

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, 2012 to June 30, 2014



FILED
06/05/2015

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Nicole L. Salazar	07-01-12 to 06-30-15
Superintendent of Schools	Dr. Steven C. Disney, Jr. Gregory L. Briles	07-01-12 to 06-30-13 07-01-13 to 06-30-15
President of the School Board	Seth Huitt Christopher Lawrence Kurt Hayes	07-01-12 to 12-31-12 01-01-13 to 12-31-14 01-01-15 to 12-31-15



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the Oregon-Davis School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2012 to June 30, 2014, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School Corporation's preparation and fair presentation of the financial statement in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a 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 the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance 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, 2012 to June 30, 2014.

Opinion on Regulatory Basis of Accounting

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, 2012 to June 30, 2014, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

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 records 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.


Other Information

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, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, 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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated April 1, 2015, 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. 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* in considering the School Corporation's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

April 1, 2015



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AN EQUAL OPPORTUNITY EMPLOYER

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302 WEST WASHINGTON STREET
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INDEPENDENT AUDITOR'S 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, 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, the financial statement of the Oregon-Davis School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2012 to June 30, 2014, and the related notes to the financial statement, and have issued our report thereon dated April 1, 2015, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the School Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control.

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. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

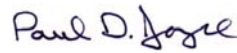
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

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*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

April 1, 2015

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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.

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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, 2013 and 2014

	Cash and Investments 07-01-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14
General	\$ 235,643	\$ 4,515,145	\$ 4,667,804	\$ (22,302)	\$ 60,682	\$ 4,161,928	\$ 3,777,719	\$ 912	\$ 445,803
Referendum Tax Levy	-	219,351	66,452	-	152,899	392,972	382,936	-	162,935
Debt Service	297,219	936,871	1,008,194	-	225,896	940,398	972,500	-	193,794
Retirement/Severance Bond Debt Service	8,017	-	-	-	8,017	-	-	-	8,017
Capital Projects	640,544	469,591	511,964	-	598,171	549,937	498,378	-	649,730
School Transportation	247,152	449,332	517,694	11,243	190,033	471,177	489,473	-	171,737
School Bus Replacement	103,636	112,535	98,662	-	117,509	116,205	110,000	-	123,714
Rainy Day	429,577	-	30,000	-	399,577	-	-	-	399,577
Retirement/Severance Bond	19,733	-	-	-	19,733	-	-	-	19,733
Post-Retirement/Severance Future Benefits	82,248	-	84,193	23,020	21,075	-	-	-	21,075
School Lunch	30,133	326,125	313,938	-	42,320	340,049	341,547	-	40,822
Textbook Rental	126,776	48,274	60,515	-	114,535	66,880	90,721	-	90,694
Self-Insurance	415,910	169,529	167,178	-	418,261	250,004	316,983	-	351,282
Levy Excess	25,084	-	-	(11,233)	13,851	-	-	-	13,851
Educational License Plates	3,238	113	-	-	3,351	131	-	-	3,482
Alternative Education	-	1,078	-	-	1,078	15,930	3,362	-	13,646
School Library Printed Material	(1,105)	-	-	-	(1,105)	-	-	-	(1,105)
SAFE School Haven	(5,072)	11,908	7,000	-	(164)	164	-	-	-
Early Intervention Grant	1,635	-	1,517	-	118	-	-	-	118
Library Donations	-	-	-	-	-	350	80	-	270
Scholarships and Awards	200	300	300	-	200	300	-	-	500
Pledges - Starke United	1,896	-	-	-	1,896	-	-	-	1,896
Award Elementary Instruction Enhancement	2,627	-	-	-	2,627	-	-	-	2,627
High Ability Grant	7,566	26,297	22,701	-	11,162	25,952	34,449	-	2,665
High Ability Grant 2009-2010	29	-	-	-	29	-	-	-	29
Medicaid Reimbursement	573	46	-	(608)	11	645	-	(609)	47
Secured Schools Safety Grant	-	-	-	-	-	11,500	18,700	-	(7,200)
Non-English Speaking Programs P.L. 273-1999	399	477	858	-	18	281	18	-	281
School Technology	8,220	3,621	8,540	-	3,301	3,617	5,006	-	1,912
Technology Grant* New Tech H.S.	(1,801)	7,836	7,119	-	(1,084)	-	-	-	(1,084)
Performance Based Awards	-	27,192	-	(27,192)	-	-	-	-	-
Miscellaneous Programs	2,124	-	-	-	2,124	-	-	-	2,124
Excess PTRC Distributions	22,728	-	-	-	22,728	-	-	-	22,728
Wellness Program	-	3,550	2,637	-	913	-	472	-	441
Title I FY 2012	(25,287)	216,576	207,686	-	(16,397)	262,726	318,153	-	(71,824)
(IDEA, Part B) LEA Capacity Building (Sliver) Grants	-	65,152	76,666	-	(11,514)	141,272	140,686	-	(10,928)
Special Education Tech Assistance	-	-	-	-	-	350	350	-	-
Special Education Pre-school	-	2,681	3,554	-	(873)	7,098	6,289	-	(64)
Vocational Carl Perkins Grant	2,846	2,846	5,692	-	-	2,846	2,846	-	-
Career & Technical Educ Grant	-	10,000	8,044	-	1,956	-	1,139	-	817
Medicaid Reimbursement - Federal	622	74	7	-	689	1,052	106	-	1,635
Other Federal Programs	(63,117)	334,578	380,775	27,192	(82,122)	369,089	356,380	12,000	(57,413)
Improving Teaching Quality, No Child Left, Title II, Part A	-	33,850	33,850	-	-	18,637	18,637	-	-
Rural Schools Achievement	-	-	1,795	-	(1,795)	42,942	44,059	-	(2,912)
Title III - Language Instruction	291	-	-	-	291	-	-	-	291
Other Federal Teacher Incentive Tap FY10	12,000	-	-	-	12,000	-	-	(12,000)	-
Qualified School Construction Bond	4,517	-	-	-	4,517	-	-	-	4,517
Education Jobs	-	2,977	2,977	-	-	-	-	-	-
Payroll Clearing	14,684	938,174	951,158	-	1,700	1,003,740	1,004,557	-	883
Totals	\$ 2,651,485	\$ 8,936,079	\$ 9,249,470	\$ 120	\$ 2,338,214	\$ 9,198,172	\$ 8,935,546	\$ 303	\$ 2,601,143

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 Indiana 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. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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 include 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.

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

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.

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 include 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, 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 include the following:

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

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

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.

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

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.

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 a cost-sharing 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:

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

Indiana Public Retirement System
One North Capitol, 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.

B. Teachers' Retirement Fund

Plan Description

The Indiana Teachers' 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
One North Capitol, 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 some funds with deficits in cash. Most are results of funds being set up for reimbursable grants in which the reimbursements for expenditures had not been received by June 30, 2013 and 2014.

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

Note 8. Restatements

For the year ended June 30, 2012, certain changes have been made to some of the beginning balances of the financial statement to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances.

Fund Name	Balance as of June 30, 2012	Prior Period Adjustment	Balance as of July 1, 2012
Elementary 09A Construction Fund	\$ 4	\$ (4)	\$ -
High School 09A Bond Issuance Expense Account	35,108	(35,108)	-
High School 09 Construction Fund	22,057	(22,057)	-

Note 9. Holding Corporation

The School Corporation has entered into capital leases with the 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 fiscal years 2013 and 2014 totaled \$991,574 and \$963,215, respectively.

Note 10. Other Postemployment Benefits

The School Corporation provides health insurance benefits to eligible retirees and their spouses. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

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OTHER INFORMATION - UNAUDITED

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. Additionally, some financial information of the School Corporation can be found on the Gateway website: <https://gateway.ifionline.org/>.

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 other 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, 2013

	General	Referendum Tax Levy	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Post- Retirement/ Severance Future Benefits
Cash and investments - beginning	\$ 235,643	\$ -	\$ 297,219	\$ 8,017	\$ 640,544	\$ 247,152	\$ 103,636	\$ 429,577	\$ 19,733	\$ 82,248
Receipts:										
Local sources	100,420	219,351	936,871	-	467,962	435,056	112,535	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	4,016,456	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	350,000	-	-	-	-	-	-	-	-	-
Other	48,269	-	-	-	1,629	14,276	-	-	-	-
Total receipts	4,515,145	219,351	936,871	-	469,591	449,332	112,535	-	-	-
Disbursements:										
Current:										
Instruction	2,540,145	52,227	-	-	-	-	-	30,000	-	84,193
Support services	1,700,737	6,486	-	-	238,881	517,694	98,662	-	-	-
Noninstructional services	74,662	7,739	-	-	-	-	-	-	-	-
Facilities acquisition and construction	2,260	-	-	-	218,884	-	-	-	-	-
Debt services	350,000	-	1,008,194	-	54,199	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	4,667,804	66,452	1,008,194	-	511,964	517,694	98,662	30,000	-	84,193
Excess (deficiency) of receipts over disbursements	(152,659)	152,899	(71,323)	-	(42,373)	(68,362)	13,873	(30,000)	-	(84,193)
Other financing sources (uses):										
Sale of capital assets	110	-	-	-	-	10	-	-	-	-
Transfers in	608	-	-	-	-	11,233	-	-	-	23,020
Transfers out	(23,020)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(22,302)	-	-	-	-	11,243	-	-	-	23,020
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(174,961)	152,899	(71,323)	-	(42,373)	(57,119)	13,873	(30,000)	-	(61,173)
Cash and investments - ending	\$ 60,682	\$ 152,899	\$ 225,896	\$ 8,017	\$ 598,171	\$ 190,033	\$ 117,509	\$ 399,577	\$ 19,733	\$ 21,075

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, 2013
(Continued)

	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	Educational License Plates	Alternative Education	School Library Printed Material	SAFE School Haven	Early Intervention Grant	Library Donations
Cash and investments - beginning	\$ 30,133	\$ 126,776	\$ 415,910	\$ 25,084	\$ 3,238	\$ -	\$ (1,105)	\$ (5,072)	\$ 1,635	\$ -
Receipts:										
Local sources	113,992	25,197	169,529	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	113	-	-	-	-	-
State sources	2,683	23,077	-	-	-	1,078	-	11,908	-	-
Federal sources	209,450	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	326,125	48,274	169,529	-	113	1,078	-	11,908	-	-
Disbursements:										
Current:										
Instruction	-	-	-	-	-	-	-	-	1,517	-
Support services	-	60,515	-	-	-	-	-	7,000	-	-
Noninstructional services	313,938	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	167,178	-	-	-	-	-	-	-
Total disbursements	313,938	60,515	167,178	-	-	-	-	7,000	1,517	-
Excess (deficiency) of receipts over disbursements	12,187	(12,241)	2,351	-	113	1,078	-	4,908	(1,517)	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(11,233)	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	(11,233)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	12,187	(12,241)	2,351	(11,233)	113	1,078	-	4,908	(1,517)	-
Cash and investments - ending	\$ 42,320	\$ 114,535	\$ 418,261	\$ 13,851	\$ 3,351	\$ 1,078	\$ (1,105)	\$ (164)	\$ 118	\$ -

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, 2013
(Continued)

	Scholarships and Awards	Pledges - Starke United	Award Elementary Instruction Enhancement	High Ability Grant	High Ability Grant 2009-2010	Medicaid Reimbursement	Secured Schools Safety Grant	Non-English Speaking Programs P.L. 273-1999	School Technology	Technology Grant *New Tech H.S.
Cash and investments - beginning	\$ 200	\$ 1,896	\$ 2,627	\$ 7,566	\$ 29	\$ 573	\$ -	\$ 399	\$ 8,220	\$ (1,801)
Receipts:										
Local sources	300	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	7,836
State sources	-	-	-	26,297	-	46	-	477	3,621	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	300	-	-	26,297	-	46	-	477	3,621	7,836
Disbursements:										
Current:										
Instruction	-	-	-	22,701	-	-	-	858	-	7,119
Support services	-	-	-	-	-	-	-	-	8,540	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	300	-	-	-	-	-	-	-	-	-
Total disbursements	300	-	-	22,701	-	-	-	858	8,540	7,119
Excess (deficiency) of receipts over disbursements	-	-	-	3,596	-	46	-	(381)	(4,919)	717
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(608)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	(608)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	3,596	-	(562)	-	(381)	(4,919)	717
Cash and investments - ending	\$ 200	\$ 1,896	\$ 2,627	\$ 11,162	\$ 29	\$ 11	\$ -	\$ 18	\$ 3,301	\$ (1,084)

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, 2013
(Continued)

	Performance Based Awards	Miscellaneous Programs	Excess PTRC Distributions	Wellness Program	Title I FY 2012	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Special Educational Tech Assistance	Special Education Pre-school	Vocational Carl Perkins Grant	Career & Technical Educ Grant
Cash and investments - beginning	\$ -	\$ 2,124	\$ 22,728	\$ -	\$ (25,287)	\$ -	\$ -	\$ -	\$ 2,846	\$ -
Receipts:										
Local sources	-	-	-	3,550	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	27,192	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	216,576	65,152	-	2,681	2,846	10,000
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	27,192	-	-	3,550	216,576	65,152	-	2,681	2,846	10,000
Disbursements:										
Current:										
Instruction	-	-	-	-	147,667	76,666	-	-	5,692	8,044
Support services	-	-	-	2,637	60,019	-	-	3,554	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	2,637	207,686	76,666	-	3,554	5,692	8,044
Excess (deficiency) of receipts over disbursements	27,192	-	-	913	8,890	(11,514)	-	(873)	(2,846)	1,956
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	(27,192)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(27,192)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	913	8,890	(11,514)	-	(873)	(2,846)	1,956
Cash and investments - ending	\$ -	\$ 2,124	\$ 22,728	\$ 913	\$ (16,397)	\$ (11,514)	\$ -	\$ (873)	\$ -	\$ 1,956

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, 2013
 (Continued)

	Medicaid Reimbursement - Federal	Other Federal Programs	Improving Teaching Quality, No Child Left, Title II, Part A	Rural Schools Achievement	Title III - Language Instruction	Other Federal Teacher Incentive Tap FY10	Qualified School Construction Bond	Education Jobs	Payroll Clearing	Totals
Cash and investments - beginning	\$ 622	\$ (63,117)	\$ -	\$ -	\$ 291	\$ 12,000	\$ 4,517	\$ -	\$ 14,684	\$ 2,651,485
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	2,584,763
Intermediate sources	-	-	-	-	-	-	-	-	-	7,949
State sources	-	-	-	-	-	-	-	-	-	4,112,835
Federal sources	74	334,578	33,850	-	-	-	-	2,977	-	878,184
Temporary loans	-	-	-	-	-	-	-	-	-	350,000
Other	-	-	-	-	-	-	-	-	938,174	1,002,348
Total receipts	74	334,578	33,850	-	-	-	-	2,977	938,174	8,936,079
Disbursements:										
Current:										
Instruction	7	-	33,850	-	-	-	-	2,977	-	3,013,663
Support services	-	380,775	-	1,795	-	-	-	-	-	3,087,295
Noninstructional services	-	-	-	-	-	-	-	-	-	396,339
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	221,144
Debt services	-	-	-	-	-	-	-	-	-	1,412,393
Nonprogrammed charges	-	-	-	-	-	-	-	-	951,158	1,118,636
Total disbursements	7	380,775	33,850	1,795	-	-	-	2,977	951,158	9,249,470
Excess (deficiency) of receipts over disbursements	67	(46,197)	-	(1,795)	-	-	-	-	(12,984)	(313,391)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	120
Transfers in	-	27,192	-	-	-	-	-	-	-	62,053
Transfers out	-	-	-	-	-	-	-	-	-	(62,053)
Total other financing sources (uses)	-	27,192	-	-	-	-	-	-	-	120
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	67	(19,005)	-	(1,795)	-	-	-	-	(12,984)	(313,271)
Cash and investments - ending	\$ 689	\$ (82,122)	\$ -	\$ (1,795)	\$ 291	\$ 12,000	\$ 4,517	\$ -	\$ 1,700	\$ 2,338,214

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, 2014

	General	Referendum Tax Levy	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Post- Retirement/ Severance Future Benefits
Cash and investments - beginning	\$ 60,682	\$ 152,899	\$ 225,896	\$ 8,017	\$ 598,171	\$ 190,033	\$ 117,509	\$ 399,577	\$ 19,733	\$ 21,075
Receipts:										
Local sources	32,959	392,972	940,398	-	474,655	455,006	116,205	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	4,119,380	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	9,589	-	-	-	75,282	16,171	-	-	-	-
Total receipts	4,161,928	392,972	940,398	-	549,937	471,177	116,205	-	-	-
Disbursements:										
Current:										
Instruction	2,296,892	265,971	-	-	-	-	-	-	-	-
Support services	1,475,381	24,229	-	-	264,647	489,473	110,000	-	-	-
Noninstructional services	3,231	92,736	-	-	-	-	-	-	-	-
Facilities acquisition and construction	2,215	-	-	-	179,532	-	-	-	-	-
Debt services	-	-	972,500	-	54,199	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	3,777,719	382,936	972,500	-	498,378	489,473	110,000	-	-	-
Excess (deficiency) of receipts over disbursements	384,209	10,036	(32,102)	-	51,559	(18,296)	6,205	-	-	-
Other financing sources (uses):										
Sale of capital assets	303	-	-	-	-	-	-	-	-	-
Transfers in	609	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	912	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	385,121	10,036	(32,102)	-	51,559	(18,296)	6,205	-	-	-
Cash and investments - ending	\$ 445,803	\$ 162,935	\$ 193,794	\$ 8,017	\$ 649,730	\$ 171,737	\$ 123,714	\$ 399,577	\$ 19,733	\$ 21,075

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, 2014
 (Continued)

	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	Educational License Plates	Alternative Education	School Library Printed Material	SAFE School Haven	Early Intervention Grant	Library Donations
Cash and investments - beginning	\$ 42,320	\$ 114,535	\$ 418,261	\$ 13,851	\$ 3,351	\$ 1,078	\$ (1,105)	\$ (164)	\$ 118	\$ -
Receipts:										
Local sources	124,219	43,237	250,004	-	-	-	-	-	-	350
Intermediate sources	-	-	-	-	131	-	-	-	-	-
State sources	2,955	23,643	-	-	-	15,930	-	164	-	-
Federal sources	212,875	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	340,049	66,880	250,004	-	131	15,930	-	164	-	350
Disbursements:										
Current:										
Instruction	-	-	-	-	-	3,362	-	-	-	-
Support services	-	90,721	-	-	-	-	-	-	-	80
Noninstructional services	341,547	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	316,983	-	-	-	-	-	-	-
Total disbursements	341,547	90,721	316,983	-	-	3,362	-	-	-	80
Excess (deficiency) of receipts over disbursements	(1,498)	(23,841)	(66,979)	-	131	12,568	-	164	-	270
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	(1,498)	(23,841)	(66,979)	-	131	12,568	-	164	-	270
Cash and investments - ending	\$ 40,822	\$ 90,694	\$ 351,282	\$ 13,851	\$ 3,482	\$ 13,646	\$ (1,105)	\$ -	\$ 118	\$ 270

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, 2014
 (Continued)

	Scholarships and Awards	Pledges - Starke United	Award Elementary Instruction Enhancement	High Ability Grant	High Ability Grant 2009-2010	Medicaid Reimbursement	Secured Schools Safety Grant	Non-English Speaking Programs P.L. 273-1999	School Technology	Technology Grant *New Tech H.S.
Cash and investments - beginning	\$ 200	\$ 1,896	\$ 2,627	\$ 11,162	\$ 29	\$ 11	\$ -	\$ 18	\$ 3,301	\$ (1,084)
Receipts:										
Local sources	300	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	25,952	-	645	11,500	281	3,617	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	300	-	-	25,952	-	645	11,500	281	3,617	-
Disbursements:										
Current:										
Instruction	-	-	-	34,449	-	-	-	18	-	-
Support services	-	-	-	-	-	-	18,700	-	5,006	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	34,449	-	-	18,700	18	5,006	-
Excess (deficiency) of receipts over disbursements	300	-	-	(8,497)	-	645	(7,200)	263	(1,389)	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(609)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	(609)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	300	-	-	(8,497)	-	36	(7,200)	263	(1,389)	-
Cash and investments - ending	\$ 500	\$ 1,896	\$ 2,627	\$ 2,665	\$ 29	\$ 47	\$ (7,200)	\$ 281	\$ 1,912	\$ (1,084)

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, 2014
 (Continued)

	Performance Based Awards	Miscellaneous Programs	Excess PTRC Distributions	Wellness Program	Title I FY 2012	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Special Educational Tech Assistance	Special Education Pre-school	Vocational Carl Perkins Grant	Career & Technical Educ Grant
Cash and investments - beginning	\$ -	\$ 2,124	\$ 22,728	\$ 913	\$ (16,397)	\$ (11,514)	\$ -	\$ (873)	\$ -	\$ 1,956
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	262,726	141,272	350	7,098	2,846	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	262,726	141,272	350	7,098	2,846	-
Disbursements:										
Current:										
Instruction	-	-	-	-	250,769	140,686	350	-	2,846	1,139
Support services	-	-	-	472	67,384	-	-	6,289	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	472	318,153	140,686	350	6,289	2,846	1,139
Excess (deficiency) of receipts over disbursements	-	-	-	(472)	(55,427)	586	-	809	-	(1,139)
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	-	-	-	(472)	(55,427)	586	-	809	-	(1,139)
Cash and investments - ending	\$ -	\$ 2,124	\$ 22,728	\$ 441	\$ (71,824)	\$ (10,928)	\$ -	\$ (64)	\$ -	\$ 817

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, 2014
 (Continued)

	Medicaid Reimbursement - Federal	Other Federal Programs	Improving Teaching Quality, No Child Left, Title II, Part A	Rural Schools Achievement	Title III - Language Instruction	Other Federal Teacher Incentive Tap FY10	Qualified School Construction Bond	Education Jobs	Payroll Clearing	Totals
Cash and investments - beginning	\$ 689	\$ (82,122)	\$ -	\$ (1,795)	\$ 291	\$ 12,000	\$ 4,517	\$ -	\$ 1,700	\$ 2,338,214
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	2,830,305
Intermediate sources	-	-	-	-	-	-	-	-	-	131
State sources	-	-	-	-	-	-	-	-	-	4,204,067
Federal sources	1,052	369,089	18,637	42,942	-	-	-	-	-	1,058,887
Other	-	-	-	-	-	-	-	-	1,003,740	1,104,782
Total receipts	1,052	369,089	18,637	42,942	-	-	-	-	1,003,740	9,198,172
Disbursements:										
Current:										
Instruction	106	-	18,637	-	-	-	-	-	-	3,015,225
Support services	-	356,380	-	44,059	-	-	-	-	-	2,952,821
Noninstructional services	-	-	-	-	-	-	-	-	-	437,514
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	181,747
Debt services	-	-	-	-	-	-	-	-	-	1,026,699
Nonprogrammed charges	-	-	-	-	-	-	-	-	1,004,557	1,321,540
Total disbursements	106	356,380	18,637	44,059	-	-	-	-	1,004,557	8,935,546
Excess (deficiency) of receipts over disbursements	946	12,709	-	(1,117)	-	-	-	-	(817)	262,626
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	303
Transfers in	1,200	-	-	-	-	-	-	-	-	1,809
Transfers out	(1,200)	12,000	-	-	-	(12,000)	-	-	-	(1,809)
Total other financing sources (uses)	-	12,000	-	-	-	(12,000)	-	-	-	303
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	946	24,709	-	(1,117)	-	(12,000)	-	-	(817)	262,929
Cash and investments - ending	\$ 1,635	\$ (57,413)	\$ -	\$ (2,912)	\$ 291	\$ -	\$ 4,517	\$ -	\$ 883	\$ 2,601,143

OREGON-DAVIS SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2014

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 110,994</u>	<u>\$ 143,081</u>

OREGON-DAVIS SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2014

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Oregon-Davis Building Corporation Phase III	Jr./Sr. High School Renovations	\$ 228,961	12/30/2009	01/15/2027
Oregon-Davis Building Corporation Phase III	Elementary School Renovations	31,539	01/12/2010	01/01/2025
Oregon-Davis Building Corporation Phase III	Jr./Sr. High School Improvements	710,500	04/17/2012	07/15/2023
Lease Corporation of America	Copier Lease	17,138	09/30/2011	09/30/2014
Apple, Inc.	Computer hardware lease	83,670	02/01/2015	02/01/2018
Total of annual lease payments		<u>\$ 1,071,808</u>		

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OREGON-DAVIS SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2014

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.

	Ending Balance
Governmental activities:	
Land	\$ 10
Infrastructure	115,497
Buildings	28,522,642
Improvements other than buildings	14,875
Machinery, equipment, and vehicles	<u>1,539,986</u>
Total capital assets	<u>\$ 30,193,010</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513
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Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

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

Report on Compliance for Each Major Federal Program

We have audited the 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, 2012 to June 30, 2014. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance 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, 2012 to June 30, 2014.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2014-002. Our opinion on each major federal program is not modified with respect to these matters.

The School Corporation's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program 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.


Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance 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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2014-001 and 2014-003 to be material weaknesses.

The School Corporation's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

April 1, 2015

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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, 2013, and June 30, 2014

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-13	Total Federal Awards Expended 06-30-14
<u>U.S. DEPARTMENT OF AGRICULTURE</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553	FY 2012-13 FY 2013-14	\$ 53,432 -	\$ - 55,169
National School Lunch Program	Indiana Department of Education	10.555	FY 2012-13 FY 2013-14	171,115 -	- 170,709
Summer Food Service Program for Children	Indiana Department of Education	10.559	FY 2012-13 FY 2013-14	2,341 -	- 2,821
Total for cluster				<u>226,888</u>	<u>228,699</u>
Child and Adult Care Food Program	Indiana Department of Education	10.558	FY 2012-13 FY 2013-14	6,940 -	- 7,343
Total for federal grantor agency				<u>233,828</u>	<u>236,042</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>					
Title I, Part A Cluster					
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010	2011 - 2012 2012 - 2013 2013 - 2014	31,048 185,528 -	- 67,154 195,574
Title I, Part A					
Total for cluster				<u>216,576</u>	<u>262,728</u>
Special Education Cluster (IDEA)					
Special Education - Grants to States	Indiana Department of Education	84.027	14213-137-PN01 14214-137-PN01 99914-137-TA01	64,395 - -	23,879 118,150 350
Total for program				<u>64,395</u>	<u>142,379</u>

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

OREGON-DAVIS SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2013, and June 30, 2014
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-13	Total Federal Awards Expended 06-30-14
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>					
Special Education Cluster (IDEA) (continued)					
Special Education - Preschool Grants	Indiana Department of Education	84.173	45713-137-PN01 45714-137-PN01	3,438 -	314 6,027
Total for program				3,438	6,341
Total for cluster				67,833	148,720
Career and Technical Education - Basic Grants to States	Culver Community School Corporation Plymouth Community School Corporation	84.048	2012 - 2013 2013 - 2014	2,846 -	- 2,846
Total for program				2,846	2,846
Rural Education	Direct Grant	84.358A	S358A128048 S358A138048	- -	32,162 10,780
Total for program				-	42,942
Improving Teacher Quality State Grants	Indiana Department of Education	84.367	2011 - 2013 2012 - 2014	28,088 5,761	- 18,637
Total for program				33,849	18,637
Teacher Incentive Fund	Indiana Department of Education	84.374	FY 2012-13 FY 2013-14	334,578 -	- 354,089
Total for program				334,578	354,089
Education Jobs Fund	Indiana Department of Education	84.410	FY 2012-13	2,977	-
Total for federal grantor agency				658,659	829,962
Total federal awards expended				<u>\$ 892,487</u>	<u>\$ 1,066,004</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 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 5-11-1-25), 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, 2013 and 2014. This noncash assistance is also included in the federal expenditures presented in the schedule.

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>2013</u>	<u>2014</u>
National School Lunch Program	10.555	<u>\$ 22,036</u>	<u>\$ 20,345</u>

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; Unmodified 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?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
	Child Nutrition Cluster
84.374	Teacher Incentive Fund

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.

OREGON-DAVIS SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III - Federal Award Findings and Questioned Costs

FINDING 2014-001 - INTERNAL CONTROLS OVER THE SCHOOL BREAKFAST PROGRAM, NATIONAL SCHOOL LUNCH PROGRAM, AND SUMMER FOOD SERVICE PROGRAM FOR CHILDREN

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Years: FY 2012-13, FY 2013-14

Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the Cash Management, Eligibility, and Special Tests and Provisions - Verification of Free and Reduced Price Applications compliance requirements.

Cash Management

The School Corporation has not designed or implemented adequate policies or procedures to ensure that the School Lunch fund's net cash resources are limited to three months' average expenditures. Responsibility for monitoring the cash balance of the School Lunch fund for compliance with the Cash Management requirements has not been assigned.

Eligibility and Verification of Free and Reduced Price Applications

The School Corporation has not designed or implemented adequate policies or procedures to ensure that students' eligibility for free and reduced price lunches is properly determined, that the applications for free and reduced price lunches are verified in compliance with program requirements, and that the verification summary reports are accurately prepared and submitted. The High School Secretary/Extra-Curricular Treasurer is solely responsible for the eligibility determinations, verifications, and the verification summary report. An oversight or review process has not been established.

The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the programs. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OREGON-DAVIS SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish internal controls could enable material noncompliance to go undetected. Non-compliance with the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and compliance requirements listed above.

FINDING 2014-002 - ELIGIBILITY

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Years: FY 2012-13, FY 2013-14

Pass-Through Entity: Indiana Department of Education

Management of the School Corporation did not ensure that applications for free and reduced priced lunches were on file to support each student receiving the benefits. Applications for free and reduced price lunches were not presented for 10 percent of those students tested. In addition, 55 percent of the applications on file tested for proper notification did not include eligibility notification letters to the household.

7 CFR 245.6(e) states:

"The local educational agency must maintain documentation substantiating eligibility determinations on file for 3 years after the date of the fiscal year to which they pertain, except that if audit findings have not been resolved, the documentation must be maintained as long as required for resolution of the issues raised by the audit."

7 CFR 245.6(c)(i) states:

"The local educational agency must notify the household of the children's eligibility and provide the eligible children the benefits to which they are entitled within 10 operating days of receiving the application from the household."

7 CFR 245.6(c)(ii) states:

"Households approved for benefits "via direct certification" must be notified, in writing, that their children are eligible for free meals or free milk, that no application for free and reduced price school meals is required."

The failure to comply with Eligibility requirements enabled material noncompliance to go undetected. Benefits could have been provided for students not eligible to participate in the programs. Noncompliance with the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

OREGON-DAVIS SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

We recommended that the School Corporation's management comply with Eligibility requirements which have a direct and material effect on the programs.

FINDING 2014-003 - INTERNAL CONTROLS OVER THE TEACHER INCENTIVE FUND

Federal Agency: Department of Education
Federal Program: Teacher Incentive Fund
CFDA Number: 84.374
Federal Award Years: FY 2012-13, FY 2013-14
Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the Cash Management and Reporting compliance requirements.

The School Corporation has not designed or implemented adequate policies or procedures to ensure that required reports, the requests for reimbursement, were accurately prepared and submitted. The Treasurer was solely responsible for preparing and submitting the required requests. Segregation of duties, such as an oversight, review, or approval process, has not been established.

The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and compliance requirements listed above.

AUDITEE PREPARED DOCUMENT

The subsequent document was provided by management of the School Corporation. The document is presented as intended by the School Corporation.

OREGON-DAVIS SCHOOL CORPORATION

ADMINISTRATIVE OFFICE

GREGORY G. BRILES, SUPT.
NICOLE L. SALAZAR, TREASURER
BRENDA L. MILLER, ASST. TREASURER
JULIE A. MC LIVER, SECRETARY

5998 North 750 East • Hamlet, IN 46532-9524
Phone: 574-867-2111 • Fax: 574-867-8191 • E-Mail: od.k12.in.us

SCHOOL BOARD

CHRISTOPHER LAWRENCE, PRESIDENT
ANDREA MC INTOSH, VICE PRESIDENT
KURT HAYES, SECRETARY
SHIRLEY BUDKA, MEMBER
LEE NAGAI, MEMBER

CORRECTIVE ACTION PLAN

FINDING 2014-001

Federal Agency: US Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program, Summer Food Service
Program for Children
CFDA Numbers: 10.553, 10.555, 10.559
Federal Award Years: FY 2012-13, FY 2013-14
Pass-Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Greg Briles
Contact Phone Number: 574-867-2111

Description of Corrective Action Plan: Management of the School Corporation will establish an effective internal control system, which would include segregation of duties, related to the grant agreement and the cash management, eligibility, and special tests and provisions for verification of free and reduced price applications compliance requirements.

The School Corporation will implement adequate policies or procedures to ensure that the School Lunch Fund's net cash resources are limited to three months' average expenditures. Responsibility for monitoring the cash balance of the School Lunch Fund for compliance with the cash management requirements will be assigned.

The School Corporation will implement adequate policies or procedures to ensure that students' eligibility for free and reduced price lunches is properly determined or that the applications for free and reduced price lunches are verified in compliance with program requirements, and that verification summary report is accurately prepared and submitted. The High School Secretary/Extra-Curricular Treasurer is solely responsible for the eligibility determinations, verifications and the verification summary report. A review process will be established to ensure accurate eligibility determinations, proper verification of the applications, and proper approval of the verification summary report.

FINDING 2014-002 - ELIGIBILITY

Federal Agency: US Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program, Summer Food Service
Program for Children
CFDA Numbers: 10.553, 10.555, 10.559
Federal Award Years: FY 2012-13, FY 2013-14
Pass-Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Greg Briles
Contact Phone Number: 574-867-2111



Management of the School Corporation will ensure that applications for free and reduced priced lunches are on file to support each student receiving the benefits, and proper notification will include eligibility notification letters to the household.

FINDING 2014-003 – INTERNAL CONTROLS OVER THE TEACHER INCENTIVE FUND PROGRAM

Federal Agency: US Department of Education
Federal Program: Teacher Incentive Fund
CFDA Number: 84.374
Federal Award Years: FY 2012-13, FY 2013-14
Pass-Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Greg Briles
Contact Phone Number: 574-867-2111

Management of the School Corporation will establish an effective internal control system, which would include segregation of duties, related to the grant agreement and the cash management and reporting compliance requirements.

The School Corporation will implement adequate policies or procedures to ensure that required reports, the requests for reimbursement, were accurately prepared and submitted. The Treasurer was solely responsible for preparing and submitting the required requests. Segregation of duties, such as an oversight, review or approval process, has been established.

Anticipated Completion Date:

4/1/15

Megony H. Briles
(Signature)

SUPERINTENDENT
(Title)

4/1/15
(Date)

OTHER REPORT

In addition to this report, a Supplemental Compliance Report has been issued for the School Corporation. That report can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.