

DAYS CREEK
CHARTER SCHOOL

Audit Report

June 30, 2015

DAYS CREEK CHARTER SCHOOL

DAYS CREEK, OREGON

June 30, 2015

BOARD OF DIRECTORS & OFFICERS

Diane Swingley President

Sandy Kelley Vice President

Pauline Montgomery-Borg Sec/Treas

Kat Bierkens Director

Jim Docherty Director

NEUNER, DAVIDSON & COOLEY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Thomas J. Davidson, C.P.A.

Jeffrey R. Cooley, C.P.A.

Traci I. Trotter, C.P.A.

Will M. Sargent, C.P.A.

Vickie R. Rapp, C.P.A.

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Days Creek Charter School
Days Creek, OR 97429

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of Days Creek Charter School as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Days Creek Charter School's basic financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity'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 statements.

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

Member:

American Institute of Certified Public Accountants

Oregon Society of Certified Public Accountants

Private Companies Practice Section

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Days Creek Charter School, as of June 30, 2015 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America


Other Matters

The Days Creek Charter School has not presented the required Management Discussion and Analysis that GASB Statement No. 34 has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 11, 2015 on our consideration of the District's compliance with certain provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-000 to 162-10-320. 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

Neuner, Davidson & Cooley, LLC
Certified Public Accountants

By 
Jeffrey R. Cooley, C.P.A.
December 11, 2015

Financial Statements

DAYS CREEK CHARTER SCHOOL

Statement of Net Position

For the Fiscal Year Ended June 30, 2015

Governmental
Activities

ASSETS

Cash and Investments

Total Assets

\$ -

LIABILITIES

Payroll Liabilities

Total Liabilities

-

NET POSITION

Net Position

Total Net Assets

\$ -

DAYS CREEK CHARTER SCHOOL

Statement of Activities

Charter School

For the Fiscal Year Ended June 30, 2014

| | <u>Expenses</u> | <u>Net (Disbursement) and Change in Net Assets</u> |
|---|------------------|--|
| GOVERNMENTAL ACTIVITIES | | |
| Instructional Services | \$ 1,513,380 | \$ 1,513,380 |
| Totals | <u>1,513,380</u> | <u>1,513,380</u> |
| | | |
| General Revenues | | |
| State School Support | | 1,513,380 |
| Total General Revenues | | <u>1,513,380</u> |
| | | |
| Change in Net Assets | | - |
| | | |
| Unrestricted Net Position July 1, 2014 | | <u>-</u> |
| | | |
| Unrestricted Net Position June 30, 2015 | | <u><u>-</u></u> |

DAYS CREEK CHARTER SCHOOL

Statement of Revenues and Expenditures and Changes in Net Assets Actual and Budget Charter School

For the Fiscal Year Ended June 30, 2015

| | <u>Actual</u> | <u>Budget</u> | <u>Over (Under) Budget</u> |
|--|------------------|------------------|------------------------------------|
| REVENUES: | | | |
| State Sources | | | |
| Grants | 1,513,380 | \$1,749,738 | (\$236,358) |
| Total Revenues | <u>1,513,380</u> | <u>1,749,738</u> | <u>(\$236,358)</u> |
| EXPENDITURES: | | | |
| Instruction: | | | |
| Salaries | 824,553 | | |
| Employee Benefits | 493,467 | | |
| Purchased Services | 118,685 | | |
| Supplies and Materials | 66,795 | | |
| Other | 9,880 | | |
| Total Expenditures | <u>1,513,380</u> | <u>1,749,738</u> | <u>(236,358)</u> |
| Excess of Revenues Over (Under) Expenditures | - | - | - |
| NET ASSETS, July 1, 2014 | <u>-</u> | <u>-</u> | <u>-</u> |
| NET ASSETS, June 30, 2015 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Notes to Financial Statements

DAYS CREEK CHARTER SCHOOL

Notes to the
Financial Statements

at

June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Days Creek Charter School (DCCS) is a public benefit corporation formed for the purpose of operating a charter school. DCCS entered into an agreement with Douglas County School District No. 15 (District), an Oregon common school district. The District has agreed to sponsor DCCS as a charter school under the charter school laws of the State of Oregon, as provided in the charter for DCCS. Per the charter between the parties, the District actually serves as the employer for the employees assigned or on leave to perform services for DCCS. DCCS will reimburse the District for its payroll costs and related expenses. The DCCS is governed by 8 community members, of which three members are teachers of the District. The entity is exempt from federal income tax under Code Section 501(c)(3). DCCS is a component unit of Douglas County School District No. 15.

Basis of Accounting

The financial statements of DCCS have been prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenditures are recognized when incurred.

Interfund Transactions

Expenses paid and revenues received by the District on behalf of the DCCS are accounted for in the appropriate interfund receivable and payable accounts.

Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures for the reporting period. Actual results could differ from those estimates.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Days Creek Charter School budgets and accounts for transaction in the following fund:

General Fund - The financial affairs of DCCS are funded through the General Fund, which receives its monies primarily from federal grants and state of Oregon basic school support. Expenditures from the General Fund are used for salaries employee benefits, purchased services, supplies and materials, capital outlay, and all other requirements.

Budgeting

The DCCS budgets all funds as required by state law. The DCCS appropriates the expenditures at the instruction, supporting services, and contingency levels. The District has incorporated the DCCS budget in its budget process and complies with the Oregon Local Budget Law. The detailed budget document can be obtained through the Districts administration office.

DAYS CREEK CHARTER SCHOOL

Notes to the
Financial Statements

at

June 30, 2015

3. ACCOUNTS PAYABLE

Expenses paid by the District on behalf of the DCCS during the current fiscal year have been accrued and reflected as a liability in the balance sheet.

Auditor's Comments and Disclosures
Required by State Law

NEUNER, DAVIDSON & COOLEY, LLC

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INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Directors
Days Creek Charter School
PO Box 10
Days Creek, OR 97429

We have audited the basic financial statements of the Days Creek Charter School as of and for the year ended June 30, 2015, and have issued our report thereon dated December 11, 2015. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the Days Creek Charter School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements 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.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment •Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).
- State school fund factors and calculation.

In connection with our testing nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control

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

Member:
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Private Companies Practice Section

Independent Auditor's Report Required
By Oregon State Regulations

Restrictions on Use

This report is intended solely for the information and use of the Board of Directors and management of Days Creek Charter School and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.



Jeffrey R. Cooley, CPA
Roseburg, Oregon
December 11, 2015