-	-	-	109,014	2,049,501
Support services	1,940,364	297,479	-	-	382,862	106,120	380,091	3,106,916
Community services	96,604	-	-	-	-	-	-	96,604
Nonprogrammed charges	438,160	-	-	-	-	90,000	20,099	548,259
Debt services	700,000	-	-	1,076,650	-	-	-	1,776,650
<b>Total disbursements</b>	<u>5,115,615</u>	<u>297,479</u>	<u>-</u>	<u>1,076,650</u>	<u>382,862</u>	<u>196,120</u>	<u>509,204</u>	<u>7,577,930</u>
Excess (deficiency) of total receipts over (under) total disbursements	293,980	24,842	305,000	(309,266)	(9,425)	(108,007)	(6,561)	190,563
Cash and investments - beginning	543,757	315,811	188,298	307,517	790,950	102,491	141,958	2,390,782
Cash and investments - ending	<u>\$ 837,737</u>	<u>\$ 340,653</u>	<u>\$ 493,298</u>	<u>\$ (1,749)</u>	<u>\$ 781,525</u>	<u>\$ (5,516)</u>	<u>\$ 135,397</u>	<u>\$ 2,581,345</u>

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

RECONCILIATION OF THE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF CASH ACTIVITIES

Net change in fund balances - total governmental funds	\$ 190,563
Amounts reported for governmental activities in the statement of cash activities are different because:	
Internal service funds are not reported as a part of governmental funds.	<u>(51,448)</u>
Change in cash and investments of governmental activities	<u>\$ 139,115</u>

OREGON-DAVIS SCHOOL CORPORATION  
 STATEMENT OF RECEIPTS, DISBURSEMENTS,  
 AND CHANGES IN CASH AND INVESTMENTS  
 PROPRIETARY FUND  
 For The Year Ended June 30, 2005

	Internal Service Fund
Receipts:	
Local sources	\$ 680,563
Disbursements:	
Support services	739,886
Changes in cash and investments	(59,323)
Cash and investments - beginning	1,040,976
Cash and investments - ending	\$ 981,653

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

OREGON-DAVIS SCHOOL CORPORATION  
 STATEMENT OF RECEIPTS, DISBURSEMENTS,  
 AND CHANGES IN CASH AND INVESTMENTS  
 PROPRIETARY FUND  
 For The Year Ended June 30, 2006

	Internal Service Fund
Receipts:	
Local sources	\$ 758,742
Sale of property, adjustments and refunds	206,928
Total receipts	965,670
Disbursements:	
Support services	817,118
Nonprogrammed charges	200,000
Total disbursements	1,017,118
Changes in cash and investments	(51,448)
Cash and investments - beginning	981,653
Cash and investments - ending	\$ 930,205

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

OREGON-DAVIS SCHOOL CORPORATION  
 STATEMENT OF RECEIPTS, DISBURSEMENTS,  
 AND CHANGES IN CASH AND INVESTMENTS  
 FIDUCIARY FUNDS  
 For The Year Ended June 30, 2005

	Private-Purpose Trust Funds
Additions:	
Local sources	\$ <u>1,080</u>
Deductions:	
Nonprogrammed charges	<u>500</u>
Excess of total additions over total deductions	580
Cash and investments - beginning	<u>2,310</u>
Cash and investments - ending	<u><u>\$ 2,890</u></u>

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

OREGON-DAVIS SCHOOL CORPORATION  
 STATEMENT OF RECEIPTS, DISBURSEMENTS,  
 AND CHANGES IN CASH AND INVESTMENTS  
 FIDUCIARY FUNDS  
 For The Year Ended June 30, 2006

	Pension Trust Funds	Private-Purpose Trust Funds
Additions:		
Local sources	\$ -	\$ 430
Bonds and loans	513,084	-
Sale of property, adjustments and refunds	-	365
Total additions	513,084	795
Deductions:		
Instruction	-	313
Nonprogrammed charges	-	1,280
Debt services	15,520	-
Total additions	15,520	1,593
Excess (deficiency) of total additions over (under) total deductions	497,564	(798)
Cash and investments - beginning	-	2,890
Cash and investments - ending	\$ 497,564	\$ 2,092

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

OREGON-DAVIS SCHOOL CORPORATION  
STATEMENT OF CASH AND INVESTMENTS  
FIDUCIARY FUNDS  
June 30, 2005

<u>Assets</u>	<u>Private-Purpose Trust Funds</u>
Cash and investments	\$ <u>2,890</u>
<u>Net Assets</u>	
Held in trust for employee benefits and other purposes	\$ <u>2,890</u>

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

OREGON-DAVIS SCHOOL CORPORATION  
STATEMENT OF CASH AND INVESTMENTS  
FIDUCIARY FUNDS  
June 30, 2006

<u>Assets</u>	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
Cash and investments	\$ 497,564	\$ 2,092
<u>Net Assets</u>		
Held in trust for employee benefits and other purposes	\$ 497,564	\$ 2,092

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

OREGON-DAVIS SCHOOL CORPORATION  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

School Corporation, as used herein, shall include, but is not limited to, school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

The School Corporation was established under the laws of the State of Indiana. The School Corporation operates under a Board of School Trustees form of government and provides educational services.

Note 2. Fund Accounting

The School Corporation uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to June 30 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the School Corporation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

OREGON-DAVIS SCHOOL CORPORATION  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Note 6. Pension Plans

Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

Teacher's Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Teacher's Retirement Fund (TRF), a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State statute (IC 5-10.2) governs, through the TRF Board, most requirements of the system, and gives the School Corporation authority to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

TRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

OREGON-DAVIS SCHOOL CORPORATION  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Teacher's Retirement Fund  
150 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 232-3860

Funding Policy and Annual Pension Cost

The School Corporation contributes the employer's share to TRF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana.

OREGON-DAVIS SCHOOL CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 June 30, 2006

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Buildings	\$ 18,780,540
Improvements other than buildings	265,047
Machinery and equipment	<u>2,587,683</u>
 Total governmental activities, capital assets not being depreciated	 \$ <u>21,633,270</u>

OREGON-DAVIS SCHOOL CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 June 30, 2006

The School Corporation has entered into the following capital lease and long-term debt:

Description of Debt	Ending Balance	Due Within One Year
Governmental Activities:		
Capital leases:		
Building Lease	\$ 9,035,000	\$ 135,000
Bonds payable:		
General obligations bond:		
Retirement/Severance Bond	<u>520,000</u>	<u>-</u>
Total governmental activities long-term debt	<u>\$ 9,555,000</u>	<u>\$ 135,000</u>

OREGON-DAVIS SCHOOL CORPORATION  
EXAMINATION RESULTS AND COMMENTS

COLLECTION OF AMOUNTS DUE

We noted that School Lunch meal reimbursements were not always submitted to the Indiana Department of Education for reimbursement. The following reimbursement claims for the Jr./Sr. High School were not submitted:

February 2006

<u>Meals Served</u>	<u>Lunch</u>	<u>Breakfast</u>
Regular Meals	2,324	238
Reduced Meals	332	83
Free Meals	<u>1,080</u>	<u>401</u>
 Total Reimbursable Meals	 <u><u>3,736</u></u>	 <u><u>722</u></u>
 Adult Meals	 62	 -
Days of Operation	19	19
Average Daily Attendance	278	278

Eligibility Information

Paid Eligible Children	206
Free Eligible Children	63
Reduced Eligible Children	<u>21</u>
 Total Eligible Children	 <u><u>290</u></u>

May 2006

<u>Meals Served</u>	<u>Lunch</u>	<u>Breakfast</u>
Regular Meals	1,986	238
Reduced Meals	283	83
Free Meals	<u>940</u>	<u>401</u>
 Total Reimbursable Meals	 <u><u>3,209</u></u>	 <u><u>722</u></u>
 Adult Meals	 62	 -
Days of Operation	19	19
Average Daily Attendance	320	320

OREGON-DAVIS SCHOOL CORPORATION  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

<u>Eligibility Information</u>	
Paid Eligible Children	219
Free Eligible Children	80
Reduced Eligible Children	<u>25</u>
 Total Eligible Children	 <u><u>324</u></u>

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

ADVANCE PAYMENTS

Claims for special education reflect payments made in advance. Checks dated December 31, 2004, for \$105,209 and December 29, 2005, for \$122,633 were for special education services to be provided during the 2005 and 2006 budget (calendar) years. The School Corporation's contract with the special education provider calls for 10 equal monthly payments for the months of January through May and August thru December. A similar comment was issued in prior Report B24613.

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

OVERDRAWN CASH BALANCES

The Debt Service Fund was overdrawn at June 30, 2006, by \$1,749.

The balance of any fund may not be reduced below zero. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

OREGON-DAVIS SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on November 30, 2006, with Susan G. Rowles, Treasurer; and William A. Rentschler, Superintendent of Schools.