

*Audited Financial Statements and
Other Supplemental Information*

**DALE ROGERS TRAINING
CENTER, INC.**

June 30, 2014

DALE ROGERS TRAINING CENTER, INC.

June 30, 2014

AUDITED FINANCIAL STATEMENTS

Independent Auditors' Report	1
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows.....	5
Notes to Financial Statements	6

REPORT REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	20
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SUPPLEMENTAL INFORMATION

Supplemental Schedule of Revenues and Support.....	22
Supplemental Schedule of Expenses and Distributions	24
DDSD Supplemental Schedules of Revenues and Expenses	26

Independent Auditors' Report

The Board of Directors
Dale Rogers Training Center, Inc.
Oklahoma City, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of Dale Rogers Training Center, Inc. (an Oklahoma nonprofit corporation) (the "Organization"), which comprise the statement of financial position as of June 30, 2014 and 2013, and the related statements of activities and cash flows for the years then ended and the related notes to the 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 an opinion 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 audit 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 of 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dale Rogers Training Center, Inc., as of June 30, 2014 and 2013, and the statements of activities and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used in the basic financial statements. The information has been subject to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have issued our report dated October 29, 2014, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 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 Organization's internal control over financial reporting and compliance.

Cole & Reed P.C.

Oklahoma City, Oklahoma
October 29, 2014

STATEMENTS OF FINANCIAL POSITION

DALE ROGERS TRAINING CENTER, INC.

	June 30	
	2014	2013
ASSETS		
Cash and cash equivalents	\$ 3,855,766	\$ 3,624,937
Investments	1,461,412	1,276,098
Contracts receivable	2,611,681	2,050,206
Accounts receivable	97,087	137,285
Inventory	218,113	209,946
Prepaid expenses	152,719	148,064
TOTAL CURRENT ASSETS	8,396,778	7,446,536
PROPERTY AND EQUIPMENT, net	4,814,420	4,870,424
OTHER NON-CURRENT ASSETS		
Beneficial interest in assets held by others	83,728	46,124
Other intangible assets	36,875	40,000
	120,603	86,124
TOTAL ASSETS	<u>\$ 13,331,801</u>	<u>\$ 12,403,084</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 561,800	\$ 609,555
Accrued expenses	792,988	761,094
Other liabilities	-	530
TOTAL LIABILITIES	1,354,788	1,371,179
NET ASSETS		
Unrestricted	8,843,225	8,413,221
Unrestricted - Board designated	3,025,215	2,523,732
Temporarily restricted	33,621	20,000
Permanently restricted	74,952	74,952
	11,977,013	11,031,905
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 13,331,801</u>	<u>\$ 12,403,084</u>

See notes to financial statements.

STATEMENTS OF ACTIVITIES

DALE ROGERS TRAINING CENTER, INC.

	Year Ended June 30, 2014				Year Ended June 30, 2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES AND SUPPORT								
Cash Contributions	\$ 39,339	\$ 16,200	\$ -	\$ 55,539	\$ 24,018	\$ 22,300	\$ -	\$ 46,318
Non cash contributions	32,512	42,026	-	74,538	4,403	-	-	4,403
SourceAmerica contracts	15,901,641	-	-	15,901,641	14,053,308	-	-	14,053,308
Other contracts	193,586	-	-	193,586	186,961	-	-	186,961
United Way	-	157,806	-	157,806	-	157,806	-	157,806
State financial assistance	2,143,248	-	-	2,143,248	2,110,760	-	-	2,110,760
Revenue from acrylic, frames, gifts, pizza and labor	1,144,707	-	-	1,144,707	892,863	-	-	892,863
Investment income	190,485	-	-	190,485	138,829	-	-	138,829
Distributions from OCCF	15,647	-	-	15,647	14,943	-	-	14,943
Auxillary services	14,375	-	-	14,375	12,980	-	-	12,980
Camp Tumbleweed	13,393	-	-	13,393	14,496	-	-	14,496
Gain (loss) on sale of assets	(33)	-	-	(33)	2,500	-	-	2,500
Miscellaneous	28,917	-	-	28,917	144,950	-	-	144,950
Net assets released from restrictions:								
Satisfaction of program and donor restrictions	202,411	(202,411)	-	-	260,106	(260,106)	-	-
TOTAL REVENUES AND SUPPORT	19,920,228	13,621	-	19,933,849	17,861,117	(80,000)	-	17,781,117
EXPENSES AND DISTRIBUTIONS								
Tinker work project/food service	1,466,965	-	-	1,466,965	1,625,265	-	-	1,625,265
Altus work project/food service	878,469	-	-	878,469	778,416	-	-	778,416
Tinker work project/custodial	5,550,126	-	-	5,550,126	4,153,338	-	-	4,153,338
Tinker work project/administration custodial	3,034,202	-	-	3,034,202	2,573,226	-	-	2,573,226
GSA custodial	897,293	-	-	897,293	855,097	-	-	855,097
US Marshal custodial	51,533	-	-	51,533	47,389	-	-	47,389
FAA custodial	1,846,250	-	-	1,846,250	1,947,432	-	-	1,947,432
AFRC/Mustang custodial	75,250	-	-	75,250	76,375	-	-	76,375
AFRC/Norman custodial	107,177	-	-	107,177	115,452	-	-	115,452
Lockheed Martin Partnership	125,626	-	-	125,626	125,742	-	-	125,742
Papa Murphy's Pizza	476,932	-	-	476,932	218,190	-	-	218,190
Vocational Services program	1,918,618	-	-	1,918,618	1,690,990	-	-	1,690,990
Mobile Workforce program	154,522	-	-	154,522	207,820	-	-	207,820
Employment Services program	866,311	-	-	866,311	958,592	-	-	958,592
Transition program	131,461	-	-	131,461	141,449	-	-	141,449
Camp Tumbleweed program	33,478	-	-	33,478	29,455	-	-	29,455
Special Needs program	128,181	-	-	128,181	135,211	-	-	135,211
Auxillary Transportation program	157,971	-	-	157,971	115,608	-	-	115,608
Auxillary Day Care program	17,963	-	-	17,963	11,163	-	-	11,163
Management and general	1,070,413	-	-	1,070,413	984,580	-	-	984,580
TOTAL EXPENSES AND DISTRIBUTIONS	18,988,741	-	-	18,988,741	16,790,790	-	-	16,790,790
CHANGE IN NET ASSETS	931,487	13,621	-	945,108	1,070,327	(80,000)	-	990,327
NET ASSETS AT BEGINNING OF YEAR	10,936,953	20,000	74,952	11,031,905	9,866,626	100,000	74,952	10,041,578
NET ASSETS AT END OF YEAR	\$ 11,868,440	\$ 33,621	\$ 74,952	\$ 11,977,013	\$ 10,936,953	\$ 20,000	\$ 74,952	\$ 11,031,905

See notes to financial statements.

STATEMENTS OF CASH FLOWS

DALE ROGERS TRAINING CENTER

	Year Ended June 30	
	2014	2013
OPERATING ACTIVITIES		
Change in net assets	\$ 945,108	\$ 990,327
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	441,923	370,310
(Gain) loss on sale of property and equipment	33	(2,500)
Gain on investments	(2,821)	(122,804)
Loss on impairment of goodwill and other intangible assets	-	108,923
Change in operating assets and liabilities:		
Receivables	(521,277)	(650,881)
Inventory	(8,167)	(7,918)
Prepaid expenses	(4,655)	(10,275)
Accounts payable	(47,755)	32,986
Accrued expenses and other liabilities	31,364	32,541
NET CASH PROVIDED BY OPERATING ACTIVITIES	833,753	740,709
INVESTING ACTIVITIES		
Purchase of intangible assets	-	(15,000)
Purchase of investments	(222,690)	(18,150)
Beneficial interest in third party	2,593	2,233
Proceeds from sale of property and equipment	607	2,500
Purchases of property and equipment	(383,434)	(1,691,729)
NET CASH USED IN INVESTING ACTIVITIES	(602,924)	(1,720,146)
NET CHANGE IN CASH AND CASH EQUIVALENTS	230,829	(979,437)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	3,624,937	4,604,374
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 3,855,766	\$ 3,624,937

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

DALE ROGERS TRAINING CENTER, INC.

June 30, 2014

NOTE A--NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities: Dale Rogers Training Center, Inc. (the "Organization") is a private, non-profit agency supporting people with disabilities through paid vocational training, in-house programs, and work opportunities, as well as competitive community employment and federal contracts in the Organization's designated geographical area.

On January 1, 1993, the Organization expanded its operations and contracted with the U.S. Air Force (SourceAmerica contract) to provide full food services for military dining facilities at Tinker Air Force Base in Midwest City, Oklahoma. Since the inception of this contract, Dale Rogers has entered into numerous contracts with Tinker Air Force Base, Altus Air Force Base, GSA - Oklahoma City, FAA - Mike Monroney Aeronautical Center, Armed Forces Reserves, and US Marshals for full food services and/or custodial services. During the fiscal year, ten contracts were in effect related to SourceAmerica, making up approximately 80% of the Organization's revenues.

The remainder of the Organization's revenues comes from a private facility service contract with Lockheed Martin Corporation; federal and state grants; various subcontracts with area businesses; sales of acrylic products, spice gift sets, frames, and framing supplies; pizza sales and individual contributions.

Basis of Accounting: The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other assets and liabilities. In the statement of activities, revenues are recognized when earned, and expenses are recognized when an obligation has been incurred.

Accounting Standards Codification: The Organization follows the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"), which integrates existing accounting standards with other authoritative guidance. The ASC provides a single source of authoritative generally accepted accounting principles ("GAAP") for nongovernmental entities and supersedes all other previously issued non-SEC accounting reporting guidance.

Financial Statement Presentation: The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization has classified its financial statements to present the three classes of net assets as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Board Designed Funds Net Assets - Net assets designed as noted on Note D for specific purposes.

NOTES TO FINANCIAL STATEMENTS--Continued

DALE ROGERS TRAINING CENTER, INC.

June 30, 2014

NOTE A--NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES--Continued

Financial Statement Presentation--Continued:

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that are to be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

Basis of Presentation: Contributions received, including unconditional promises to give, are reported as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. The Organization reports gifts of cash and other assets as restricted contributions if they are received with donor stipulations that limit the use of the donated assets.

When a donor restriction is satisfied, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Contributions made, including unconditional promises to give, are recognized as expenses in the period made at their fair values. Conditional promises to give, whether received or made, are recognized when they become unconditional, that is, when the conditions are substantially met.

Cash and Cash Equivalents: The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Concentrations of Credit Risk: The Organization maintains cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes that it is not exposed to any significant credit risk on cash or cash equivalents maintained.

NOTES TO FINANCIAL STATEMENTS--Continued

DALE ROGERS TRAINING CENTER, INC.

June 30, 2014

NOTE A--NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES--Continued

Fair Value Measurements: Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Generally accepted accounting principles establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

- Level 1: Quoted prices in active markets for identical assets or liabilities;
- Level 2: Inputs that are derived principally from or corroborated by observable market data; and
- Level 3: Inputs that are unobservable and significant to the overall fair value measurement.

Financial assets and liabilities carried at fair value on a recurring basis include investments, endowment fund and beneficial interest held by the Oklahoma City Community Foundation (OCCF).

Property and Equipment: It is the Organization's policy to capitalize property and equipment with a cost basis of over \$1,000. Lesser amounts or items that do not contribute value to future periods or extend the life of an asset are expensed. In addition, the threshold for capitalization increases for ground and building renovations to \$5,000.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method.

Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized. When property and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included as a component of the change in net assets.

NOTES TO FINANCIAL STATEMENTS--Continued

DALE ROGERS TRAINING CENTER, INC.

June 30, 2014

NOTE A--NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES--Continued

Investments: Investments are stated at fair market value and consist primarily of mutual funds and equity securities. Investments in marketable securities with readily determinable fair values are measured at fair value. Fair value is determined based on quoted market prices, if available, or by a reasonable estimate of fair value based on management's determination. Unrealized gains and losses are recognized in the change in net assets. The Organization has investments in various investment securities, which in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Further, due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes could materially affect the amounts reported in the Organization's financial statements.

Beneficial Interest in Assets Held by Others: The Organization follows the ASC guidance which requires a not-for-profit organization that transfers assets to a community foundation and specifies itself as the beneficiary to recognize its beneficial interest in the assets transferred (see Note E). The Organization carries its beneficial interest in the assets held by the OCCF at fair value.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Significant Estimates: Estimates that are particularly susceptible to significant change include the valuation of investments and beneficial interest in assets held by others. Investments in securities and beneficial interest in assets held by others in general are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investments and beneficial interests, it is reasonably possible that changes in the values of these assets will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position. Significant fluctuations in fair values could occur from year to year, and the amounts the Organization will ultimately realize could differ materially.

Inventory: Inventory is made up of materials and supplies used in the production of acrylic products, products sold by the gift shop, pizza, and framing supplies. Other materials and supplies on hand are not considered significant, and it is the Organization's policy to expense these items when purchased. Inventory is stated at the lower of cost or market using the first-in, first-out method.

Functional Allocation of Expenses: Costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Costs are allocated between program costs for manufacturing and service contracts; program services, other, and management and general based on evaluations of the related activities.

NOTES TO FINANCIAL STATEMENTS--Continued

DALE ROGERS TRAINING CENTER, INC.

June 30, 2014

NOTE A--NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES--Continued

Functional Allocation of Expenses -- Continued: Program costs for manufacturing and service contracts include those expenses directly related to the Organization's manufacturing operations and labor provided for service contracts, both of which employ disabled individuals in keeping with the Organization's mission. Program services, other, includes those expenses related to the rehabilitation services as well as other programs offered by the Organization for the disabled. Management and general expenses include those expenses that are not directly identifiable with any other specific function but which provide for the overall support and direction of the Organization.

Income Taxes: The Organization is a nonprofit organization and is exempt from federal income taxes under Internal Revenue Code section 501(c) (3) on earnings related to its exempt purpose.

Accounting for Uncertain Tax Positions: Accounting principles generally accepted in the United States of America require the Organization to evaluate tax positions taken. Management evaluated the Organization's tax positions and concluded that the Organization had taken no uncertain tax positions that require adjustment to the financial statements. With few exceptions, the Organization is no longer subject to income tax examinations by the U.S. federal, state, or local tax authorities for years before June 30, 2011.

Recently Issued Pronouncements: During the year ended June 30, 2014, the Organization implemented ASU 2012-05, *Statement of Cash Flows (Topic 230): Not-for-Profit ("NFP") Entities: Classification of the Sale Proceeds of Donated Financial Assets in the Statement of Cash Flows*. This ASU requires a NFP to classify cash receipts from the sale of donated financial assets consistently with cash donations received if those cash receipts were from the sale of donated financial assets that upon receipt were directed without any NFP-imposed limitations for sale and were converted nearly immediately into cash. Accordingly, the cash receipts from the sale of those financial assets should be classified as cash inflows from operating activities, unless the donor restricted the use of the contributed resources to long-term purposes in which case, those cash receipts should be classified as cash flows from financing activities. Otherwise, cash receipts from the sale of donated financial assets should be classified as cash flows from investing activities. The Organization's implementation of this ASU did not have a material impact on the presentation of its statements of cash flows.

Subsequent Events: Management has evaluated subsequent events through October 29, 2014, the date the financial statements were available to be issued. There were no subsequent events requiring recognition or disclosure.

NOTES TO FINANCIAL STATEMENTS--Continued

DALE ROGERS TRAINING CENTER, INC.

June 30, 2014

NOTE B--TEMPORARILY RESTRICTED NET ASSETS

The Organization's balance of temporarily restricted net assets consists of the following at June 30:

	2014	2013
Individual contributions for programs	\$ -	\$ 20,000
Contribution from government agency	33,621	-
	<u>\$ 33,621</u>	<u>\$ 20,000</u>

The Organization's balance of permanently restricted net assets consists of the following at June 30:

	2014	2013
Amount of initial contribution to the endowment	\$ 74,952	\$ 74,952

Net assets were released from donor restrictions by incurring expenses satisfying the purpose specified by donors as follows:

	2014	2013
Other expenses	\$ 36,200	\$ 2,300
United Way allocation	157,806	157,806
SourceAmerica - IWF Grant for Papa Murphy's	-	100,000
OKDHS 5 year contribution	8,405	-
	<u>\$ 202,411</u>	<u>\$ 260,106</u>

NOTE C--CONTRACTS RECEIVABLE

As of June 30, 2014 and 2013, accounts receivable from contracts were composed of:

	2014	2013
Department of Human Services	\$ 211,876	\$ 204,165
SourceAmerica Contracts	2,366,231	1,808,429
Lockheed Martin Contract	33,574	31,770
Social Security Administration Contract	-	5,842
	<u>\$ 2,611,681</u>	<u>\$ 2,050,206</u>

The Organization considers all receivables to be fully collectible. Accordingly, no allowance for uncollectible receivables has been provided at June 30, 2014 and 2013.

NOTES TO FINANCIAL STATEMENTS--Continued

DALE ROGERS TRAINING CENTER, INC.

June 30, 2014

NOTE D--DESIGNATED FUNDS

The Organization has designated funds of \$3,025,215. This is an increase over the previous year funded by the SourceAmerica contract operation earnings that were designated by the Board for expansion, development, and reserve purposes. The Organization's goal is to have a 60 to 90 day reserve due to the large cash flow requirements of the SourceAmerica contracts.

Currently, the reserve balances are just over 58 days. These designated funds are not considered available for regular workshop program operations, but the Board could designate funds if workshop operating reserves were depleted.

NOTE E--BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

In the current and previous years, the Organization transferred funds to the Oklahoma City Community Foundation, Inc. (the "Foundation") and specified itself as the beneficiary of the funds. Annually, distributions from the funds are paid to the Organization according to the Foundation's spending policy. The Foundation maintains variance power over these funds, which totaled \$83,728 and \$46,124 at June 30, 2014 and 2013, respectively. Variance power assures donors that if the charitable purpose of their contribution becomes impractical or impossible, the distributions will be directed to similar purposes in the community. The Foundation also maintains legal ownership of the funds. However, accounting principles generally accepted in the United States of America require that the Organization reflect its beneficial interest in these assets in its financial statements.

In addition to the funds discussed above, the Foundation maintains other funds that have been contributed by various donors to the Foundation for the benefit of the Organization. These funds are not included as assets of the Organization. The earnings from these funds are paid to the Organization each year. For the years ended June 30, 2014 and 2013, the Organization received \$13,945 and \$13,414, from these funds, respectively. At June 30, 2014 and 2013, the fair value of the funds was approximately \$302,025 and \$277,090, respectively. The Organization has no remainder interest in the corpus of the funds.

NOTES TO FINANCIAL STATEMENTS--Continued

DALE ROGERS TRAINING CENTER, INC.

June 30, 2014

NOTE F--FAIR VALUE MEASUREMENTS

The Organization's assets measured at fair value on a recurring basis are classified within the fair value hierarchy as follows:

June 30, 2014				
	Level 1	Level 2	Level 3	Total
ASSETS				
Money market funds	\$ 85,484	\$ -	\$ -	\$ 85,484
Common stocks	832,836	-	-	832,836
Fixed income mutual funds	473,855	-	-	473,855
Equity mutual funds	69,237	-	-	69,237
Total investments	1,461,412	-	-	1,461,412
Beneficial interest in assets held by others	-	-	83,728	83,728
Total assets measured at fair value on a recurring basis	<u>\$1,461,412</u>	<u>\$ -</u>	<u>\$ 83,728</u>	<u>\$1,545,140</u>
June 30, 2013				
	Level 1	Level 2	Level 3	Total
ASSETS				
Money market funds	\$ 38,956	\$ -	\$ -	\$ 38,956
Common stocks	813,273	-	-	813,273
Fixed income mutual funds	395,188	-	-	395,188
Equity mutual funds	28,681	-	-	28,681
Total investments	1,276,098	-	-	1,276,098
Beneficial interest in assets held by others	-	-	46,124	46,124
Total assets measured at fair value on a recurring basis	<u>\$1,276,098</u>	<u>\$ -</u>	<u>\$ 46,124</u>	<u>\$1,322,222</u>

Following is a description of methodologies used for the classification of financial instruments measured at fair value on a recurring basis:

Investment money market funds, common stocks, equity mutual funds, and fixed income mutual funds: When quoted prices are available in an active market, securities are classified within Level 1 of the hierarchy. Money market funds and equity and fixed income mutual funds are classified within Level 1 of the hierarchy as the fair value is determined by the net asset value of the fund, which is publicly traded.

NOTES TO FINANCIAL STATEMENTS--Continued

DALE ROGERS TRAINING CENTER, INC.

June 30, 2014

NOTE F--FAIR VALUE MEASUREMENTS--Continued

Beneficial interest in assets held by others: Beneficial interests in assets held by others are primarily pooled investment funds held and managed by OCCF, which the Organization does not have the ability to redeem. Based on the methodology of determining fair value of beneficial interest in assets held by others and the non-redeemable nature of the assets, they are categorized as Level 3 within the hierarchy.

Change in the fair value of the Organization's Level 3 investments for the years ended June 30, 2014 and 2013, is as follows:

	Endowed Funds Held by Community Foundation	
	2014	2013
Beginning of year	\$ 46,124	\$ 43,948
Contribution	32,512	-
Distribution	(2,593)	(2,233)
Change in value of beneficial interest	7,685	4,409
End of year	<u>\$ 83,728</u>	<u>\$ 46,124</u>

The summary of changes in fair value of Level 3 assets has been prepared to reflect the activity in the same categories as those provided to the Society by the Community Foundation. Net investment performance includes realized and unrealized gains (losses) on investments, investment income and administrative fees and is included in change in value of beneficial interest in assets held by the Community Foundation in the statement of activities. Distributions from the Community Foundation decrease the Society's beneficial interest and increase cash at the time of distribution.

NOTES TO FINANCIAL STATEMENTS--Continued

DALE ROGERS TRAINING CENTER, INC.

June 30, 2014

NOTE F--FAIR VALUE MEASUREMENTS--Continued

The following table summarizes the valuation techniques and significant unobservable inputs used by the Organization that are categorized within Level 3 of the fair value hierarchy as of June 30.

Investment Type	Fair Value		Valuation Techniques	Unobservable Input ^(b)	Range of Inputs (Weighted Average)
	2014	2013			
Beneficial Interests in Assets Held By the Community	83,728	46,124	Income approach	Discount rate ^(a)	0% (0%)

(a) Represents amounts used when the reporting entity has determined that market participants would take into account these returns when pricing the investments.

(b) Significant increases or decreases in any of the above unobservable inputs in isolation may result in a significantly lower or higher fair value measurement.

(c) Fair value of the asset/liability is the expected future cash inflows/outflows which is based on the fair value of the underlying investment assets and at this time management believes no discounts to the fair values is appropriate.

The Organization's investments in certain entities that calculate net asset value ("NAV") per share for which there is not a readily determinable fair market value include the following:

Beneficial Interest in Assets Held by Others: This investment is directed by OCCF and is designed to achieve endowment returns consistent with OCCF's adopted investment policies. OCCF's investment portfolio consists of common and preferred stocks, asset backed obligations, mutual and index funds, government obligations, and cash equivalent funds. The beneficial interest cannot be redeemed at the current NAV as the Organization is only the beneficiary of the investment earnings, which are distributed in accordance with the spending policy.

NOTES TO FINANCIAL STATEMENTS--Continued

DALE ROGERS TRAINING CENTER, INC.

June 30, 2014

NOTE G--PROPERTY AND EQUIPMENT

Property and equipment are stated at cost (or fair value if donated) as follows:

	June 30	
	2014	2013
Land	\$ 225,547	\$ 225,547
Buildings and improvements	5,009,156	4,933,972
Machinery and equipment	2,506,276	2,360,889
Vehicles	530,247	483,325
	8,271,226	8,003,733
Less: accumulated depreciation	(3,456,806)	(3,133,309)
	<u>\$ 4,814,420</u>	<u>\$ 4,870,424</u>

Property and equipment are depreciated using the straight-line method. Depreciation expense was approximately \$439,000 and \$370,000 for the years ended June 30, 2014 and 2013, respectively.

NOTE H--OPERATING LEASE COMMITMENTS

As of June 30, 2014, the total remaining operating lease payments under non-cancelable operating leases, which pertain to office equipment and vehicles, are as follows:

2015	\$ 62,106
2016	42,899
2017	41,035
2018	40,308
	<u>\$ 186,348</u>

Rental expense under operating leases was approximately \$73,000 and \$62,000, respectively, for the years ended June 30, 2014 and 2013.

NOTE I--RETIREMENT PLAN

The Organization provides a 403(b) retirement plan that is totally employee funded. The Organization does not make any contributions to the fund. Annual enrollment is offered to full time employees with a \$25 monthly minimum contribution required.

NOTES TO FINANCIAL STATEMENTS--Continued

DALE ROGERS TRAINING CENTER, INC.

June 30, 2014

NOTE K--ENDOWMENT DISCLOSURES

The Organization's endowment consists of a one-time gift from a donor. The endowment was created through donor-restricted endowment funds. The initial contribution may not be spent but all earnings generated from the corpus may be spent as designated by the Organization's board of directors. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of the Organization has interpreted the State Prudent Management of Institutional Funds Act ("SPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Board of Directors in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds.

- (1) The duration and preservation of the fund,
- (2) The purposes of the Organization and the donor-restricted endowment fund,
- (3) General economic conditions,
- (4) The possible effect of inflation and deflation,
- (5) The expected total return from income and the appreciation of investments,
- (6) Other resources of the Organization, and
- (7) The investment policies of the Organization.

NOTES TO FINANCIAL STATEMENTS--Continued

DALE ROGERS TRAINING CENTER, INC.

June 30, 2014

NOTE K--ENDOWMENT DISCLOSURES--Continued

Endowment net asset composition by type of fund as of June 30, 2014 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ 123,405	\$ -	\$ 74,952	\$ 198,357

Changes in endowment net assets for the fiscal year ended June 30, 2014 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 104,510	\$ -	\$ 74,952	\$ 179,462
Contribution	-	-	-	-
Investment return	18,895	-	-	18,895
Appropriation of endowment assets for expenditure	-	-	-	-
Endowment net assets, end of year	\$ 123,405	\$ -	\$ 74,952	\$ 198,357

Endowment net asset composition by type of fund as of June 30, 2013 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ 104,510	\$ -	\$ 74,952	\$ 179,462

Changes in endowment net assets for the fiscal year ended June 30, 2013 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 90,327	\$ -	\$ 74,952	\$ 165,279
Investment return	14,183	-	-	14,183
Appropriation of endowment assets for expenditure	-	-	-	-
Endowment net assets, end of year	\$ 104,510	\$ -	\$ 74,952	\$ 179,462

NOTES TO FINANCIAL STATEMENTS--Continued

DALE ROGERS TRAINING CENTER, INC.

June 30, 2014

NOTE K--ENDOWMENT DISCLOSURES--Continued

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires the Organization to retain as a fund of perpetual duration. Deficiencies of this nature are required to be reported in unrestricted net assets. There were no deficiencies at June 30, 2014 and 2013 required to be reported in unrestricted net assets.

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the Board of Directors, the endowment assets are invested with the trustees whose investment policy emphasizes preservation of capital, protection against inflation, and a continuing source of income.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The distribution policy of the trustees to beneficiary organization is determined by the Organization board of directors' based on the original endowment agreement. The Organization has evaluated the investment and spending policies of the trustees to sufficiently protect the purchasing power of the endowments and allocates distributions received to be available for use in specific programs.

Independent Auditors' Report on
Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards

The Board of Directors
Dale Rogers Training Center, Inc.
Oklahoma City, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Dale Rogers Training Center, Inc. (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of June 30, 2014 and the related statement of activities and cash flow for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 29, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly we do not express an opinion on the effectiveness of the Organization'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 statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are 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 testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control over compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cole & Reed P.C.

Oklahoma City, Oklahoma
October 29, 2014

SUPPLEMENTAL SCHEDULE OF REVENUES AND SUPPORTS

DALE ROGERS TRAINING CENTER, INC.

For the Years Ended June 30, 2014 and 2013

	Vocational Services	Mobile Workforce	Employment Services	Transition	Camp Tumbleweed	Special Needs	Auxillary Transportation	Auxillary Day Care	Mgmt.& General	Papa Murphy's Pizza	Tinker Food Service
Income											
SourceAmerica and Other contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,529,417
Papa Murphy's Pizza	-	-	-	-	-	-	-	-	-	275,763	-
Sheltered Workshop - DDS	297,317	-	-	-	-	-	-	-	-	-	-
Adult day care - DDS	11,634	-	-	-	-	1,128	-	-	-	-	-
CIE - DDS	-	15,141	47,746	-	-	-	-	-	-	-	-
Center based waiver	294,698	-	-	-	-	62,654	-	-	-	-	-
Supplemental supports waiver	18,093	-	-	-	-	30,219	-	-	-	-	-
Direct supports waiver	-	-	-	-	-	4,145	-	-	-	-	-
Homemaker waiver	5,983	-	-	-	3,628	-	-	-	-	-	-
Non-federal medical services	7,323	1,258	-	-	-	1,245	-	-	-	-	-
Community waiver services	-	35,729	-	-	-	-	-	-	-	-	-
Job coach waiver services	-	207,224	-	-	-	-	-	-	-	-	-
Mileage waiver services	-	8,212	-	-	-	83	-	-	-	-	-
Individual job coach/ stabilization waiver services	-	-	10,779	-	-	-	-	-	-	-	-
Supported employment - DRS	-	-	637,583	-	-	-	-	-	-	-	-
Employment and retention - DRS	-	-	328,103	-	-	-	-	-	-	-	-
Job placement - DRS	-	-	8,075	-	-	-	-	-	-	-	-
Support services - DRS	-	-	-	-	-	-	-	-	-	-	-
Project Search- DRS	-	-	-	-	-	-	-	-	-	-	-
Ticket to Work - SSA	-	-	2,221	-	-	-	-	-	-	-	-
iJobs-DRS	-	-	-	500	-	-	-	-	-	-	-
Transition school to work - DRS	-	-	-	91,054	-	-	-	-	-	-	-
Camp Tumbleweed - private pay	-	-	-	-	13,393	-	-	-	-	-	-
Workshop sales	276,637	-	-	-	-	-	-	-	-	-	-
Acrylic sales	341,112	-	-	-	-	-	-	-	-	-	-
Frame sales	245,011	-	-	-	-	-	-	-	-	-	-
Online store sales	6,185	-	-	-	-	-	-	-	-	-	-
Transportation - public waiver	-	-	-	-	-	-	11,475	-	-	-	-
Transportation - private pay	-	-	-	-	-	-	9,245	-	-	-	-
Day care - private pay	-	-	-	-	-	-	-	5,130	-	-	-
United Way allocation	69,541	-	-	-	13,212	16,410	51,646	6,997	-	-	-
Gain (loss) on sale of assets	-	-	-	-	-	-	-	-	(33)	-	-
Miscellaneous income	14,391	-	-	-	-	-	-	9,593	-	-	-
Restricted contributions	-	-	-	-	-	-	-	-	42,526	-	-
Other revenue	146,770	26,111	100,954	8,934	1,661	9,707	2,022	500	-	196	-
Total Income	\$ 1,734,695	\$ 293,675	\$ 1,135,461	\$ 100,488	\$ 31,894	\$ 125,591	\$ 74,388	\$ 22,220	\$ 42,493	\$ 275,959	\$ 1,529,417

SUPPLEMENTAL SCHEDULE OF REVENUES AND SUPPORTS--Continued

DALE ROGERS TRAINING CENTER, INC.

For the Years Ended June 30, 2014 and 2013

	Altus Food Service	Tinker Custodial	Tinker Admin Custodial	GSA Custodial	US Marshal Custodial	FAA Custodial	Armed Forces Reserve-Mustang Custodial	Armed Forces Reserve-Norman Custodial	Lockheed Martin Partnership	Total 2014	Total 2013
Income											
SourceAmerica and Other contracts	\$ 962,034	\$ 6,471,338	\$ 3,583,262	\$ 929,344	\$ 67,529	\$ 2,101,176	\$ 97,413	\$ 160,128	\$ 193,586	\$ 16,095,227	\$ 14,240,269
Papa Murphy's Pizza	-	-	-	-	-	-	-	-	-	275,763	41,410
Sheltered Workshop - DDS	-	-	-	-	-	-	-	-	-	297,317	268,295
Adult day care - DDS	-	-	-	-	-	-	-	-	-	12,762	12,198
CIE - DDS	-	-	-	-	-	-	-	-	-	62,887	79,220
Center based waiver	-	-	-	-	-	-	-	-	-	357,352	302,996
Supplemental supports waiver	-	-	-	-	-	-	-	-	-	48,312	40,466
Direct supports waiver	-	-	-	-	-	-	-	-	-	4,145	3,197
Homemaker waiver	-	-	-	-	-	-	-	-	-	9,611	7,740
Non-federal medical services	-	-	-	-	-	-	-	-	-	9,826	7,556
Community waiver services	-	-	-	-	-	-	-	-	-	35,729	39,689
Job coach waiver services	-	-	-	-	-	-	-	-	-	207,224	218,785
Mileage waiver services	-	-	-	-	-	-	-	-	-	8,295	9,820
Individual job coach/ stabilization waiver services	-	-	-	-	-	-	-	-	-	10,779	5,870
Supported employment - DRS	-	-	-	-	-	-	-	-	-	637,583	664,960
Employment and retention - DRS	-	-	-	-	-	-	-	-	-	328,103	307,663
Job placement - DRS	-	-	-	-	-	-	-	-	-	8,075	3,300
Support services - DRS	-	-	-	-	-	-	-	-	-	-	1,230
Project Search- DRS	-	-	-	-	-	-	-	-	-	-	26,213
Ticket to Work - SSA	-	-	-	-	-	-	-	-	-	2,221	16,159
iJobs-DRS	-	-	-	-	-	-	-	-	-	500	1,191
Transition school to work - DRS	-	-	-	-	-	-	-	-	-	91,054	82,873
Camp Tumbleweed - private pay	-	-	-	-	-	-	-	-	-	13,393	14,496
Workshop sales	-	-	-	-	-	-	-	-	-	276,637	270,225
Acrylic sales	-	-	-	-	-	-	-	-	-	341,112	353,329
Frame sales	-	-	-	-	-	-	-	-	-	245,011	215,401
Online store sales	-	-	-	-	-	-	-	-	-	6,185	12,497
Transportation - public waiver	-	-	-	-	-	-	-	-	-	11,475	11,340
Transportation - private pay	-	-	-	-	-	-	-	-	-	9,245	8,505
Day care - private pay	-	-	-	-	-	-	-	-	-	5,130	4,475
United Way allocation	-	-	-	-	-	-	-	-	-	157,806	157,806
Gain (loss) on sale of assets	-	-	-	-	-	-	-	-	-	(33)	2,500
Miscellaneous income	-	-	1,392	-	-	-	-	-	-	25,376	21,450
Restricted contributions	-	-	-	-	-	-	-	-	-	42,526	22,300
Other revenue	-	-	316	-	-	-	19	31	-	297,221	305,693
Total Income	\$ 962,034	\$ 6,471,338	\$ 3,584,970	\$ 929,344	\$ 67,529	\$ 2,101,176	\$ 97,432	\$ 160,159	\$ 193,586	\$ 19,933,849	\$ 17,781,117

See independent auditors' report

SUPPLEMENTAL SCHEDULE OF EXPENSES AND DISTRIBUTIONS

DALE ROGERS TRAINING CENTER, INC.

For the Years Ended June 30, 2014 and 2013

	Vocational Services	Mobile Workforce	Employment Services	Transition	Camp Tumbleweed	Special Needs	Auxillary Transportation	Auxillary Day Care	Mgmt.& General	Papa Murphy's Pizza	Tinker Food Service
Salaries	\$ 1,126,023	\$ 114,913	\$ 659,345	\$ 97,590	\$ 24,397	\$ 92,983	\$ 63,177	\$ 12,436	\$ 450,204	\$ 152,664	\$ 799,834
Employee benefits	39,769	2,952	33,378	6,042	1,511	7,419	-	-	64,631	2,254	280,520
Workers compensation	32,195	2,565	19,994	2,526	631	3,065	299	2,141	21,441	5,064	24,644
Payroll taxes	57,199	5,652	35,453	5,128	1,282	4,376	3,245	472	78,490	10,019	67,959
TOTAL COMPENSATION	1,255,186	126,082	748,170	111,286	27,821	107,843	66,721	15,049	614,766	170,001	1,172,957
Contract services	47,291	-	242	392	-	-	-	-	55,171	2,122	-
Professional fees	1,236	265	1,154	112	-	187	-	-	14,530	2,919	3,484
Royalties	-	-	-	-	-	-	-	-	-	43,016	-
SourceAmerica commission	-	-	-	-	-	-	-	-	-	-	60,290
Supplies	409,220	4,280	16,278	5,388	1,349	5,716	4,105	1,191	40,324	147,710	112,286
Telephone	17,676	620	14,151	787	197	1,363	764	199	13,790	5,296	4,776
Postage	90	-	95	-	-	-	-	-	13,965	194	210
Uniforms/rentals	-	-	-	-	-	-	-	-	-	362	29,775
Occupancy	63,610	2,429	9,730	3,081	770	4,860	2,988	778	15,094	44,688	-
Maintenance and repairs	43,586	1,667	2,191	2,116	529	3,338	2,052	535	9,936	1,511	24,942
Insurance	14,496	4,541	7,155	2,507	627	1,384	16,012	211	22,253	1,177	1,908
Printing and publications	574	-	-	-	-	-	-	-	9,225	696	-
Transportation	36,598	14,546	43,972	5,699	1,425	548	65,329	-	18,524	-	2,468
Conventions and meetings	4,058	68	1,855	93	-	85	-	-	10,334	275	300
Subscriptions/publications	-	-	-	-	-	-	-	-	1,585	-	-
Organizational dues	610	-	-	-	-	-	-	-	8,377	-	15
Recruitment/advertising	23,552	-	21,109	-	760	2,832	-	-	59,071	10,145	(700)
Miscellaneous expense	835	24	209	-	-	25	-	-	39,694	1,272	1,721
Equipment	-	-	-	-	-	-	-	-	41,248	5,780	8,334
TOTAL OPERATING EXPENSE	1,918,618	154,522	866,311	131,461	33,478	128,181	157,971	17,963	987,887	437,164	1,422,766
Overhead reimb/expense	-	-	-	-	-	-	-	-	(360,000)	18,000	43,200
Designated funds expense	-	-	-	-	-	-	-	-	127,032	-	-
Depreciation	-	-	-	-	-	-	-	-	315,130	21,768	999
Asset impairment	-	-	-	-	-	-	-	-	-	-	-
Uncollectible accounts	-	-	-	-	-	-	-	-	364	-	-
TOTAL EXPENSES	\$ 1,918,618	\$ 154,522	\$ 866,311	\$ 131,461	\$ 33,478	\$ 128,181	\$ 157,971	\$ 17,963	\$ 1,070,413	\$ 476,932	\$ 1,466,965

SUPPLEMENTAL SCHEDULE OF EXPENSES AND DISTRIBUTIONS--Continued

DALE ROGERS TRAINING CENTER, INC.

For the Years Ended June 30, 2014 and 2013

	Altus Food Service	Tinker Custodial	Tinker Admin Custodial	GSA Custodial	US Marshal Custodial	FAA Custodial	Armed Forces Reserve-Mustang Custodial	Armed Forces Reserve-Norman Custodial	Lockheed Martin Ptnshp	Total 2014	Total 2013
Salaries	\$ 491,254	\$ 2,698,655	\$ 1,269,082	\$ 504,826	\$ 26,203	\$ 889,033	\$ 37,186	\$ 54,816	\$ 74,168	\$ 9,638,789	\$ 8,672,545
Employee benefits	177,509	856,832	402,361	152,029	7,929	311,577	11,832	16,083	7,797	2,382,425	2,089,685
Workers compensation	15,173	160,369	68,168	27,563	1,396	50,609	2,210	3,050	4,565	447,668	308,144
Payroll taxes	34,940	188,769	92,395	33,831	1,584	60,945	2,420	3,486	5,152	692,797	736,443
TOTAL COMPENSATION	718,876	3,904,625	1,832,006	718,249	37,112	1,312,164	53,648	77,435	91,682	13,161,679	11,806,817
Contract services	-	435,530	444,333	5,807	-	117,110	1,590	3,408	-	1,112,996	596,793
Professional fees	1,937	10,778	4,449	1,944	387	4,642	387	387	387	49,185	53,674
Royalties	-	-	-	-	-	-	-	-	-	43,016	2,071
NISH commission	37,712	252,679	140,822	32,806	2,600	80,895	3,750	6,165	-	617,719	535,897
Supplies	29,543	575,861	443,391	56,205	6,550	229,200	7,205	10,347	1,594	2,107,743	1,994,756
Telephone	2,136	21,302	12,765	11,415	826	4,914	597	1,183	5,318	120,075	109,049
Postage	-	3	-	3	-	2	-	-	-	14,562	13,541
Uniforms/rentals	30,698	42,347	1,784	2,191	-	2,652	-	-	-	109,809	100,148
Occupancy	-	1,770	920	16,221	-	2,646	-	-	1,581	171,166	147,835
Maintenance and repairs	11,672	13,083	5,904	2,956	-	675	256	152	539	127,640	110,261
Insurance	1,246	34,477	23,097	5,750	83	14,774	480	639	4,847	157,664	129,794
Printing and publications	-	-	-	-	-	-	-	-	-	10,495	7,222
Transportation	6,591	36,318	24,975	1,267	-	7,310	1,278	1,162	11,460	279,470	286,452
Conventions and meetings	100	2,614	116	-	-	-	-	-	85	19,983	21,288
Subscriptions/publications	-	-	-	-	-	-	-	-	-	1,585	1,475
Organizational dues	-	330	230	55	-	165	-	-	-	9,782	9,324
Recruitment/advertising	-	417	731	-	-	-	-	-	-	117,917	95,444
Miscellaneous expense	2,989	13,843	4,768	6,839	25	2,876	75	185	918	76,298	63,011
Equipment	1,196	21,162	24,447	1,913	-	6,557	-	-	-	110,637	166,591
TOTAL OPERATING EXPENSE	844,696	5,367,139	2,964,738	863,621	47,583	1,786,582	69,266	101,063	118,411	18,419,421	16,251,443
Overhead reimb/expense	32,400	122,400	50,400	28,800	3,600	50,400	3,600	3,600	3,600	-	-
Designated funds expense	-	-	-	-	-	-	-	-	-	127,032	60,114
Depreciation	1,373	60,587	19,064	4,872	350	9,268	2,384	2,514	3,615	441,924	370,310
Asset impairment	-	-	-	-	-	-	-	-	-	-	108,923
Uncollectible accounts	-	-	-	-	-	-	-	-	-	364	-
TOTAL EXPENSES	\$ 878,469	\$ 5,550,126	\$ 3,034,202	\$ 897,293	\$ 51,533	\$ 1,846,250	\$ 75,250	\$ 107,177	\$ 125,626	\$ 18,988,741	\$ 16,790,790

See independent auditors' report

DDSD SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENSES

DALE ROGERS TRAINING CENTER, INC.

Homemaker Services

	June 30	
	2014	2013
REVENUES		
Contract/Grants:		
Procedure Code S5130	\$ -	\$ -
Procedure Code S5130 SE	-	-
Procedure Code S5150	9,611	7,740
TOTAL REVENUES	9,611	7,740
EXPENSES		
Non-Administration Labor:		
Supervision Expenses	1,422	864
Homemaker Service Staff Regular Expenses	2,198	1,413
Homemaker Service Staff Overtime:		
Premium & Related Benefits	-	-
Total Non-Admin. Labor	3,620	2,277
Administration	4,844	3,799
TOTAL EXPENSES	8,464	6,076
CHANGE IN NET ASSETS	\$ 1,147	\$ 1,664
Units of Service Provided	2,895	3,440
Number of Individuals Served (Unduplicated count)	9	7

DDSD SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENSES--Continued

DALE ROGERS TRAINING CENTER, INC.

Transportation (for DDSD service recipients with waiver transportation authorizations only)

	June 30	
	2014	2013
REVENUES		
Revenues received through procedure code S0215	\$ 8,388	\$ 9,693
Revenues received through procedure code A0130	(93)	127
Revenues received through procedure code T2004	11,475	11,340
Other Revenues	-	-
TOTAL REVENUES	19,770	21,160
EXPENSES		
Adapted and Non Adapted Transportation Expense	46,356	47,804
Public Transportation Expense	-	-
	46,356	47,804
Administration Expense	9,964	10,384
TOTAL EXPENSES	56,320	58,188
CHANGE IN NET ASSETS	\$ (36,550)	\$ (37,028)
Number of Individuals Served (Unduplicated count)	63	51

DDSD SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENSES--Continued

DALE ROGERS TRAINING CENTER, INC.

Other DDSD and all Non-DDSD

	June 30	
	2014	2013
TOTAL REVENUES	\$ 19,904,468	\$ 17,752,216
TOTAL EXPENSES	<u>18,923,957</u>	<u>16,617,602</u>
CHANGE IN NET ASSETS	<u>\$ 980,511</u>	<u>\$ 1,134,614</u>

See independent auditors' report.