

Dale Rogers Training Center, Inc.

Financial Report
June 30, 2015

Contents

Independent Auditor's Report on the Financial Statements	1-2
Financial Statements	
Statements of financial position	3
Statements of activities	4
Statements of cash flows	5
Notes to financial statements	6-16
Independent Auditor's 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>	17-18
Supplemental Information	
Supplemental schedule of revenues and support	19-20
Supplemental schedule of functional expenses	21-22
DDSD supplemental schedules of revenues and expenses	23-25

Independent Auditor's 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), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities and cash flows for the year 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 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 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, 2015, and its activities and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The financial statements of Dale Rogers Training Center, Inc. as of and for the year ended June 30, 2015 were audited by other auditors whose report dated October 29, 2014, expressed an unmodified opinion on those statements.

Report on Supplementary Information in Relation to Financial Statements

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is 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 to prepare the basic financial statements. The information has been subjected 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 also issued our report dated December 23, 2015, 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.

RSM US LLP

Oklahoma City, Oklahoma
December 23, 2015

Dale Rogers Training Center, Inc.

**Statements of Financial Position
June 30, 2015 and 2014**

Assets	2015	2014
Current Assets:		
Cash and cash equivalents	\$ 5,295,973	\$ 3,855,766
Investments	1,681,706	1,461,412
Contracts receivable	1,768,472	2,611,681
Accounts receivable	65,621	97,087
Inventory	202,418	218,113
Prepaid expenses	242,201	152,719
Total current assets	9,256,391	8,396,778
Property and Equipment, net	4,413,847	4,814,420
Other Noncurrent Assets:		
Beneficial interest in assets held by others	86,544	83,728
Other intangible assets	34,375	36,875
Total assets	\$ 13,791,157	\$ 13,331,801
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 659,575	\$ 561,800
Accrued expenses	806,547	792,988
Total liabilities	1,466,122	1,354,788
Net Assets:		
Unrestricted	12,224,867	11,868,440
Temporarily restricted	25,216	33,621
Permanently restricted	74,952	74,952
Total liabilities and net assets	\$ 13,791,157	\$ 13,331,801

See Notes to Financial Statements.

Dale Rogers Training Center, Inc.

Statements of Activities Years Ended June 30, 2015 and 2014

	2015				2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and support:								
Cash contributions	\$ 40,301	\$ 2,574	\$ -	\$ 42,875	\$ 39,339	\$ 16,200	\$ -	\$ 55,539
Noncash contributions	1,600	-	-	1,600	32,512	42,026	-	74,538
SourceAmerica contracts	15,601,336	-	-	15,601,336	15,901,641	-	-	15,901,641
Other contracts	206,238	-	-	206,238	193,586	-	-	193,586
United Way	-	160,265	-	160,265	-	157,806	-	157,806
State financial assistance	2,098,262	-	-	2,098,262	2,143,248	-	-	2,143,248
Revenue from acrylic, frames, gifts, pizza and labor	1,257,233	-	-	1,257,233	1,144,707	-	-	1,144,707
Investment income (loss)	(26,818)	-	-	(26,818)	190,485	-	-	190,485
Distributions from OCCF	16,538	-	-	16,538	15,647	-	-	15,647
Auxiliary services	14,662	-	-	14,662	14,375	-	-	14,375
Camp Tumbleweed	13,415	-	-	13,415	13,393	-	-	13,393
Loss on sale of assets	(500)	-	-	(500)	(33)	-	-	(33)
Miscellaneous	25,410	-	-	25,410	28,917	-	-	28,917
Net assets released from restrictions:								
Satisfaction of program and donor restrictions	171,244	(171,244)	-	-	202,411	(202,411)	-	-
Total revenues and support	19,418,921	(8,405)	-	19,410,516	19,920,228	13,621	-	19,933,849
Expenses and distributions:								
Tinker work project/food service	1,477,464	-	-	1,477,464	1,466,965	-	-	1,466,965
Altus work project/food service	908,445	-	-	908,445	878,469	-	-	878,469
Tinker work project/custodial	5,369,398	-	-	5,369,398	5,550,126	-	-	5,550,126
Tinker work project/administration custodial	3,172,165	-	-	3,172,165	3,034,202	-	-	3,034,202
GSA custodial	924,436	-	-	924,436	897,293	-	-	897,293
US Marshal custodial	52,186	-	-	52,186	51,533	-	-	51,533
FAA custodial	2,040,731	-	-	2,040,731	1,846,250	-	-	1,846,250
AFRC/Mustang custodial	18,505	-	-	18,505	75,250	-	-	75,250
AFRC/Norman custodial	25,987	-	-	25,987	107,177	-	-	107,177
Lockheed Martin Partnership	156,887	-	-	156,887	125,626	-	-	125,626
Papa Murphy's Pizza	425,301	-	-	425,301	476,932	-	-	476,932
Vocational Services program	1,962,815	-	-	1,962,815	1,918,618	-	-	1,918,618
Mobile Workforce program	177,370	-	-	177,370	154,522	-	-	154,522
Employment Services program	845,756	-	-	845,756	866,311	-	-	866,311
Transition program	128,235	-	-	128,235	131,461	-	-	131,461
Camp Tumbleweed program	32,058	-	-	32,058	33,478	-	-	33,478
Special Needs program	129,445	-	-	129,445	128,181	-	-	128,181
Auxiliary Transportation program	162,547	-	-	162,547	157,971	-	-	157,971
Auxiliary Day Care program	20,053	-	-	20,053	17,963	-	-	17,963
Management and general	1,032,710	-	-	1,032,710	1,070,413	-	-	1,070,413
Total expenses and distributions	19,062,494	-	-	19,062,494	18,988,741	-	-	18,988,741
Change in net assets	356,427	(8,405)	-	348,022	931,487	13,621	-	945,108
Net assets at beginning of year	11,868,440	33,621	74,952	11,977,013	10,936,953	20,000	74,952	11,031,905
Net assets at end of year	\$ 12,224,867	\$ 25,216	\$ 74,952	\$ 12,325,035	\$ 11,868,440	\$ 33,621	\$ 74,952	\$ 11,977,013

See Notes to Financial Statements.

Dale Rogers Training Center

Statements of Cash Flows Years Ended June 30, 2015 and 2014

	2015	2014
Cash Flows From Operating Activities:		
Change in net assets	\$ 348,022	\$ 945,108
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	445,386	441,923
Loss on sale of property and equipment	500	33
(Gain) loss on investments	63,424	(149,802)
Change in value of beneficial interest in assets held by others	(2,816)	(7,685)
Change in operating assets and liabilities:		
Receivables	874,675	(521,277)
Inventory	15,695	(8,167)
Prepaid expenses	(89,482)	(4,655)
Accounts payable	97,775	(47,755)
Accrued expenses	13,559	31,364
Net cash provided by operating activities	1,766,738	679,087
Cash Flows From Investing Activities		
Purchase of investments	(283,718)	(68,024)
Beneficial interest in third party	-	2,593
Proceeds from sale of property and equipment	-	607
Purchases of property and equipment	(42,813)	(383,434)
Net cash used in investing activities	(326,531)	(448,258)
Net change in cash and cash equivalents	1,440,207	230,829
Cash and Cash Equivalents at Beginning of Year	3,855,766	3,624,937
Cash and Cash Equivalents at End of Year	\$ 5,295,973	\$ 3,855,766

See Notes to Financial Statements.

Dale Rogers Training Center, Inc.

Notes to Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: Dale Rogers Training Center, Inc. (the Organization) is a private, nonprofit 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 percent 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 in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). 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.

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

Board-designated funds net assets: Board-designated funds net assets are designated as noted in Note 4 for specific purposes.

Temporarily restricted net assets: Temporarily restricted net assets are 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: Permanently restricted net assets are 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.

Notes to Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

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.

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. The following table details the useful lives of the fixed assets by asset class:

Fixed asset class	Useful Lives
Building and improvements	10 - 39 years
Machinery and equipment	3-10 years
Vehicle	3-10 years

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.

Notes to Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

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.

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.

Receivables and credit policies: Accounts and contract receivables are uncollateralized customer obligations due under normal trade terms generally requiring payment within 30 days from the invoice date. Receivables are recorded based on the amounts invoiced to customers. Interest and delinquency fees are not assessed. Discounts allowed for early payment or other contract provisions, if any, are charged against income when the payment is received. Payments of accounts receivable are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the earliest unpaid invoices.

The carrying amounts of accounts receivable are reduced by an allowance for doubtful accounts that reflects management's best estimate of the amounts that will not be collected. Management provides for probable uncollectible amounts through a charge to earnings and a credit to the allowance for doubtful accounts based on historical collection trends and an assessment of the creditworthiness of current customers. The adequacy of the allowance for doubtful accounts is evaluated periodically through an individual assessment of potential losses on customer accounts giving particular emphasis to accounts with invoices more than 90 days past the due date. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for doubtful accounts and a credit to trade accounts receivable. Recoveries on accounts previously written off are credited back to the allowance for doubtful accounts. Changes in the allowance for doubtful accounts have not been material to the financial statements.

Beneficial interest in assets held by others: The Organization follows the *FASB Accounting Standards Codification* (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 5). 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.

Notes to Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

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.

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 at June 30, 2015 and 2014. 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.

New accounting pronouncements: The FASB has issued ASU 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)* effective for fiscal periods beginning on or after December 15, 2016. The Organization may early adopt ASU 2015-07 and retrospectively apply to all periods presented when adopted. The amendments in ASU 2015-07 remove the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. The amendments also remove the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient. Rather, those disclosures are limited to investments for which the entity has elected to measure the fair value using that practical expedient. Implementation of this ASU is expected to impact the fair values disclosures in Note 6 to the financial statements.

Dale Rogers Training Center, Inc.

Notes to Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Subsequent events: Management has evaluated subsequent events through December 23, 2015, the date the financial statements were available to be issued. There were no subsequent events requiring recognition or disclosure.

Note 2. Temporarily Restricted Net Assets

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

	2015	2014
Contributions from Oklahoma Department of Human Services	\$ 25,216	\$ 33,621

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

	2015	2014
Amount of initial contribution to the endowment for operations	\$ 74,952	\$ 74,952

Net assets were released from donor restrictions by incurring expenses satisfying the purpose specified by donors as follows for the years ended June 30, 2015 and 2014:

	2015	2014
Other expenses	\$ 2,574	\$ 36,200
United Way allocation	160,265	157,806
Oklahoma department of Human Services 5-year contribution	8,405	8,405
	<u>\$ 171,244</u>	<u>\$ 202,411</u>

Note 3. Contracts Receivable

As of June 30, 2015 and 2014, accounts receivable from contracts were composed of the following:

	2015	2014
Department of Human Services	\$ 275,594	\$ 211,876
SourceAmerica Contracts	1,455,837	2,366,231
Lockheed Martin Contract	37,041	33,574
	<u>\$ 1,768,472</u>	<u>\$ 2,611,681</u>

The Organization considers all receivables to be fully collectible. Accordingly, no allowance for uncollectible receivables has been provided at June 30, 2015 and 2014.

Dale Rogers Training Center, Inc.

Notes to Financial Statements

Note 4. Designated Funds

The Organization has designated funds of \$3,317,560. 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 63 days. These designated funds are not considered available for regular workshop program operations, but the Board could undesignated funds if workshop operating reserves were depleted.

Note 5. 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 \$86,544 and \$83,728 at June 30, 2015 and 2014, 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, as the Organization has been designated as the recipient of all earnings of the donated funds, and are subject to investment and distribution policies of the Oklahoma City Community Foundation. For the years ended June 30, 2015 and 2014, the Organization received \$16,538 and \$13,945, respectively, from these funds. At June 30, 2015 and 2014, the fair value of the funds was approximately \$312,740 and \$302,025, respectively.

Note 6. 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, 2015			
	Level 1	Level 2	Level 3	Total
Assets:				
Money market funds	\$ 143,737	\$ -	\$ -	\$ 143,737
Common stocks	840,874	-	-	840,874
Fixed-income mutual funds	582,517	-	-	582,517
Equity mutual funds	114,578	-	-	114,578
Total investments	1,681,706	-	-	1,681,706
Beneficial Interest in assets held by other	-	-	86,544	86,544
	<u>\$ 1,681,706</u>	<u>\$ -</u>	<u>\$ 86,544</u>	<u>\$ 1,768,250</u>

Dale Rogers Training Center, Inc.

Notes to Financial Statements

Note 6. Fair Value Measurements (Continued)

	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 other	-	-	83,728	83,728
	<u>\$ 1,461,412</u>	<u>\$ -</u>	<u>\$ 83,728</u>	<u>\$ 1,545,140</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.

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 nonredeemable 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, 2015 and 2014, is as follows:

	Endowment Funds Held by Community Foundation	
	2015	2014
Beginning of year	\$ 83,728	\$ 46,124
Contribution	-	32,512
Distribution	-	(2,593)
Change in value of beneficial interest	2,816	7,685
End of year	<u>\$ 86,544</u>	<u>\$ 83,728</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.

Dale Rogers Training Center, Inc.

Notes to Financial Statements

Note 6. 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)
	2015	2014			
Beneficial Interests in Assets			Income	Discount	
Held by the Community	\$ 86,544	\$ 83,728	Approach (c)	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.

Note 7. Property and Equipment

Property and equipment are stated at cost (or fair value if donated) as follows at June 30:

	2015	2014
Land	\$ 225,547	\$ 225,547
Buildings and improvements	5,026,129	5,009,156
Machinery and equipment	2,319,671	2,506,276
Vehicles	523,957	530,247
	<u>8,095,304</u>	<u>8,271,226</u>
Less accumulated depreciation	(3,681,457)	(3,456,806)
	<u>\$ 4,413,847</u>	<u>\$ 4,814,420</u>

Property and equipment are depreciated using the straight-line method. Depreciation expense was approximately \$443,000 and \$439,000 for the years ended June 30, 2015 and 2014, respectively.

Dale Rogers Training Center, Inc.

Notes to Financial Statements

Note 8. Operating Lease Commitments

As of June 30, 2015, the total remaining operating lease payments under noncancelable operating leases, which pertain to office equipment and vehicles, are as follows:

Years Ending June 30,

2016	\$ 42,899
2017	41,035
2018	40,308
	<u>\$ 124,242</u>

Rental expense under operating leases was approximately \$62,000 and \$73,000, respectively, for the years ended June 30, 2015 and 2014.

Note 9. 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.

Note 10. 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,

Dale Rogers Training Center, Inc.

Notes to Financial Statements

Note 10. Endowment Disclosures (Continued)

- (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.

Endowment net asset composition by type of fund as of June 30, 2015, is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ 121,917	\$ -	\$ 74,952	\$ 196,869

Changes in endowment net assets for the fiscal year ended June 30, 2015, are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 123,405	\$ -	\$ 74,952	\$ 198,357
Contribution	-	-	-	-
Investment loss	(1,488)	-	-	(1,488)
Appropriation of endowment assets for expenditure	-	-	-	-
Endowment net assets, end of year	\$ 121,917	\$ -	\$ 74,952	\$ 196,869

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

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
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:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
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

Notes to Financial Statements

Note 10. 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, 2015 and 2014, 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.

Note 11. Investment Income:

The investment income (loss) consists of the realized and unrealized gains (losses), dividends on investments, and change in the value of the beneficial interest, net of investment fees. The breakdown of the investment income for the years ended June 30 were as follows:

	2015	2014
Realized gains	\$ 18,190	\$ 154,666
Unrealized losses	(81,614)	(4,864)
Dividend	55,603	49,069
Investment fees	(21,813)	(16,071)
Change in value of beneficial interest	2,816	7,685
	<u>\$ (26,818)</u>	<u>190,485</u>

**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***

Independent Auditor's Report

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 *Government 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, 2015, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 23, 2015.

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 Organization's internal control over compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM US LLP

Oklahoma City, Oklahoma
December 23, 2015

Dale Rogers Training Center, Inc.

**Supplemental Schedule of Revenues and Support
Years Ended June 30, 2015 and 2014**

	Vocational Services	Mobile Workforce	Employment Services	Transition	Camp Tumbleweed	Special Needs	Auxiliary Transportation	Auxiliary Day Care	Mgmt.& General	Papa Murphy's Pizza	Tinker Food Service
Income:											
SourceAmerica and other contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,570,858
Other contracts	-	-	-	-	-	-	-	-	-	-	-
Papa Murphy's Pizza	-	-	-	-	-	-	-	-	-	307,405	-
Sheltered Workshop—DDSD	289,446	-	-	-	-	-	-	-	-	-	-
Adult day care—DDSD	12,000	-	-	-	-	1,098	-	-	-	-	-
CIE—DDSD	-	20,666	35,794	-	-	-	-	-	-	-	-
Center-based waiver	326,492	-	-	-	-	63,481	-	-	-	-	-
Supplemental supports waiver	15,762	-	-	-	-	23,803	-	-	-	-	-
Direct supports waiver	-	-	-	-	-	3,837	-	-	-	-	-
Homemaker waiver	3,358	-	-	-	1,819	239	-	-	-	-	-
Non-federal medical services	7,490	651	-	-	-	2,012	-	-	-	-	-
Community waiver services	-	44,276	-	-	-	-	-	-	-	-	-
Job coach waiver services	-	213,435	-	-	-	-	-	-	-	-	-
Mileage waiver services	-	9,524	(3)	-	-	184	-	-	-	-	-
Individual job coach/stabilization waiver services	-	-	22,350	-	-	-	-	-	-	-	-
Supported employment—DRS	-	-	472,707	-	-	-	-	-	-	-	-
Employment and retention—DRS	-	-	345,192	-	-	-	-	-	-	-	-
Job placement—DRS	-	-	8,825	-	-	-	-	-	-	-	-
Support services—DRS	-	-	915	-	-	-	-	-	-	-	-
Project Search—DRS	-	-	1,959	-	-	-	-	-	-	-	-
Ticket to Work—SSA	-	-	21,886	-	-	-	-	-	-	-	-
iJobs—DRS	-	-	-	5,467	-	-	-	-	-	-	-
Transition school to work—DRS	-	-	-	132,573	-	-	-	-	-	-	-
Camp Tumbleweed—private pay	-	-	-	-	13,415	-	-	-	-	-	-
Workshop sales	273,380	-	-	-	-	-	-	-	-	-	-
Acrylic sales	370,899	-	-	-	-	-	-	-	-	-	-
Frame sales	299,457	-	-	-	-	-	-	-	-	-	-
Online store sales	6,092	-	-	-	-	-	-	-	-	-	-
Transportation—public waiver	-	-	-	-	-	-	11,025	-	-	-	-
Transportation—private pay	-	-	-	-	-	-	8,225	-	-	-	-
Day care—private pay	-	-	-	-	-	-	-	6,212	-	-	-
Vacational service - private pay	225	-	-	-	-	-	-	-	-	-	-
United Way allocation	72,000	-	-	-	13,212	16,411	51,646	6,996	-	-	-
Loss on sale of assets	-	-	-	-	-	-	-	-	(500)	-	-
Miscellaneous income	3,356	-	-	-	-	-	-	2,237	4	-	-
Restricted contributions	-	-	-	-	-	-	-	-	2,574	-	-
Other revenue	24,742	4,259	13,423	2,037	419	1,640	1,046	195	-	184	-
Total income	\$ 1,704,699	\$ 292,811	\$ 923,048	\$ 140,077	\$ 28,865	\$ 112,705	\$ 71,942	\$ 15,640	\$ 2,078	\$ 307,589	\$ 1,570,858

Dale Rogers Training Center, Inc.

Supplemental Schedule of Revenues and Support (Continued)

Years Ended June 30, 2015 and 2014

	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	
										2015	2014
Income:											
SourceAmerica and other contracts	\$ 995,517	\$ 6,157,881	\$ 3,600,723	\$ 953,870	\$ 68,401	\$ 2,184,900	\$ 26,171	\$ 43,015	\$ -	\$ 15,601,336	\$ 15,901,641
Other contracts	-	-	-	-	-	-	-	-	206,238	206,238	193,586
Papa Murphy's Pizza	-	-	-	-	-	-	-	-	-	307,405	275,763
Sheltered Workshop—DDSD	-	-	-	-	-	-	-	-	-	289,446	297,317
Adult day care—DDSD	-	-	-	-	-	-	-	-	-	13,098	12,762
CIE—DDSD	-	-	-	-	-	-	-	-	-	56,460	62,887
Center-based waiver	-	-	-	-	-	-	-	-	-	389,973	357,352
Supplemental supports waiver	-	-	-	-	-	-	-	-	-	39,565	48,312
Direct supports waiver	-	-	-	-	-	-	-	-	-	3,837	4,145
Homemaker waiver	-	-	-	-	-	-	-	-	-	5,416	9,611
Non-federal medical services	-	-	-	-	-	-	-	-	-	10,153	9,826
Community waiver services	-	-	-	-	-	-	-	-	-	44,276	35,729
Job coach waiver services	-	-	-	-	-	-	-	-	-	213,435	207,224
Mileage waiver services	-	-	-	-	-	-	-	-	-	9,705	8,295
Individual job coach/stabilization waiver services	-	-	-	-	-	-	-	-	-	22,350	10,779
Supported employment—DRS	-	-	-	-	-	-	-	-	-	472,707	637,583
Employment and retention—DRS	-	-	-	-	-	-	-	-	-	345,192	328,103
Job placement—DRS	-	-	-	-	-	-	-	-	-	8,825	8,075
Support services—DRS	-	-	-	-	-	-	-	-	-	915	-
Project Search—DRS	-	-	-	-	-	-	-	-	-	1,959	-
Ticket to Work—SSA	-	-	-	-	-	-	-	-	-	21,886	2,221
iJobs—DRS	-	-	-	-	-	-	-	-	-	5,467	500
Transition school to work—DRS	-	-	-	-	-	-	-	-	-	132,573	91,054
Camp Tumbleweed—private pay	-	-	-	-	-	-	-	-	-	13,415	13,393
Workshop sales	-	-	-	-	-	-	-	-	-	273,380	276,637
Acrylic sales	-	-	-	-	-	-	-	-	-	370,899	341,112
Frame sales	-	-	-	-	-	-	-	-	-	299,457	245,011
Online store sales	-	-	-	-	-	-	-	-	-	6,092	6,185
Transportation—public waiver	-	-	-	-	-	-	-	-	-	11,025	11,475
Transportation—private pay	-	-	-	-	-	-	-	-	-	8,225	9,245
Day care—private pay	-	-	-	-	-	-	-	-	-	6,212	5,130
Vacational service - private pay	-	-	-	-	-	-	-	-	-	225	-
United Way allocation	-	-	-	-	-	-	-	-	-	160,265	157,806
Loss on sale of assets	-	-	-	-	-	-	-	-	-	(500)	(33)
Miscellaneous income	-	-	-	-	-	-	-	-	-	5,597	25,376
Restricted contributions	-	-	-	-	-	-	-	-	-	2,574	42,526
Other revenue	-	-	35	-	-	-	-	-	3,453	51,433	297,221
Total income	\$ 995,517	\$ 6,157,881	\$ 3,600,758	\$ 953,870	\$ 68,401	\$ 2,184,900	\$ 26,171	\$ 43,015	\$ 209,691	\$ 19,410,516	\$ 19,933,849

Dale Rogers Training Center, Inc.

Supplemental Schedule of Functional Expenses
Years Ended June 30, 2015 and 2014

	Program Expense										
	Vocational Services	Mobile Workforce	Employment Services	Transition	Camp Tumbleweed	Special Needs	Auxiliary Transportation	Auxiliary Day Care	Papa Murphy's Pizza	Tinker Food Service	Altus Food Service
Salaries	\$ 1,181,321	\$ 129,765	\$ 631,820	\$ 94,605	\$ 23,651	\$ 95,579	\$ 67,054	\$ 14,256	\$ 105,733	\$ 792,625	\$ 531,519
Employee benefits	45,743	4,308	42,101	4,983	1,246	7,367	-	14	585	283,465	184,958
Workers' compensation	33,994	3,097	20,503	2,378	595	2,914	322	2,147	3,725	27,686	17,923
Payroll taxes	66,084	7,202	38,176	5,552	1,388	4,632	3,643	555	8,150	69,567	39,383
Total compensation	1,327,142	144,372	732,600	107,518	26,880	110,492	71,019	16,972	118,193	1,173,343	773,783
Contract services	15,845	-	677	717	179	-	-	-	792	-	-
Professional fees	666	-	1,510	349	87	124	-	-	4,999	4,187	2,591
Royalties	-	-	-	-	-	-	-	-	51,169	-	-
SourceAmerica commission	-	-	-	-	-	-	-	-	-	59,379	33,048
Supplies	421,432	3,825	14,902	4,218	1,054	5,943	4,353	1,149	144,329	115,443	17,467
Telephone	17,964	608	16,095	873	218	1,319	749	195	5,781	5,398	2,290
Postage	60	-	49	-	-	-	-	-	-	25	8
Uniforms/rentals	-	-	-	-	-	-	-	-	602	30,553	23,477
Occupancy	58,687	2,264	9,228	2,874	718	4,531	2,786	726	42,005	-	-
Maintenance and repairs	42,327	1,608	2,113	2,041	510	3,219	1,979	516	4,611	27,606	9,987
Insurance	16,243	6,138	8,026	1,914	479	1,613	20,044	495	1,264	2,042	1,383
Printing and publications	92	-	-	-	-	-	-	-	677	-	-
Transportation	23,958	15,619	43,155	4,856	1,214	434	61,617	-	-	2,117	7,552
Conventions and meetings	2,858	248	2,019	169	42	(3)	-	-	1,952	171	-
Subscriptions/publications	1,800	-	-	-	-	-	-	-	-	-	-
Organizational dues	217	-	-	-	-	-	-	-	267	-	-
Recruitment/advertising	25,345	2,610	14,992	2,551	638	1,725	-	-	13,011	653	-
Miscellaneous expense	8,179	78	390	155	39	48	-	-	6,190	3,974	2,445
Equipment	-	-	-	-	-	-	-	-	1,333	4,838	607
Total operating expense	1,962,815	177,370	845,756	128,235	32,058	129,445	162,547	20,053	397,175	1,429,729	874,638
Overhead reimb/expense	-	-	-	-	-	-	-	-	7,200	46,800	32,400
Designated funds expense	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	20,926	935	1,407
Uncollectible accounts	-	-	-	-	-	-	-	-	-	-	-
Total expenses	\$ 1,962,815	\$ 177,370	\$ 845,756	\$ 128,235	\$ 32,058	\$ 129,445	\$ 162,547	\$ 20,053	\$ 425,301	\$ 1,477,464	\$ 908,445

(Continued)

Dale Rogers Training Center, Inc.

Supplemental Schedule of Functional Expenses (Continued)
Years Ended June 30, 2015 and 2014

	Program Expense									Total	
	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	Mgmt.& General	2015	2014
Salaries	\$ 2,577,159	\$ 1,287,400	\$ 492,248	\$ 26,936	\$ 942,371	\$ 10,332	\$ 14,205	\$ 76,457	\$ 504,859	\$ 9,599,895	\$ 9,638,789
Employee benefits	883,181	429,169	151,270	8,551	332,952	2,332	3,877	7,246	80,383	2,473,731	2,382,425
Workers' compensation	149,266	67,787	26,647	1,414	52,703	640	847	4,645	20,688	439,921	447,668
Payroll taxes	203,147	104,129	37,717	1,819	72,518	841	1,111	5,912	84,772	756,298	692,797
Total compensation	3,812,753	1,888,485	707,882	38,720	1,400,544	14,145	20,040	94,260	690,702	13,269,845	13,161,679
Contract services	315,728	500,836	29,125	-	177,761	-	-	-	69,154	1,110,814	1,112,996
Professional fees	14,707	7,122	2,846	516	5,316	346	346	516	19,058	65,286	49,185
Royalties	-	-	-	-	-	-	-	-	-	51,169	43,016
SourceAmerica commission	237,078	138,628	36,724	2,633	84,119	1,008	1,656	-	-	594,273	617,719
Supplies	614,783	439,004	56,671	6,778	268,542	1,390	1,780	1,117	38,136	2,162,316	2,107,743
Telephone	24,626	15,963	9,979	837	4,577	148	295	5,474	20,585	133,974	120,075
Postage	251	25	8	-	8	-	-	-	13,578	14,012	14,562
Uniforms/rentals	40,363	6,964	2,216	-	160	-	-	-	-	104,335	109,809
Occupancy	1,898	973	16,907	-	2,398	-	-	1,749	14,344	162,088	171,166
Maintenance and repairs	14,144	3,731	2,659	66	3,674	-	408	1,353	9,205	131,757	127,640
Insurance	41,762	25,809	6,678	86	15,284	138	179	5,253	29,143	183,973	157,664
Printing and publications	-	-	-	-	-	-	-	-	8,334	9,103	10,495
Transportation	33,092	20,203	1,347	-	9,563	320	334	40,362	8,967	274,710	279,470
Conventions and meetings	3,100	651	278	-	623	-	-	800	8,366	21,274	19,983
Subscriptions/publications	-	-	-	-	-	-	-	-	2,759	4,559	1,585
Organizational dues	30	190	-	-	-	-	-	-	6,345	7,049	9,782
Recruitment/advertising	4,494	7,629	148	-	1,082	-	-	-	50,115	124,993	117,917
Miscellaneous expense	16,226	8,978	10,023	25	3,431	-	-	2,607	26,423	89,211	76,298
Equipment	11,385	27,947	8,246	375	6,409	-	-	-	32,177	93,317	110,637
Total operating expense	5,186,420	3,093,138	891,737	50,036	1,983,491	17,495	25,038	153,491	1,047,391	18,608,058	18,419,421
Overhead reimb/expense	132,300	61,200	28,800	1,800	46,800	450	450	1,800	(360,000)	-	-
Designated funds expense	-	-	-	-	-	-	-	-	9,050	9,050	127,032
Depreciation	50,678	17,827	3,899	350	10,440	560	499	1,596	336,269	445,386	441,924
Uncollectible accounts	-	-	-	-	-	-	-	-	-	-	364
Total expenses	\$ 5,369,398	\$ 3,172,165	\$ 924,436	\$ 52,186	\$ 2,040,731	\$ 18,505	\$ 25,987	\$ 156,887	\$ 1,032,710	\$ 19,062,494	\$ 18,988,741

Dale Rogers Training Center, Inc.

**DDSD Supplemental Schedules of Revenues and Expenses
Years Ended June 30, 2015 and 2014**

Homemaker Services

	2015	2014
Revenues:		
Contract/Grants:		
Procedure code S5130	\$ -	\$ -
Procedure code S5130 SE	-	-
Procedure code S5150	5,177	9,611
Total revenues	5,177	9,611
Expenses:		
Non-administration labor:		
Supervision expenses	776	1,422
Homemaker service staff regular expenses	1,522	2,198
Homemaker service staff overtime:		
Premium and related benefits	-	-
Total non-administration labor	2,298	3,620
Administration	2,739	4,844
Total expenses	5,037	8,464
Change in net assets	\$ 140	\$ 1,147
Units of service provided	1,559	2,895
Number of individuals served (unduplicated count)	20	9

(Continued)

Dale Rogers Training Center, Inc.

DDSD Supplemental Schedules of Revenues and Expenses (Continued)

Years Ended June 30, 2015 and 2014

Transportation (for DDSD Service Recipients With Waiver Transportation Authorizations Only)

	2015	2014
Revenues:		
Revenues received through procedure code S0215	\$ 9,705	\$ 8,388
Revenues received through procedure code A0130	-	(93)
Revenues received through procedure code T2004	11,025	11,475
Total revenues	20,730	19,770
Expenses:		
Adapted and nonadapted transportation expense	46,806	46,356
Administration expense	10,966	9,964
Total expenses	10,966	9,964
Change in net assets	\$ (37,042)	\$ (36,550)
Number of individuals served (unduplicated count)	47	63

(Continued)

Dale Rogers Training Center, Inc.

DDSD Supplemental Schedules of Revenues and Expenses (Continued)
Years Ended June 30, 2015 and 2014

Other DDSD and All Non-DDSD

	2015	2014
Total revenues	\$ 19,384,607	\$ 19,904,468
Total expenses	18,999,681	18,923,957
Change in net assets	\$ 384,926	\$ 980,511

