

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

OREGON-DAVIS SCHOOL CORPORATION  
STARKE COUNTY, INDIANA

July 1, 2010 to June 30, 2012



**FILED**  
12/19/2012



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Susan G. Rowles Nicole Salazar	07-01-10 to 06-30-11 07-01-11 to 06-30-13
Superintendent of Schools	Dr. Steven C. Disney, Jr.	07-01-10 to 06-30-13
President of the School Board	Christopher Lawrence Seth Huitt	07-01-10 to 06-30-12 07-01-12 to 12-31-12



**STATE OF INDIANA**  
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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statement of the Oregon-Davis School Corporation (School Corporation), for the period of July 1, 2010 to June 30, 2012. This financial statement is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The basis of accounting noted above is a different basis than that used in the prior period.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2010 to June 30, 2012.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2010 to June 30, 2012, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated December 5, 2012, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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 our audit.

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other reports used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

December 5, 2012



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the financial statement of the Oregon-Davis School Corporation (School Corporation), for the period of July 1, 2010 to June 30, 2012, and have issued our report thereon dated December 5, 2012. We conducted our 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

Management of the School Corporation is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the School Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Corporation'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 statement will not be prevented or detected and corrected on a timely basis.

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

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS  
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our 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 School Corporation's management, the School Board, others within the entity, 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. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

December 5, 2012

## FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the School Corporation. The financial statement and notes are presented as intended by the School Corporation.

OREGON-DAVIS SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES  
REGULATORY BASIS  
For the Years Ended June 30, 2011 and 2012

Fund	Cash and Investments 07-01-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12
General	\$ 458,624	\$ 5,184,739	\$ 5,473,998	\$ 2,897	\$ 172,262	\$ 5,049,966	\$ 4,987,403	\$ 810	\$ 235,635
Debt Service	597,819	1,151,461	1,038,459	(13,132)	697,689	1,031,101	1,431,570	-	297,220
Retirement/Severance Bond Debt Service	11,066	118,843	112,482	(1,276)	16,151	48,403	56,537	-	8,017
Capital Projects	596,734	559,070	635,166	(4,747)	515,891	462,194	337,541	-	640,544
School Transportation	315,853	445,690	490,980	(47,607)	222,956	455,969	481,775	50,000	247,150
School Bus Replacement	(2,757)	78,351	46,862	(28,779)	(47)	103,683	-	-	103,636
Special Education Preschool	9	-	-	(9)	-	-	-	-	-
Elementary 09A Construction Fund	160,112	14	911,771	751,645	-	-	-	4	4
High School 09A Bond Issuance Expense Account	35,107	4	-	(3)	35,108	4	-	(4)	35,108
High School 09 Construction Fund	1,413,520	47	639,870	(751,642)	22,055	2	-	-	22,057
Rainy Day	502,959	-	101,383	78,000	479,576	-	-	(50,000)	429,576
Retirement/Severance Bond	19,733	-	-	-	19,733	-	-	-	19,733
Post-Retirement/Severance Future Benefits	158,845	-	41,126	-	117,719	-	35,471	-	82,248
School Lunch	69,548	279,440	339,687	-	9,301	337,416	316,583	-	30,134
Textbook Rental	118,630	65,469	54,252	-	129,847	51,623	54,694	-	126,776
Self-Insurance	418,739	147,494	158,753	-	407,480	199,180	190,750	-	415,910
Levy Excess	7,443	-	-	17,641	25,084	-	-	-	25,084
Educational License Plates	2,995	131	-	-	3,126	113	-	-	3,239
Alternative Education	1,915	1,456	-	-	3,371	1,872	5,243	-	-
School Library Printed Material	(1,105)	-	-	-	(1,105)	-	-	-	(1,105)
SAFE School Haven	-	-	-	-	-	2,078	7,150	-	(5,072)
Early Intervention Grant	-	3,270	3,270	-	-	1,635	-	-	1,635
Scholarships and Awards	500	300	300	-	500	300	600	-	200
Pledges Starke United, Inc.	1,896	-	-	-	1,896	-	-	-	1,896
Award Elementary Instruction Enhancement	2,627	-	-	-	2,627	-	-	-	2,627
High Ability Grant FY 2012	-	-	-	-	-	26,487	18,921	-	7,566
High Ability Grant FY 2010	19,956	-	19,027	-	929	-	900	-	29

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

OREGON-DAVIS SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES  
REGULATORY BASIS  
For the Years Ended June 30, 2011 and 2012  
(Continued)

Fund	Cash and Investments 07-01-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12
High Ability Grant FY 2011	-	27,712	2,899	-	24,813	-	24,813	-	-
Medicaid Reimbursement	126	331	-	-	457	116	-	-	573
Non-English Speaking Programs P.L. 273-1999	613	463	613	-	463	391	454	-	400
School Technology	-	4,110	-	-	4,110	4,110	-	-	8,220
Technology Grant New Tech	150,000	-	150,000	-	-	400	2,201	-	(1,801)
Miscellaneous Programs	2,124	-	-	-	2,124	-	-	-	2,124
Excess PTRC Distributions	9,220	6,935	-	-	16,155	6,572	-	-	22,727
Title I FY 2010	15,581	-	3,618	(11,963)	-	-	-	-	-
Title I FY 2011	-	109,002	151,918	11,963	(30,953)	47,465	(280)	(16,793)	(1)
Title I FY 2012	-	-	-	-	-	103,274	145,356	16,793	(25,289)
Title IV Part A Safe and Drug Free Schools 2009-2010	-	3,101	3,101	-	-	-	-	-	-
Title IV Part A Safe and Drug Free Schools 2008-2009	2,157	-	2,157	-	-	-	-	-	-
Vocational Carl Perkins Grant	-	2,846	2,846	-	-	2,846	-	-	2,846
Career & Technical Education Grant	-	5,900	-	-	5,900	-	5,900	-	-
Medicaid Reimbursement - Federal	121	551	98	-	574	189	142	-	621
Teacher Incentive Grant FY 2011	-	-	-	-	-	143,837	206,954	-	(63,117)
Improving Teaching Quality, No Child Left, Title II, Part A	17,249	-	17,249	-	-	33,846	33,846	-	-
Title III, Language Instruction	291	-	-	-	291	-	-	-	291
Teacher Incentive Grant FY 2010	-	12,000	-	-	12,000	-	-	-	12,000
Title I - Grants to LEAs	4,990	4,100	9,090	-	-	-	-	-	-
Education Technology	2,487	-	2,487	-	-	-	-	-	-
Qualified School Construction Bond	4,517	-	-	-	4,517	-	-	-	4,517
Education Jobs	-	-	-	-	-	145,792	145,792	-	-
Payroll Clearing Funds	12,979	920,642	922,223	-	11,398	862,242	858,956	-	14,684
<b>Totals</b>	<u>\$ 5,133,223</u>	<u>\$ 9,133,472</u>	<u>\$ 11,335,685</u>	<u>\$ 2,988</u>	<u>\$ 2,933,998</u>	<u>\$ 9,123,106</u>	<u>\$ 9,349,272</u>	<u>\$ 810</u>	<u>\$ 2,708,642</u>

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

OREGON-DAVIS SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

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.

The accompanying financial statement presents the financial information for the School Corporation.

*B. Basis of Accounting*

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), 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 regulatory 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.

*C. Cash and Investments*

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

*D. Receipts*

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts may include, but are not limited to, the following sources:

Local sources which include taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, school corporation activities, revenue from community services activities, and other revenue from local sources.

Intermediate sources which include distributions from the County for fees collected for or on behalf of the School Corporation including educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

State sources include distributions from the State of Indiana and are to be used by the School Corporation for various purposes. Included in state sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

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

Federal sources include distributions from the federal government and are to be used by the School Corporation for various purposes. Included in federal sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Temporary loans which include money received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

Other receipts which include amounts received from various sources which include return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

*E. Disbursements*

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements may include, but are not limited to, the following uses:

Instruction which includes outflows for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services which include outflows for support services related to students, instruction, general administration, and school administration. It also includes outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services which include outflows for food service operations, and community service operations.

Facilities acquisition and construction which includes outflows for the acquisition, development, construction, and improvement of new and existing facilities.

Debt services which include fixed obligations resulting from financial transactions previously entered into by the School Corporation. It includes all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges which include outflows for donations to foundations, securities purchased, indirect costs, scholarships, funds held temporarily for an authorized recipient, and self-insurance payments.

*F. Other financing sources and uses*

Other financing sources and uses are presented in the aggregate on the face of the financial statement. The aggregate other financing sources and uses may include, but are not limited to, the following:

Sale of capital assets which includes money received when land, buildings, or equipment owned by the School Corporation is sold.

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

Transfers in which includes money received by one fund as a result of transferring money from another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

Transfers out which includes money paid by one fund to another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

*G. Fund Accounting*

Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the School Corporation. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the School Corporation in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

**Note 2. Budgets**

The operating budget is initially prepared and approved at the local level. The fiscal officer of the School Corporation submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

**Note 3. Property Taxes**

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

**Note 4. Deposits and Investments**

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be 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.

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

State statutes authorize 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 5. Risk Management**

The School Corporation may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the School Corporation to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

The Indiana Public Employees' Retirement Fund (PERF) is 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 Indiana Public Retirement System (INPRS) 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 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS 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:

Indiana Public Retirement System  
1 North Capital Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

*Funding Policy and Annual Pension Cost*

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

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

*B. Teacher's Retirement Fund*

*Plan Description*

The Indiana Teacher's Retirement Fund (TRF) is 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 Indiana Public Retirement System (INPRS) 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 percent 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.

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

Indiana Public Retirement System  
1 North Capital Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 286-3544

*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.

**Note 7. Cash Balance Deficits**

The financial statement contains funds with deficits in cash. This is a result of the funds being set up for reimbursable grants. The reimbursements for expenditures made by the School were not received by June 30, 2011 and 2012.

**Note 8. Holding Corporation**

The School Corporation has entered into a capital lease with Oregon-Davis Building Corporation Phase III (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years ended June 30, 2011, and June 30, 2012, totaled \$375,000 and \$745,000 respectively.

### SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://mustang.doe.state.in.us/TRENDS/fin.cfm>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Financial Reports of the School Corporation which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The supplementary information presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

OREGON-DAVIS SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Special Education Preschool	Elementary 09A Construction Fund
Cash and investments - beginning	\$ 458,624	\$ 597,819	\$ 11,066	\$ 596,734	\$ 315,853	\$ (2,757)	\$ 9	\$ 160,112
Receipts:								
Local sources	32,263	1,151,461	118,843	449,810	438,581	78,351	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	4,431,675	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	700,000	-	-	-	-	-	-	-
Other	20,801	-	-	109,260	7,109	-	-	14
Total receipts	<u>5,184,739</u>	<u>1,151,461</u>	<u>118,843</u>	<u>559,070</u>	<u>445,690</u>	<u>78,351</u>	<u>-</u>	<u>14</u>
Disbursements:								
Current:								
Instruction	3,054,206	-	-	-	-	-	-	-
Support services	1,613,983	-	-	320,912	487,966	46,862	-	-
Noninstructional services	88,564	-	-	-	-	-	-	-
Facilities acquisition and construction	17,245	-	-	314,254	3,014	-	-	911,771
Debt services	700,000	1,038,459	112,482	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>5,473,998</u>	<u>1,038,459</u>	<u>112,482</u>	<u>635,166</u>	<u>490,980</u>	<u>46,862</u>	<u>-</u>	<u>911,771</u>
Excess (deficiency) of receipts over disbursements	<u>(289,259)</u>	<u>113,002</u>	<u>6,361</u>	<u>(76,096)</u>	<u>(45,290)</u>	<u>31,489</u>	<u>-</u>	<u>(911,757)</u>
Other financing sources (uses)								
Sale of capital assets	2,888	-	-	-	100	-	-	-
Transfers in	9	-	-	-	6,935	-	-	751,645
Transfers out	-	(13,132)	(1,276)	(4,747)	(54,642)	(28,779)	(9)	-
Total other financing sources (uses)	<u>2,897</u>	<u>(13,132)</u>	<u>(1,276)</u>	<u>(4,747)</u>	<u>(47,607)</u>	<u>(28,779)</u>	<u>(9)</u>	<u>751,645</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(286,362)</u>	<u>99,870</u>	<u>5,085</u>	<u>(80,843)</u>	<u>(92,897)</u>	<u>2,710</u>	<u>(9)</u>	<u>(160,112)</u>
Cash and investments - ending	<u>\$ 172,262</u>	<u>\$ 697,689</u>	<u>\$ 16,151</u>	<u>\$ 515,891</u>	<u>\$ 222,956</u>	<u>\$ (47)</u>	<u>\$ -</u>	<u>\$ -</u>

OREGON-DAVIS SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

	High School 09A Bond Issuance Expense Account	High School 09 Construction Fund	Rainy Day	Retirement/ Severance Bond	Post Retirement/ Severance Future Benefits	School Lunch	Textbook Rental	Self- Insurance
Cash and investments - beginning	\$ 35,107	\$ 1,413,520	\$ 502,959	\$ 19,733	\$ 158,845	\$ 69,548	\$ 118,630	\$ 418,739
Receipts:								
Local sources	-	-	-	-	-	113,856	26,665	147,494
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	3,214	38,744	-
Federal sources	-	-	-	-	-	162,370	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	4	47	-	-	-	-	60	-
Total receipts	<u>4</u>	<u>47</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>279,440</u>	<u>65,469</u>	<u>147,494</u>
Disbursements:								
Current:								
Instruction	-	-	55,265	-	41,126	-	-	-
Support services	-	-	-	-	-	-	54,252	-
Noninstructional services	-	-	-	-	-	339,687	-	-
Facilities acquisition and construction	-	639,870	46,118	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	158,753
Total disbursements	<u>-</u>	<u>639,870</u>	<u>101,383</u>	<u>-</u>	<u>41,126</u>	<u>339,687</u>	<u>54,252</u>	<u>158,753</u>
Excess (deficiency) of receipts over disbursements	<u>4</u>	<u>(639,823)</u>	<u>(101,383)</u>	<u>-</u>	<u>(41,126)</u>	<u>(60,247)</u>	<u>11,217</u>	<u>(11,259)</u>
Other financing sources (uses)								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	78,000	-	-	-	-	-
Transfers out	(3)	(751,642)	-	-	-	-	-	-
Total other financing sources (uses)	<u>(3)</u>	<u>(751,642)</u>	<u>78,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1</u>	<u>(1,391,465)</u>	<u>(23,383)</u>	<u>-</u>	<u>(41,126)</u>	<u>(60,247)</u>	<u>11,217</u>	<u>(11,259)</u>
Cash and investments - ending	<u>\$ 35,108</u>	<u>\$ 22,055</u>	<u>\$ 479,576</u>	<u>\$ 19,733</u>	<u>\$ 117,719</u>	<u>\$ 9,301</u>	<u>\$ 129,847</u>	<u>\$ 407,480</u>

OREGON-DAVIS SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

	Levy Excess	Educational License Plates	Alternative Education	School Library Printed Material	SAFE School Haven	Early Intervention Grant	Scholarships and Awards	Pledges Starke United, Inc.
Cash and investments - beginning	\$ 7,443	\$ 2,995	\$ 1,915	\$ (1,105)	\$ -	\$ -	\$ 500	\$ 1,896
Receipts:								
Local sources	-	-	-	-	-	-	300	-
Intermediate sources	-	131	-	-	-	-	-	-
State sources	-	-	1,456	-	-	3,270	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	131	1,456	-	-	3,270	300	-
Disbursements:								
Current:								
Instruction	-	-	-	-	-	3,270	-	-
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	300	-
Total disbursements	-	-	-	-	-	3,270	300	-
Excess (deficiency) of receipts over disbursements	-	131	1,456	-	-	-	-	-
Other financing sources (uses)								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	24,576	-	-	-	-	-	-	-
Transfers out	(6,935)	-	-	-	-	-	-	-
Total other financing sources (uses)	17,641	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	17,641	131	1,456	-	-	-	-	-
Cash and investments - ending	\$ 25,084	\$ 3,126	\$ 3,371	\$ (1,105)	\$ -	\$ -	\$ 500	\$ 1,896

OREGON-DAVIS SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

	Award Elementary Instruction Enhancement	High Ability Grant FY 2012	High Ability Grant FY 2010	High Ability Grant FY 2011	Medicaid Reimbursement	Non-English Speaking Programs P.L. 273-1999	School Technology
Cash and investments - beginning	\$ 2,627	\$ -	\$ 19,956	\$ -	\$ 126	\$ 613	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	27,712	331	463	4,110
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	-	-	27,712	331	463	4,110
Disbursements:							
Current:							
Instruction	-	-	19,027	2,899	-	613	-
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	-	19,027	2,899	-	613	-
Excess (deficiency) of receipts over disbursements	-	-	(19,027)	24,813	331	(150)	4,110
Other financing sources (uses)							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(19,027)	24,813	331	(150)	4,110
Cash and investments - ending	\$ 2,627	\$ -	\$ 929	\$ 24,813	\$ 457	\$ 463	\$ 4,110

OREGON-DAVIS SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

	Technology Grant New Tech	Miscellaneous Programs	Excess PTRC Distributions	Title I FY 2010	Title I FY 2011	Title I FY 2012	Title IV Part A Safe and Drug Free Schools 2009-2010
Cash and investments - beginning	\$ 150,000	\$ 2,124	\$ 9,220	\$ 15,581	\$ -	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	6,935	-	-	-	-
Federal sources	-	-	-	-	109,002	-	3,101
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	-	6,935	-	109,002	-	3,101
Disbursements:							
Current:							
Instruction	150,000	-	-	230	141,691	-	3,101
Support services	-	-	-	3,388	10,227	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	150,000	-	-	3,618	151,918	-	3,101
Excess (deficiency) of receipts over disbursements	(150,000)	-	6,935	(3,618)	(42,916)	-	-
Other financing sources (uses)							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	11,963	-	-
Transfers out	-	-	-	(11,963)	-	-	-
Total other financing sources (uses)	-	-	-	(11,963)	11,963	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(150,000)	-	6,935	(15,581)	(30,953)	-	-
Cash and investments - ending	\$ -	\$ 2,124	\$ 16,155	\$ -	\$ (30,953)	\$ -	\$ -

OREGON-DAVIS SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

	Title IV Part A Safe and Drug Free Schools 2008-2009	Vocational Carl Perkins Grant	Career & Technical Education Grant	Medicaid Reimbursement Federal	Teacher Incentive Grant FY 2011	Improving Teaching Quality No Child Left Title II, Part A	Title III Language Instruction
Cash and investments - beginning	\$ 2,157	\$ -	\$ -	\$ 121	\$ -	\$ 17,249	\$ 291
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	2,846	5,900	551	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>2,846</u>	<u>5,900</u>	<u>551</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:							
Current:							
Instruction	2,157	2,846	-	98	-	17,249	-
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>2,157</u>	<u>2,846</u>	<u>-</u>	<u>98</u>	<u>-</u>	<u>17,249</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(2,157)</u>	<u>-</u>	<u>5,900</u>	<u>453</u>	<u>-</u>	<u>(17,249)</u>	<u>-</u>
Other financing sources (uses)							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(2,157)</u>	<u>-</u>	<u>5,900</u>	<u>453</u>	<u>-</u>	<u>(17,249)</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,900</u>	<u>\$ 574</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 291</u>

OREGON-DAVIS SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

	Teacher Incentive Grant FY 2010	Title I Grants to LEAs	Education Technology	Qualified School Construction Bond	Education Jobs	Payroll Clearing Funds	Totals
Cash and investments - beginning	\$ -	\$ 4,990	\$ 2,487	\$ 4,517	\$ -	\$ 12,979	\$ 5,133,223
Receipts:							
Local sources	-	-	-	-	-	-	2,557,624
Intermediate sources	-	-	-	-	-	-	131
State sources	-	-	-	-	-	-	4,517,910
Federal sources	12,000	4,100	-	-	-	-	299,870
Temporary loans	-	-	-	-	-	-	700,000
Other	-	-	-	-	-	920,642	1,057,937
Total receipts	<u>12,000</u>	<u>4,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>920,642</u>	<u>9,133,472</u>
Disbursements:							
Current:							
Instruction	-	1,174	-	-	-	-	3,494,952
Support services	-	7,916	2,487	-	-	-	2,547,993
Noninstructional services	-	-	-	-	-	-	428,251
Facilities acquisition and construction	-	-	-	-	-	-	1,932,272
Debt services	-	-	-	-	-	-	1,850,941
Nonprogrammed charges	-	-	-	-	-	922,223	1,081,276
Total disbursements	<u>-</u>	<u>9,090</u>	<u>2,487</u>	<u>-</u>	<u>-</u>	<u>922,223</u>	<u>11,335,685</u>
Excess (deficiency) of receipts over disbursements	<u>12,000</u>	<u>(4,990)</u>	<u>(2,487)</u>	<u>-</u>	<u>-</u>	<u>(1,581)</u>	<u>(2,202,213)</u>
Other financing sources (uses)							
Sale of capital assets	-	-	-	-	-	-	2,988
Transfers in	-	-	-	-	-	-	873,128
Transfers out	-	-	-	-	-	-	(873,128)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,988</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>12,000</u>	<u>(4,990)</u>	<u>(2,487)</u>	<u>-</u>	<u>-</u>	<u>(1,581)</u>	<u>(2,199,225)</u>
Cash and investments - ending	<u>\$ 12,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,517</u>	<u>\$ -</u>	<u>\$ 11,398</u>	<u>\$ 2,933,998</u>

OREGON-DAVIS SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2012

	General	Debt Service	Retirement/ Serverance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Special Education Preschool	Elementary 09A Construction Fund
Cash and investments - beginning	\$ 172,262	\$ 697,689	\$ 16,151	\$ 515,891	\$ 222,956	\$ (47)	\$ -	\$ -
Receipts:								
Local sources	26,450	1,031,101	48,403	462,194	430,861	103,683	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	4,243,069	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	700,000	-	-	-	-	-	-	-
Other	80,447	-	-	-	25,108	-	-	-
Total receipts	<u>5,049,966</u>	<u>1,031,101</u>	<u>48,403</u>	<u>462,194</u>	<u>455,969</u>	<u>103,683</u>	<u>-</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	2,591,863	-	-	-	-	-	-	-
Support services	1,601,777	-	-	230,055	481,775	-	-	-
Noninstructional services	91,658	-	-	-	-	-	-	-
Facilities acquisition and construction	2,105	-	-	107,486	-	-	-	-
Debt services	700,000	1,431,570	56,537	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>4,987,403</u>	<u>1,431,570</u>	<u>56,537</u>	<u>337,541</u>	<u>481,775</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>62,563</u>	<u>(400,469)</u>	<u>(8,134)</u>	<u>124,653</u>	<u>(25,806)</u>	<u>103,683</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)								
Sale of capital assets	810	-	-	-	-	-	-	-
Transfers in	-	-	-	-	50,000	-	-	4
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>810</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>4</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>63,373</u>	<u>(400,469)</u>	<u>(8,134)</u>	<u>124,653</u>	<u>24,194</u>	<u>103,683</u>	<u>-</u>	<u>4</u>
Cash and investments - ending	<u>\$ 235,635</u>	<u>\$ 297,220</u>	<u>\$ 8,017</u>	<u>\$ 640,544</u>	<u>\$ 247,150</u>	<u>\$ 103,636</u>	<u>\$ -</u>	<u>\$ 4</u>

OREGON-DAVIS SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2012  
 (Continued)

	High School 09A Bond Issuance Expense Account	High School 09 Construction Fund	Rainy Day	Retirement/ Severance Bond	Post Retirement/ Severance Future Benefits	School Lunch	Textbook Rental	Self- Insurance
Cash and investments - beginning	\$ 35,108	\$ 22,055	\$ 479,576	\$ 19,733	\$ 117,719	\$ 9,301	\$ 129,847	\$ 407,480
Receipts:								
Local sources	-	-	-	-	-	120,659	26,316	199,180
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	3,070	25,274	-
Federal sources	-	-	-	-	-	213,662	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	4	2	-	-	-	25	33	-
Total receipts	4	2	-	-	-	337,416	51,623	199,180
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	-	-
Support services	-	-	-	-	35,471	63	54,694	-
Noninstructional services	-	-	-	-	-	316,520	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	190,750
Total disbursements	-	-	-	-	35,471	316,583	54,694	190,750
Excess (deficiency) of receipts over disbursements	4	2	-	-	(35,471)	20,833	(3,071)	8,430
Other financing sources (uses)								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(4)	-	(50,000)	-	-	-	-	-
Total other financing sources (uses)	(4)	-	(50,000)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	2	(50,000)	-	(35,471)	20,833	(3,071)	8,430
Cash and investments - ending	\$ 35,108	\$ 22,057	\$ 429,576	\$ 19,733	\$ 82,248	\$ 30,134	\$ 126,776	\$ 415,910

OREGON-DAVIS SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2012  
 (Continued)

	Levy Excess	Educational License Plates	Alternative Education	School Library Printed Material	SAFE School Haven	Early Intervention Grant	Scholarships and Awards	Pledges Starke United, Inc.
Cash and investments - beginning	\$ 25,084	\$ 3,126	\$ 3,371	\$ (1,105)	\$ -	\$ -	\$ 500	\$ 1,896
Receipts:								
Local sources	-	-	-	-	-	-	300	-
Intermediate sources	-	113	-	-	-	-	-	-
State sources	-	-	1,872	-	2,078	1,635	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	113	1,872	-	2,078	1,635	300	-
Disbursements:								
Current:								
Instruction	-	-	5,243	-	-	-	-	-
Support services	-	-	-	-	7,150	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	600	-
Total disbursements	-	-	5,243	-	7,150	-	600	-
Excess (deficiency) of receipts over disbursements	-	113	(3,371)	-	(5,072)	1,635	(300)	-
Other financing sources (uses)								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	113	(3,371)	-	(5,072)	1,635	(300)	-
Cash and investments - ending	\$ 25,084	\$ 3,239	\$ -	\$ (1,105)	\$ (5,072)	\$ 1,635	\$ 200	\$ 1,896

OREGON-DAVIS SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2012  
 (Continued)

	Award Elementary Instruction Enhancement	High Ability Grant FY 2012	High Ability Grant FY 2010	High Ability Grant FY 2011	Medicaid Reimbursement	Non-English Speaking Programs P.L. 273-1999	School Technology
Cash and investments - beginning	\$ 2,627	\$ -	\$ 929	\$ 24,813	\$ 457	\$ 463	\$ 4,110
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	26,487	-	-	116	391	4,110
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	26,487	-	-	116	391	4,110
Disbursements:							
Current:							
Instruction	-	18,921	900	24,813	-	454	-
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	18,921	900	24,813	-	454	-
Excess (deficiency) of receipts over disbursements	-	7,566	(900)	(24,813)	116	(63)	4,110
Other financing sources (uses)							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	7,566	(900)	(24,813)	116	(63)	4,110
Cash and investments - ending	\$ 2,627	\$ 7,566	\$ 29	\$ -	\$ 573	\$ 400	\$ 8,220

OREGON-DAVIS SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2012  
 (Continued)

	Technology Grant New Tech	Miscellaneous Programs	Excess PTRC Distributions	Title I FY 2010	Title I FY 2011	Title I FY 2012	Title IV Part A Safe and Drug Free Schools 2009-2010
Cash and investments - beginning	\$ -	\$ 2,124	\$ 16,155	\$ -	\$ (30,953)	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	400	-	-	-	-	-	-
State sources	-	-	6,572	-	-	-	-
Federal sources	-	-	-	-	47,465	103,274	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	400	-	6,572	-	47,465	103,274	-
Disbursements:							
Current:							
Instruction	2,201	-	-	-	(280)	129,177	-
Support services	-	-	-	-	-	16,179	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	2,201	-	-	-	(280)	145,356	-
Excess (deficiency) of receipts over disbursements	(1,801)	-	6,572	-	47,745	(42,082)	-
Other financing sources (uses)							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	16,793	-
Transfers out	-	-	-	-	(16,793)	-	-
Total other financing sources (uses)	-	-	-	-	(16,793)	16,793	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,801)	-	6,572	-	30,952	(25,289)	-
Cash and investments - ending	\$ (1,801)	\$ 2,124	\$ 22,727	\$ -	\$ (1)	\$ (25,289)	\$ -

OREGON-DAVIS SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2012  
 (Continued)

	Title IV Part A Safe and Drug Free Schools 2008-2009	Vocational Carl Perkins Grant	Career & Technical Education Grant	Medicaid Reimbursement Federal	Teacher Incentive Grant FY 2011	Improving Teaching Quality No Child Left Title II, Part A	Title III Language Instruction
Cash and investments - beginning	\$ -	\$ -	\$ 5,900	\$ 574	\$ -	\$ -	\$ 291
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	2,846	-	189	143,837	33,846	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	2,846	-	189	143,837	33,846	-
Disbursements:							
Current:							
Instruction	-	-	5,900	142	-	33,846	-
Support services	-	-	-	-	206,954	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	-	5,900	142	206,954	33,846	-
Excess (deficiency) of receipts over disbursements	-	2,846	(5,900)	47	(63,117)	-	-
Other financing sources (uses)							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	2,846	(5,900)	47	(63,117)	-	-
Cash and investments - ending	\$ -	\$ 2,846	\$ -	\$ 621	\$ (63,117)	\$ -	\$ 291

OREGON-DAVIS SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2012  
 (Continued)

	Teacher Incentive Grant FY 2010	Title I Grants to LEAs	Education Technology	Qualified School Construction Bond	Education Jobs	Payroll Clearing Funds	Totals
Cash and investments - beginning	\$ 12,000	\$ -	\$ -	\$ 4,517	\$ -	\$ 11,398	\$ 2,933,998
Receipts:							
Local sources	-	-	-	-	-	-	2,449,147
Intermediate sources	-	-	-	-	-	-	513
State sources	-	-	-	-	-	-	4,314,674
Federal sources	-	-	-	-	145,792	-	690,911
Temporary loans	-	-	-	-	-	-	700,000
Other	-	-	-	-	-	862,242	967,861
Total receipts	-	-	-	-	145,792	862,242	9,123,106
Disbursements:							
Current:							
Instruction	-	-	-	-	145,792	-	2,958,972
Support services	-	-	-	-	-	-	2,634,118
Noninstructional services	-	-	-	-	-	-	408,178
Facilities acquisition and construction	-	-	-	-	-	-	109,591
Debt services	-	-	-	-	-	-	2,188,107
Nonprogrammed charges	-	-	-	-	-	858,956	1,050,306
Total disbursements	-	-	-	-	145,792	858,956	9,349,272
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	3,286	(226,166)
Other financing sources (uses)							
Sale of capital assets	-	-	-	-	-	-	810
Transfers in	-	-	-	-	-	-	66,797
Transfers out	-	-	-	-	-	-	(66,797)
Total other financing sources (uses)	-	-	-	-	-	-	810
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	3,286	(225,356)
Cash and investments - ending	\$ 12,000	\$ -	\$ -	\$ 4,517	\$ -	\$ 14,684	\$ 2,708,642

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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

Compliance

We have audited Oregon-Davis School Corporation's (School Corporation) compliance 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 a direct and material effect on each of its major federal programs for the period of July 1, 2010 to June 30, 2012. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School Corporation's compliance with those requirements.

In our opinion, the School Corporation complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2010 to June 30, 2012.

Internal Control Over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our 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, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

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

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 over compliance, 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.

Our consideration of the 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 over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the School Corporation's management, the School Board, others within the entity, 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. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

December 5, 2012

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## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the School Corporation. The schedule and notes are presented as intended by the School Corporation.

OREGON-DAVIS SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2011 and 2012

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-11	Total Federal Awards Expended 06-30-12
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 44,018	\$ 50,797
National School Lunch Program	10.555		161,480	165,759
Summer Food Service Program For Children	10.559		4,071	3,719
			<u>209,569</u>	<u>220,275</u>
Total for cluster				
Child and Adult Care Food Program	10.558		225	405
Total for federal grantor agency			<u>209,794</u>	<u>220,680</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010			
		SY 2009-2010	3,618	-
		SY 2010-2011	151,637	-
		SY 2011-2012	-	145,355
Total for program			<u>155,255</u>	<u>145,355</u>
ARRA- Title I Grants to Local Educational Agencies, Recovery Act	84.389	FY 2009-2010	9,090	-
Total for cluster			<u>164,345</u>	<u>145,355</u>
Safe and Drug-Free Schools and Communities - State Grants	84.186			
		SY 2009-2010	3,101	-
		SY 2008-2009	2,157	-
Total for program			<u>5,258</u>	<u>-</u>
Improving Teacher Quality State Grants	84.367			
		SY 2009-2010	17,249	-
		SY 2010-2011	-	33,846
Total for program			<u>17,249</u>	<u>33,846</u>
Teacher Incentive Fund	84.374	FY 2011-2012	-	206,954
Education Technology State Grants Cluster				
ARRA- Education Technology State Grants, Recovery Act	84.386	FY 2009-2010	2,487	-
Total for cluster			<u>2,487</u>	<u>-</u>
Education Jobs Fund	84.410	FY 2011-2012	-	145,792
Total for federal grantor agency			<u>191,826</u>	<u>531,947</u>
Total federal awards expended			<u>\$ 399,133</u>	<u>\$ 752,627</u>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

OREGON-DAVIS SCHOOL CORPORATION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Oregon-Davis School Corporation (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1 et seq.), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

**Note 2. Noncash Assistance**

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2011 and 2012. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2011	2012
School Breakfast Program	10.553	\$ 4,754	\$ 5,577
National School Lunch Program	10.555	17,048	17,247

OREGON-DAVIS SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I – Summary of Auditor's Results**

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unqualified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	no

Identification of Major Programs:

\_\_\_\_\_ Name of Federal Program or Cluster \_\_\_\_\_

Child Nutrition Cluster  
Title I, Part A Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? no

**Section II – Financial Statement Findings**

No matters are reportable.

**Section III – Federal Award Findings and Questioned Costs**

No matters are reportable.

# OREGON-DAVIS SCHOOL CORPORATION

## ADMINISTRATIVE OFFICE

DR. STEVEN C. DISNEY, JR., SUPT.  
NICOLE L. GIBSON, TREASURER  
BRENDA L. MILLER, ASST. TREASURER  
JULIE A. MC LIVER, SECRETARY

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## SCHOOL BOARD

CHRISTOPHER LAWRENCE, PRESIDENT  
SETH HUITT, VICE PRESIDENT  
MIKE KEIPER, SECRETARY  
JERRY PEARISH, MEMBER  
SHIRLEY BUDKA, MEMBER

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FEDERAL PROGRAMS AND STATE PROJECTS

Finding Number 2010-1 Capital Asset Record

Fiscal Year 2009-2010

Auditee Contact Person – Nicole Salazar

Title of Contact Person – Treasurer

Phone Number – 574/867-2111

Status of Finding –

*Nicole Salazar* 11-08-2012

The capital asset record presented for audit had not been maintained since June 30, 2008. Asset acquisitions and disposals had not been recorded for fiscal years 2008-2009 or 2009-2010.

It was recommended that our School Corporation design and properly monitor procedures that would ensure accurate detailed capital asset records are maintained and that inventories of property and equipment are conducted at least once every two years and reconciled to the detailed capital asset ledger. Any significant differences should be investigated and the appropriate adjustments made to the records.

On October 6-7, 2010, Asset Works completed an inventory audit for the Oregon-Davis School Corporation. The Oregon-Davis School Corporation will continue to complete an independent fixed asset works inventory in June of every other school year. Our inventory audit this year was completed for the June 30 2012 fiscal year.

Finding Number 2010-2 Internal Controls Over Financial Transactions and Reporting

Control activities were not selected and developed at various levels to reduce risks of error and/or fraud of the financial statements. The School Corporation has not separated incompatible activities related to the areas of cash receipts, cash disbursements and payroll that flow into the financial statements. Failure to establish these controls could enable material misstatements or fraud to go undetected.

It was stated that governmental units should have internal controls in affect, which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other



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SHIRLEY BUDKA, MEMBER

things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control.

Someone outside of the payroll process verifies salaries and wage rates. Supervisors, prior to submitting for payment, approve time sheets. Payroll checks / deposit advices are accounted for in numerical order and reconciled to the payroll check register.

The responsibility for approving claims is segregated from those preparing the claims. Claims for payment are reviewed and approved by the governing body. A reconciliation is completed between the claims for payment approved by the board and the actual disbursements posted to the ledger. The responsibility for acknowledging the receipt of goods or services is segregated from those preparing claims and writing checks. Vendor checks are accounted for in numerical order and reconciled to the disbursement ledger.

The responsibility for issuing receipts is segregated from those preparing the bank deposit. The bank reconciliation is segregated from those disbursing funds and those making deposits. Pre-numbered receipts are issued for all money collected and the duplicate receipt is retained. An individual other than the one who collects money and makes the deposit completes posting of receipts to the ledger.

Finding Number 2010-3 Internal controls  
Federal Agency: U.S. Department of Agriculture  
Pass-Through: Indiana Department of Education  
Federal Program: Child Nutrition Cluster – National School Lunch Program  
CFDA Number: 10.555

Federal funds received as a part of the Child Nutrition Cluster are used to subsidize the cost of the school lunch program ran by the School Corporation. Financial accounting records for the lunch program are maintained in the School Corporation Business Office. Currently, due to the limited personnel in the School Business Corporation Office the School Corporation has not separated incompatible activities related to all areas of the financial statements. The failure to establish these controls could enable material misstatements to go undetected.

It was recommended the School Corporation develop internal control procedures to properly segregate accounting activities in the School Corporation Business Office.

The responsibility for issuing receipts is segregated from those collecting the money from the lunch department. The governing body reviews claims for payment. Claims for reimbursement are segregated from the School Corporation Business



# OREGON-DAVIS SCHOOL CORPORATION

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SHIRLEY BUDKA, MEMBER

Office and reports are filed with the School Corporation Business Office. Someone outside of the business office reviews annual reports prior to submission.

### Finding 2010-4, Internal Control

Federal Agency: U.S. Department of Education  
Pass-through: Indiana Department of Education  
Federal Program: Title I, Part A Cluster  
CFDA Number: 84.010

Federal funds received as a part of the Title I, Part A Cluster program are maintained in the School Corporation Business Office. Currently, due to the limited personnel in the School Corporation Business Office the School Corporation has not separated incompatible activities related to all areas of the financial statements. The failure to establish these controls could enable material misstatements to go undetected.

It was recommended the School Corporation develop internal control procedures to properly segregate accounting activities in the School Corporation Business Office

The Title I director is not a part of the School Corporation Business Office. She approves expenditures for payment before they are submitted to the Business Office. The governing body then approves payments for goods and services.

Reimbursement requests are segregated from those preparing the claims.

Reimbursement requests are on file with all supporting documentation. The Title I director reviews the budget and makes any needed amendments.

### Finding 2010-5, Internal Controls

Federal Agency: U.S. Department of Education  
Federal Program: State Fiscal Stabilization Fund Cluster – Education State Grants, Recovery Act  
CFDA Number 84.394

The financial records for the federal funds received as a part of the State Fiscal Stabilization Fund – Education State Grants Recovery Act program are maintained in the School Corporation Business Office. Currently, due to the limited personnel in the School Corporation Business Office the School Corporation has not separated incompatible activities related to all areas of financial statements. The failure to establish these controls could enable material misstatements to go undetected.

It was recommended the School Corporation develop internal control procedures to properly segregate accounting activities in the business office.

We no longer have this grant. We have segregated depositing, receipting, and payment duties to apply to all of our financial transactions.



OREGON-DAVIS SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on December 5, 2012, with Nicole Salazar, Treasurer; Dr. Steven C. Disney, Jr., Superintendent of Schools; and Seth Huitt, President of the School Board. Our audit disclosed no material items that warrant comment at this time.