

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, 2006 to June 30, 2008



FILED
12/31/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Susan G. Rowles	07-01-06 to 06-30-09
Superintendent of Schools	William A. Rentschler Steven C. Disney Jr.	07-01-06 to 06-30-07 07-01-07 to 06-30-09
President of the School Board	Shirley Budka Rick Hall Michael C. Keiper	07-01-06 to 06-30-07 07-01-07 to 06-30-08 07-01-08 to 06-30-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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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, 2006 to June 30, 2008. 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 presents fairly, in all material respects, the financial information of the School Corporation for the years ended June 30, 2007 and 2008, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

October 15, 2008

OREGON DAVIS SCHOOL CORPORATION
SCHEDULE OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2007

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental activities:				Net (Disbursement) Receipts and Changes in Net Assets
Instruction	\$ 2,941,343	\$ -	\$ 34,332	\$ (2,907,011)
Support services	2,748,825	147,898	153,417	(2,447,510)
Community services	80,311	-	-	(80,311)
Nonprogrammed charges	563,473	-	-	(563,473)
Debt service	<u>1,159,698</u>	<u>-</u>	<u>-</u>	<u>(1,159,698)</u>
 Total governmental activities	 <u>\$ 7,493,650</u>	 <u>\$ 147,898</u>	 <u>\$ 187,749</u>	 <u>(7,158,003)</u>
 General receipts:				
Property taxes				1,336,273
Other local sources				409,393
State aid				3,337,110
Bonds and loans				700,000
Grants and contributions not restricted to specific programs				213,999
Sale of property, adjustments, and refunds				32,300
Investment earnings				<u>144,686</u>
 Total general receipts				 <u>6,173,761</u>
 Change in net assets				 (984,242)
 Net assets - beginning				 <u>3,510,319</u>
 Net assets - ending				 <u>\$ 2,526,077</u>
 <u>Assets</u>				
Cash and investments				\$ 1,761,414
Restricted assets:				
Cash and investments				<u>764,663</u>
 Total assets				 <u>\$ 2,526,077</u>
 <u>Net Assets</u>				
Restricted for:				
Debt service				\$ 8,810
Other purposes				755,853
Unrestricted				<u>1,761,414</u>
 Total net assets				 <u>\$ 2,526,077</u>

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

OREGON DAVIS SCHOOL CORPORATION
SCHEDULE OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2008

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental activities:				Net (Disbursement) Receipts and Changes in Net Assets
Instruction	\$ 2,930,761	\$ -	\$ 98,652	\$ (2,832,109)
Support services	2,411,627	178,429	192,953	(2,040,245)
Community services	96,410	-	-	(96,410)
Nonprogrammed charges	738,796	-	-	(738,796)
Debt service	<u>1,584,237</u>	<u>-</u>	<u>-</u>	<u>(1,584,237)</u>
Total governmental activities	<u>\$ 7,761,831</u>	<u>\$ 178,429</u>	<u>\$ 291,605</u>	<u>(7,291,797)</u>
General receipts:				
Property taxes				2,683,806
Other local sources				688,463
State aid				3,132,731
Bonds and loans				700,396
Grants and contributions not restricted to specific programs				166,645
Sale of property, adjustments, and refunds				29,955
Investment earnings				<u>155,940</u>
Total general receipts				<u>7,557,936</u>
Change in net assets				266,139
Net assets - beginning				<u>2,526,076</u>
Net assets - ending				<u>\$ 2,792,215</u>
<u>Assets</u>				
Cash and investments				\$ 2,190,363
Restricted assets:				
Cash and investments				<u>601,853</u>
Total assets				<u>\$ 2,792,216</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 50,109
Other purposes				551,744
Unrestricted				<u>2,190,363</u>
Total net assets				<u>\$ 2,792,216</u>

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

OREGON DAVIS SCHOOL CORPORATION
SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2007

	General	Transportation Operating	Local Rainy Day	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:								
Local sources	\$ 830,748	\$ 202,730	\$ -	\$ 469,548	\$ 227,339	\$ 43,682	\$ 183,120	\$ 1,957,167
Intermediate sources	679	-	-	-	-	-	225	904
State sources	3,359,953	-	-	-	-	-	115,138	3,475,091
Federal sources	-	-	-	-	-	-	263,767	263,767
Bonds and loans	700,000	-	-	-	-	-	-	700,000
Sale of property, adjustments and refunds	9,148	7,490	-	-	-	-	-	16,638
Total receipts	4,900,528	210,220	-	469,548	227,339	43,682	562,250	6,413,567
Disbursements:								
Current:								
Instruction	2,781,439	-	-	-	-	-	159,904	2,941,343
Support services	1,193,839	315,080	290,338	-	625,558	-	324,010	2,748,825
Community services	80,311	-	-	-	-	-	-	80,311
Nonprogrammed charges	275,587	-	-	-	-	-	17,693	293,280
Debt services	700,000	-	-	385,400	-	-	74,298	1,159,698
Total disbursements	5,031,176	315,080	290,338	385,400	625,558	-	575,905	7,223,457
Excess (deficiency) of receipts over disbursements	(130,648)	(104,860)	(290,338)	84,148	(398,219)	43,682	(13,655)	(809,890)
Other financing sources (uses):								
Transfers in	-	-	200,000	-	-	-	181,351	381,351
Transfers out	(302,087)	(30,234)	-	-	(36,058)	(7,156)	(5,816)	(381,351)
Total other financing sources (uses)	(302,087)	(30,234)	200,000	-	(36,058)	(7,156)	175,535	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(432,735)	(135,094)	(90,338)	84,148	(434,277)	36,526	161,880	(809,890)
Cash and investments - beginning	837,737	340,655	493,298	(1,748)	781,525	(5,516)	134,163	2,580,114
Cash and investments - ending	<u>\$ 405,002</u>	<u>\$ 205,561</u>	<u>\$ 402,960</u>	<u>\$ 82,400</u>	<u>\$ 347,248</u>	<u>\$ 31,010</u>	<u>\$ 296,043</u>	1,770,224
Amounts reported for governmental activities in the Schedule of Cash Activities and Net Assets - Cash and Investment Basis are different because:								
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Schedule of Activities and Net Assets - Cash and Investment Basis.								
								755,853
Net assets of governmental activities								<u>\$ 2,526,077</u>
<u>Cash and Investment Assets - Ending</u>								
Cash and investments	\$ 405,002	\$ 205,561	\$ 402,960	\$ -	\$ 347,248	\$ 31,010	\$ 369,633	\$ 1,761,414
Restricted assets:								
Cash and investments	-	-	-	82,400	-	-	(73,590)	8,810
Total cash and investment assets - ending	<u>\$ 405,002</u>	<u>\$ 205,561</u>	<u>\$ 402,960</u>	<u>\$ 82,400</u>	<u>\$ 347,248</u>	<u>\$ 31,010</u>	<u>\$ 296,043</u>	<u>\$ 1,770,224</u>
<u>Cash and Investment Fund Balance - Ending</u>								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ 82,400	\$ -	\$ -	\$ (73,590)	\$ 8,810
Unrestricted	405,002	205,561	402,960	-	347,248	31,010	369,633	1,761,414
Total cash and investment fund balance - ending	<u>\$ 405,002</u>	<u>\$ 205,561</u>	<u>\$ 402,960</u>	<u>\$ 82,400</u>	<u>\$ 347,248</u>	<u>\$ 31,010</u>	<u>\$ 296,043</u>	<u>\$ 1,770,224</u>

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

OREGON DAVIS SCHOOL CORPORATION
SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2008

	General	Transportation Operating	Local Rainy Day	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:								
Local sources	\$ 1,482,854	\$ 404,191	\$ -	\$ 801,425	\$ 423,937	\$ 7,568	\$ 409,422	\$ 3,529,397
Intermediate sources	679	-	-	-	-	-	150	829
State sources	3,209,094	-	-	-	-	-	84,186	3,293,280
Federal sources	-	-	-	-	-	-	297,701	297,701
Bonds and loans	700,000	-	-	396	-	-	-	700,396
Sale of property, adjustments and refunds	5,825	21,699	-	-	-	-	2,431	29,955
Total receipts	5,398,452	425,890	-	801,821	423,937	7,568	793,890	7,851,558
Disbursements:								
Current:								
Instruction	2,787,570	-	-	-	-	-	143,191	2,930,761
Support services	1,217,045	330,997	-	-	369,623	-	493,962	2,411,627
Community services	96,410	-	-	-	-	-	-	96,410
Nonprogrammed charges	340,101	-	-	-	-	-	18,174	358,275
Debt services	700,000	-	-	750,722	-	-	133,515	1,584,237
Total disbursements	5,141,126	330,997	-	750,722	369,623	-	788,842	7,381,310
Excess of receipts over disbursements	257,326	94,893	-	51,099	54,314	7,568	5,048	470,248
Other financing sources (uses):								
Transfers in	250,242	-	-	-	-	-	86,935	337,177
Transfers out	-	-	-	(74,427)	-	-	(262,750)	(337,177)
Total other financing sources (uses)	250,242	-	-	(74,427)	-	-	(175,815)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	507,568	94,893	-	(23,328)	54,314	7,568	(170,767)	470,248
Cash and investments - beginning	405,002	205,561	402,960	82,400	347,248	31,010	296,043	1,770,224
Cash and investments - ending	<u>\$ 912,570</u>	<u>\$ 300,454</u>	<u>\$ 402,960</u>	<u>\$ 59,072</u>	<u>\$ 401,562</u>	<u>\$ 38,578</u>	<u>\$ 125,276</u>	2,240,472
Amounts reported for governmental activities in the Schedule of Cash Activities and Net Assets - Cash and Investment Basis are different because:								
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Schedule of Activities and Net Assets - Cash and Investment Basis.								
								551,744
Net assets of governmental activities								<u>\$ 2,792,216</u>
<u>Cash and Investment Assets - Ending</u>								
Cash and investments	\$ 912,570	\$ 300,454	\$ 402,960	\$ -	\$ 401,562	\$ 38,578	\$ 134,239	\$ 2,190,363
Restricted assets:								
Cash and investments	-	-	-	59,072	-	-	(8,963)	50,109
Total cash and investment assets - ending	<u>\$ 912,570</u>	<u>\$ 300,454</u>	<u>\$ 402,960</u>	<u>\$ 59,072</u>	<u>\$ 401,562</u>	<u>\$ 38,578</u>	<u>\$ 125,276</u>	<u>\$ 2,240,472</u>
<u>Cash and Investment Fund Balance - Ending</u>								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ 59,072	\$ -	\$ -	\$ (8,963)	\$ 50,109
Unrestricted	912,570	300,454	402,960	-	401,562	38,578	134,239	2,190,363
Total cash and investment fund balance - ending	<u>\$ 912,570</u>	<u>\$ 300,454</u>	<u>\$ 402,960</u>	<u>\$ 59,072</u>	<u>\$ 401,562</u>	<u>\$ 38,578</u>	<u>\$ 125,276</u>	<u>\$ 2,240,472</u>

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

OREGON DAVIS SCHOOL CORPORATION
 SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
 AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 PROPRIETARY FUND
 For the Year Ended June 30, 2007

	<u>Internal Service Fund</u>
Operating receipts:	
Charges for services	\$ 56,490
Miscellaneous	<u>39,351</u>
Total operating receipts	95,841
Operating disbursements:	
Insurance claims and expense	<u>270,193</u>
Deficiency of operating receipts over operating disbursements	(174,352)
Cash and investment fund balance - beginning	<u>930,205</u>
Cash and investment fund balance - ending	<u><u>\$ 755,853</u></u>
 <u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u><u>\$ 755,853</u></u>
 <u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u><u>\$ 755,853</u></u>

The accompany notes are an integral part of the financial information.

OREGON DAVIS SCHOOL CORPORATION
 SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
 AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 PROPRIETARY FUND
 For the Year Ended June 30, 2008

	<u>Internal Service Fund</u>
Operating receipts:	
Charges for services	\$ 155,750
Miscellaneous	<u>20,662</u>
Total operating receipts	176,412
Operating disbursements:	
Insurance claims and expense	<u>380,521</u>
Deficiency of operating receipts over operating disbursements	(204,109)
Cash and investment fund balance - beginning	<u>755,853</u>
Cash and investment fund balance - ending	<u>\$ 551,744</u>
 <u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u>\$ 551,744</u>
 <u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u>\$ 551,744</u>

The accompany notes are an integral part of the financial information.

OREGON DAVIS SCHOOL CORPORATION
SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND
INVESTMENT BALANCES - FIDUCIARY FUNDS
For the Year Ended June 30, 2007

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
Additions:		
Contributions:		
Employer	\$ 171,000	\$ -
Other	<u>4,458</u>	<u>952</u>
Total additions	<u>175,458</u>	<u>952</u>
Deductions:		
Benefits	482,289	-
Administrative and general	<u>-</u>	<u>1,065</u>
Total deductions	<u>482,289</u>	<u>1,065</u>
Deficiency of total additions over total deductions	(306,831)	(113)
Cash and investment fund balance - beginning	<u>497,564</u>	<u>3,322</u>
Cash and investment fund balance - ending	<u>\$ 190,733</u>	<u>\$ 3,209</u>
Net assets:		
Cash and investments	<u>\$ 190,733</u>	<u>\$ 3,209</u>
Total net assets - cash and investment basis held in trust	<u>\$ 190,733</u>	<u>\$ 3,209</u>

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

OREGON DAVIS SCHOOL CORPORATION
 SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND
 INVESTMENT BALANCES - FIDUCIARY FUNDS
 For the Year Ended June 30, 2008

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
Additions:		
Contributions:		
Other	\$ -	\$ 11,989
Deductions:		
Administrative and general	<u>4,703</u>	<u>2,302</u>
Excess (deficiency) of total additions over total deductions	(4,703)	14,291
Cash and investment fund balance - beginning	<u>190,733</u>	<u>3,209</u>
Cash and investment fund balance - ending	<u>\$ 186,030</u>	<u>\$ 17,500</u>
Net assets:		
Cash and investments	<u>\$ 186,030</u>	<u>\$ 17,500</u>
Total net assets - cash and investment basis held in trust	<u>\$ 186,030</u>	<u>\$ 17,500</u>

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

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

A. Government-Wide and Fund Financial Information

Government-Wide Financial Information

The Schedule of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Fund Financial Information

Fund financial schedules of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, receipts, and disbursements. Separate financial schedules are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial schedules. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial schedules.

The School Corporation reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The local rainy day fund is used to account for unused and unencumbered funds transferred under the authority of Indiana Code 36-1-8-5. Disbursements from this fund are subject to the same appropriation process as other funds that receive tax money.

The debt service fund accounts for debt from funds borrowed or advanced for the purchase or lease of school buildings, school buses, judgments against the corporation, equipment or capital construction, and interest on emergency and temporary loans.

The capital projects fund accounts for planned construction, repair, replacement or remodeling; and the purchase, lease, upgrade, maintenance, or repair of computer equipment.

OREGON DAVIS SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

The transportation operating fund accounts for financial resources for the transportation of school children to and from school.

The school bus replacement fund is used to account for receipts and disbursements concerning the acquisition and disposal of school buses.

Additionally, the School Corporation reports the following fund types:

The internal service fund accounts for group health insurance benefits provided to other departments.

The pension trust fund account for the activities of the retirement/severance bond fund which accumulates resources for pension benefit payments.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the benefit scholarship recipients.

Agency funds account for assets held by the School Corporation as an agent for employees and other governmental agencies.

B. Measurement Focus and Basis of Accounting

The government-wide, governmental fund and fiduciary fund financial schedules are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Investment transactions are not presented on the financial schedules.

If the School Corporation utilized the basis of accounting recognized as generally accepted, the fund financial schedules for governmental funds would use the modified accrual basis of accounting, while the fund financial schedules for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial schedules.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds) or other departments or agencies primarily within the government (internal service funds). The School Corporation does not have any enterprise funds.

When both restricted and unrestricted resources are available for use, the School Corporation's policy is to use restricted resources first, then unrestricted resources as they are needed.

OREGON DAVIS SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

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.

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.

Note 6. Interfund Transfers

Interfund transfers for the years ended June 30, 2007 and 2008, were as follows:

Transfer From	Transfer To	2007	2008
General Fund	Local Rainy Day Fund	\$ 200,000	\$ -
	Other governmental funds	102,087	-
Transportation Operating Fund	Other governmental funds	30,234	-
School Bus Replacement Fund	Other governmental funds	7,156	-
Capital Projects Fund	Other governmental funds	36,058	-
Debt Service Fund	Other governmental funds	-	74,427
Other governmental funds	General Fund	-	250,242
	Other governmental funds	5,816	12,508
Totals		<u>\$ 381,351</u>	<u>\$ 337,177</u>

OREGON DAVIS SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

The School Corporation typically uses transfers for cash flow purposes as provided by various statutory provisions.

Note 7. Pension Plans

A. 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.

B. Teachers' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Teachers' 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.

OREGON DAVIS SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

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:

Teachers' 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
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007

	Special Education Preschool	School Lunch	Textbook Rental	Levy Excess	Education License Plates	School Library Printed Material	2006/2007 Gifted/Talented
Receipts:							
Local sources	\$ 1,759	\$ 125,620	\$ 55,033	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	225	-	-
State sources	9,578	3,351	35,445	-	-	-	11,450
Federal sources	-	114,621	-	-	-	-	-
Total receipts	11,337	243,592	90,478	-	225	-	11,450
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	11,450
Support services	-	262,678	55,100	-	-	-	-
Nonprogrammed charges	17,693	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	17,693	262,678	55,100	-	-	-	11,450
Excess (deficiency) of receipts over disbursements	(6,356)	(19,086)	35,378	-	225	-	-
Other financing sources (uses):							
Transfers in	-	-	-	175,815	-	-	-
Transfers out	(280)	-	-	-	-	-	-
Total other financing sources (uses)	(280)	-	-	175,815	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(6,636)	(19,086)	35,378	175,815	225	-	-
Cash and investments - beginning	35,623	47,136	36,899	-	2,132	(1,105)	-
Cash and investments - ending	<u>\$ 28,987</u>	<u>\$ 28,050</u>	<u>\$ 72,277</u>	<u>\$ 175,815</u>	<u>\$ 2,357</u>	<u>\$ (1,105)</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 28,987	\$ 28,050	\$ 72,277	\$ 175,815	\$ 2,357	\$ (1,105)	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 28,987	\$ 28,050	\$ 72,277	\$ 175,815	\$ 2,357	\$ (1,105)	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	28,987	28,050	72,277	175,815	2,357	(1,105)	-
Total cash and investment fund balance - ending	\$ 28,987	\$ 28,050	\$ 72,277	\$ 175,815	\$ 2,357	\$ (1,105)	\$ -

OREGON DAVIS SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Drug Free Communities	Medicaid Reimbursement State	Non English Speaking Program	Technology Grants Equipment	Title I FY 2006	Title I FY 2007	Title V-Part A Innovative Program 2006/2007
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	39	55,275	-	-	-
Federal sources	-	-	-	-	-	105,070	3,224
Total receipts	-	-	39	55,275	-	105,070	3,224
Disbursements:							
Current:							
Instruction	-	-	-	-	89	104,263	-
Support services	-	-	-	-	-	-	3,611
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	89	104,263	3,611
Excess (deficiency) of receipts over disbursements	-	-	39	55,275	(89)	807	(387)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	3,099	1,532
Transfers out	(2,437)	-	-	-	(3,099)	-	-
Total other financing sources (uses)	(2,437)	-	-	-	(3,099)	3,099	1,532
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,437)	-	39	55,275	(3,188)	3,906	1,145
Cash and investments - beginning	2,437	64	90	-	3,188	-	-
Cash and investments - ending	\$ -	\$ 64	\$ 129	\$ 55,275	\$ -	\$ 3,906	\$ 1,145
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 64	\$ 129	\$ 55,275	\$ -	\$ 3,906	\$ 1,145
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 64	\$ 129	\$ 55,275	\$ -	\$ 3,906	\$ 1,145
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	64	129	55,275	-	3,906	1,145
Total cash and investment fund balance - ending	\$ -	\$ 64	\$ 129	\$ 55,275	\$ -	\$ 3,906	\$ 1,145

OREGON DAVIS SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Title V-Part A Innovative Program 2004/2005	Title IV-Part A Drug Free 2004/2005	Drug Free School and Community 2005	Drug Free School and Community 2006	Title IV-Part A Drug Free 2008/2009	Vocational Carl Perkins Grant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	3,646	2,711	-	2,846
Total receipts	-	-	3,646	2,711	-	2,846
Disbursements:						
Current:						
Instruction	-	3,561	3,646	-	2,400	2,846
Support services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	-	3,561	3,646	-	2,400	2,846
Excess (deficiency) of receipts over disbursements	-	(3,561)	-	2,711	(2,400)	-
Other financing sources (uses):						
Transfers in	905	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	905	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	905	(3,561)	-	2,711	(2,400)	-
Cash and investments - beginning	(905)	3,561	-	-	2,400	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,711</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ 2,711	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,711</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	2,711	-	-
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,711</u>	<u>\$ -</u>	<u>\$ -</u>

OREGON DAVIS SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Medicaid Reimbursement Federal	Title II, Part A Class Size Reduction 2005/2006	Enhancing Education Thru Technology	Title III English Proficiency	Retirement/ Severance Bond Debt Service	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 708	\$ 183,120
Intermediate sources	-	-	-	-	-	225
State sources	-	-	-	-	-	115,138
Federal sources	-	31,649	-	-	-	263,767
Total receipts	-	31,649	-	-	708	562,250
Disbursements:						
Current:						
Instruction	-	31,649	-	-	-	159,904
Support services	-	-	2,621	-	-	324,010
Nonprogrammed charges	-	-	-	-	-	17,693
Debt services	-	-	-	-	74,298	74,298
Total disbursements	-	31,649	2,621	-	74,298	575,905
Excess (deficiency) of receipts over disbursements	-	-	(2,621)	-	(73,590)	(13,655)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	181,351
Transfers out	-	-	-	-	-	(5,816)
Total other financing sources (uses)	-	-	-	-	-	175,535
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(2,621)	-	(73,590)	161,880
Cash and investments - beginning	22	-	2,621	-	-	134,163
Cash and investments - ending	<u>\$ 22</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (73,590)</u>	<u>\$ 296,043</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 22	\$ -	\$ -	\$ -	\$ -	\$ 369,633
Restricted assets:						
Cash and investments	-	-	-	-	(73,590)	(73,590)
Total cash and investment assets - ending	<u>\$ 22</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (73,590)</u>	<u>\$ 296,043</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	(73,590)	(73,590)
Unrestricted	22	-	-	-	-	369,633
Total cash and investment fund balance - ending	<u>\$ 22</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (73,590)</u>	<u>\$ 296,043</u>

OREGON DAVIS SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008

	Special Education Preschool	School Lunch	Textbook Rental	Levy Excess	Education License Plates	School Library Printed Material	Project Aspire/Donation High School
Receipts:							
Local sources	\$ 3,290	\$ 149,624	\$ 58,366	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	150	-	-
State sources	9,368	3,464	42,459	-	-	-	28,246
Federal sources	-	147,030	-	-	-	-	-
Sale of property, adjustments and refunds	-	2,219	212	-	-	-	-
Total receipts	12,658	302,337	101,037	-	150	-	28,246
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	28,246
Support services	-	267,176	130,228	-	-	-	-
Nonprogrammed charges	18,174	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	18,174	267,176	130,228	-	-	-	28,246
Excess (deficiency) of receipts over disbursements	(5,516)	35,161	(29,191)	-	150	-	-
Other financing sources (uses):							
Transfers in	-	-	-	74,427	-	-	-
Transfers out	-	-	-	(250,242)	-	-	-
Total other financing sources (uses)	-	-	-	(175,815)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,516)	35,161	(29,191)	(175,815)	150	-	-
Cash and investments - beginning	28,987	28,050	72,277	175,815	2,357	(1,105)	-
Cash and investments - ending	\$ 23,471	\$ 63,211	\$ 43,086	\$ -	\$ 2,507	\$ (1,105)	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ 23,471	\$ 63,210	\$ 43,087	\$ -	\$ 2,507	\$ (1,105)	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 23,471	\$ 63,210	\$ 43,087	\$ -	\$ 2,507	\$ (1,105)	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	23,471	63,210	43,087	-	2,507	(1,105)	-
Total cash and investment fund balance - ending	\$ 23,471	\$ 63,210	\$ 43,087	\$ -	\$ 2,507	\$ (1,105)	\$ -

OREGON DAVIS SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Medicaid Reimbursement State	Non English Speaking Program	Technology Grants Equipment	Title I FY 2006	Title I FY 2007	Title I FY 2008	Title V-Part A Innovative Program 2006/2007
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	649	-	-	-	-	-
Federal sources	-	-	-	100,479	-	47,055	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	-	649	-	100,479	-	47,055	-
Disbursements:							
Current:							
Instruction	-	329	-	69,677	-	41,093	-
Support services	-	-	54,743	37,693	-	2,977	1,145
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	329	54,743	107,370	-	44,070	1,145
Excess (deficiency) of receipts over disbursements	-	320	(54,743)	(6,891)	-	2,985	(1,145)
Other financing sources (uses):							
Transfers in	-	-	-	6,891	-	3,906	-
Transfers out	-	-	-	-	(3,906)	(6,891)	-
Total other financing sources (uses)	-	-	-	6,891	(3,906)	(2,985)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	320	(54,743)	-	(3,906)	-	(1,145)
Cash and investments - beginning	64	129	55,275	-	3,906	-	1,145
Cash and investments - ending	\$ 64	\$ 449	\$ 532	\$ -	\$ -	\$ -	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ 64	\$ 449	\$ 532	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 64	\$ 449	\$ 532	\$ -	\$ -	\$ -	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	64	449	532	-	-	-	-
Total cash and investment fund balance - ending	\$ 64	\$ 449	\$ 532	\$ -	\$ -	\$ -	\$ -

OREGON DAVIS SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Title IV-Part A Drug Free 5,800	Drug Free School and Community 2006	Vocational and Technology Board Grant	Medicaid Reimbursement Federal	Title III English Proficiency	Retirement/ Severance Bond Debt Service	Totals
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 198,142	\$ 409,422
Intermediate sources	-	-	-	-	-	-	150
State sources	-	-	-	-	-	-	84,186
Federal sources	-	-	2,846	-	291	-	297,701
Sale of property, adjustments and refunds	-	-	-	-	-	-	2,431
Total receipts	-	-	2,846	-	291	198,142	793,890
Disbursements:							
Current:							
Instruction	-	1,000	2,846	-	-	-	143,191
Support services	-	-	-	-	-	-	493,962
Nonprogrammed charges	-	-	-	-	-	-	18,174
Debt services	-	-	-	-	-	133,515	133,515
Total disbursements	-	1,000	2,846	-	-	133,515	788,842
Excess (deficiency) of receipts over disbursements	-	(1,000)	-	-	291	64,627	5,048
Other financing sources (uses):							
Transfers in	1,711	-	-	-	-	-	86,935
Transfers out	-	(1,711)	-	-	-	-	(262,750)
Total other financing sources (uses)	1,711	(1,711)	-	-	-	-	(175,815)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,711	(2,711)	-	-	291	64,627	(170,767)
Cash and investments - beginning	-	2,711	-	22	-	(73,590)	296,043
Cash and investments - ending	\$ 1,711	\$ -	\$ -	\$ 22	\$ 291	\$ (8,963)	\$ 125,276
Cash and Investment Assets - Ending							
Cash and investments	\$ 1,711	\$ -	\$ -	\$ 22	\$ 291	\$ -	\$ 134,239
Restricted assets:							
Cash and investments	-	-	-	-	-	(8,963)	(8,963)
Total cash and investment assets - ending	\$ 1,711	\$ -	\$ -	\$ 22	\$ 291	\$ (8,963)	\$ 125,276
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (8,963)	\$ (8,963)
Unrestricted	1,711	-	-	22	291	-	134,239
Total cash and investment fund balance - ending	\$ 1,711	\$ -	\$ -	\$ 22	\$ 291	\$ (8,963)	\$ 125,276

OREGON DAVIS SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND
 INVESTMENT BALANCES - PENSION TRUST FUNDS
 For the Year Ended June 30, 2007

	Retirement/ Severance Bond	Post-Retirement/ Severance Future Benefit	Totals
Additions:			
Contributions:			
Employer	\$ -	\$ 171,000	\$ 171,000
Other	4,458	-	4,458
Total additions	4,458	171,000	175,458
Deductions:			
Benefits	482,289	-	482,289
Excess (deficiency) of total additions over total deductions	(477,831)	171,000	(306,831)
Cash and investment fund balance - beginning	497,564	-	497,564
Cash and investment fund balance - ending	\$ 19,733	\$ 171,000	\$ 190,733
Net assets:			
Cash and investments	\$ 19,733	\$ 171,000	\$ 190,733
Total net assets - cash and investment basis held in trust	\$ 19,733	\$ 171,000	\$ 190,733

OREGON DAVIS SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND
 INVESTMENT BALANCES - PENSION TRUST FUNDS
 For the Year Ended June 30, 2008

	Retirement/ Severance Bond	Post-Retirement/ Severance Future Benefit	Totals
Additions:			
Contributions:			
Employer	\$ -	\$ -	\$ -
Deductions:			
Administrative and general	-	4,703	4,703
Deficiency of total additions over total deductions	-	(4,703)	(4,703)
Cash and investment fund balance - beginning	19,733	171,000	190,733
Cash and investment fund balance - ending	\$ 19,733	\$ 166,297	\$ 186,030
Net assets:			
Cash and investments	\$ 19,733	\$ 166,297	\$ 186,030
Total net assets - cash and investment basis held in trust	\$ 19,733	\$ 166,297	\$ 186,030

OREGON DAVIS SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2007

	Pledges From Starke United	Scholarships	Awards: Elementary Instruction Enhancement	Totals
Additions:				
Contributions:				
Other	\$ 252	\$ 700	\$ -	\$ 952
Deductions:				
Administrative and general	-	1,065	-	1,065
Excess (deficiency) of total additions over total deductions	252	(365)	-	(113)
Cash and investment fund balance - beginning	1,230	1,265	827	3,322
Cash and investments - June 30	<u>\$ 1,482</u>	<u>\$ 900</u>	<u>\$ 827</u>	<u>\$ 3,209</u>
Net assets:				
Cash and investments	\$ 1,482	\$ 900	\$ 827	\$ 3,209
Total net assets - cash and investment basis held in trust	<u>\$ 1,482</u>	<u>\$ 900</u>	<u>\$ 827</u>	<u>\$ 3,209</u>

OREGON DAVIS SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2008

	<u>Pledges From Starke United</u>	<u>Scholarships</u>	<u>Awards: Elementary Instruction Enhancement</u>	<u>Totals</u>
Additions:				
Contributions:				
Other	\$ 120	\$ 11,869	\$ -	\$ 11,989
Deductions:				
Administrative and general	<u>1,602</u>	<u>700</u>	<u>-</u>	<u>2,302</u>
Excess (deficiency) of total additions over total deductions	(1,482)	11,169	-	9,687
Cash and investment fund balance - beginning	<u>1,482</u>	<u>900</u>	<u>827</u>	<u>3,209</u>
Cash and investments - June 30	<u>-</u>	<u>\$ 12,069</u>	<u>\$ 827</u>	<u>\$ 12,896</u>
Net assets:				
Cash and investments	\$ -	\$ 12,069	\$ 827	\$ 12,896
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ 12,069</u>	<u>\$ 827</u>	<u>\$ 12,896</u>

OREGON-DAVIS SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2008

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:	
Land	\$ 121,897
Buildings	10,116,710
Improvements other than buildings	15,242,817
Machinery and equipment	<u>2,429,989</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 27,911,413</u>

OREGON DAVIS SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2008

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
Building Lease	\$ 8,600,000	\$ 747,871
Bonds payable:		
General obligation bond:		
Retirement/Severance Bond	<u>350,000</u>	<u>108,051</u>
Total governmental activities debt	<u>\$ 8,950,000</u>	<u>\$ 855,922</u>

OREGON DAVIS SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS

OVERDRAWN FUND BALANCES

The School Library Printed Material Fund and the Retirement/Severance Bond Debt Service Fund were overdrawn in 2006-2007 and 2007-2008 school years.

The balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

ADVANCE PAYMENTS

Claims for special education services reflect payments made in advance. Checks dated December 29, 2006, for \$152,271 and December 28, 2007, for \$164,151 were for special education services to be provided during the 2007 and 2008 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 through December. A similar comment was issued in prior Report B29237.

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)

CASH AND TRANSFER TUITION

Some cash tuition students and teachers' children who do not live in the School Corporation District have not paid transfer tuition for their children who are being educated by the School Corporation.

Indiana Code 20-26-11-6 states in part:

"(a) A school corporation may accept a transferring student without approval of the transferor corporation under section 2 of this chapter.

(b) No transfer may, however, be accepted unless the requesting parents or student pays transfer tuition in an amount determined under the formula established . . ."

OREGON DAVIS SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on October 15, 2008, with Susan G. Rowles, Treasurer; Steven C. Disney Jr., Superintendent of Schools; Nikki Gibson, Assistant Treasurer; and Michael C. Keiper, President of the School Board.