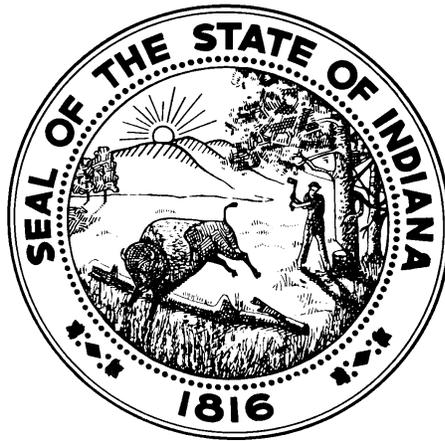


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT  
OF  
BLUE RIVER CAREER PROGRAMS  
SHELBY COUNTY, INDIANA  
July 1, 2006 to June 30, 2008



**FILED**  
06/09/2009



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Saudi A. Hensley	07-01-06 to 06-30-09
Director	John Sollmon William Lyon (Acting) Steve Shaw	07-01-06 to 09-11-06 09-12-06 to 08-06-07 08-07-07 to 06-30-09
President of the School Board	Michael Vaught	07-01-06 to 06-30-09



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Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE BLUE RIVER CAREER PROGRAMS, SHELBY COUNTY, INDIANA

We have examined the financial information presented herein of Blue River Career Programs (School Corporation), for the period of July 1, 2006 to June 30, 2008. The School Corporation's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the School Corporation for the years ended June 30, 2007 and 2008, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Combining Schedules, Schedule of Funding Progress, Schedule of Capital Assets, and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. The Schedule of Funding Progress, Schedule of Capital Assets, and Schedule of Long-Term Debt have not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on them. The Combining Schedules have been subjected to the examination procedures applied to the basic financial information and, in our opinion, are fairly stated in all material respects in relation to the basic information taken as a whole.

STATE BOARD OF ACCOUNTS

April 9, 2009

BLUE RIVER CAREER PROGRAMS  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2007

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 1,137,330	\$ -	\$ 3,000	\$ (1,134,330)
Support services	741,381	34,532	-	(706,849)
Debt service	<u>316,000</u>	<u>-</u>	<u>-</u>	<u>(316,000)</u>
Total governmental activities	<u>\$ 2,194,711</u>	<u>\$ 34,532</u>	<u>\$ 3,000</u>	<u>(2,157,179)</u>
General receipts:				
Other local sources				1,600,004
State aid				72,404
Grants and contributions not restricted to specific programs				171,639
Investment earnings				<u>27,774</u>
Total general receipts				<u>1,871,821</u>
Change in net assets				(285,358)
Net assets - beginning				<u>541,618</u>
Net assets - ending				<u>\$ 256,260</u>
<u>Assets</u>				
Cash and investments				<u>\$ 256,260</u>
Total assets				<u>\$ 256,260</u>
<u>Net Assets</u>				
Unrestricted				<u>\$ 256,260</u>
Total net assets				<u>\$ 256,260</u>

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

BLUE RIVER CAREER PROGRAMS  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2008

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 1,233,171	\$ -	\$ 3,000	\$ (1,230,171)
Support services	789,963	100,888	-	(689,075)
Debt service	316,000	-	-	(316,000)
<u>Total governmental activities</u>	<u>\$ 2,339,134</u>	<u>\$ 100,888</u>	<u>\$ 3,000</u>	<u>(2,235,246)</u>
General receipts:				
Other local sources				2,160,087
State aid				64,753
Grants and contributions not restricted to specific programs				239,921
Sale of property, adjustments, and refunds				77,259
Investment earnings				19,865
<u>Total general receipts</u>				<u>2,561,885</u>
Change in net assets				326,639
Net assets - beginning				<u>256,260</u>
Net assets - ending				<u>\$ 582,899</u>
<u>Assets</u>				
Cash and investments				<u>\$ 582,899</u>
Total assets				<u>\$ 582,899</u>
<u>Net Assets</u>				
Unrestricted				<u>\$ 582,899</u>
Total net assets				<u>\$ 582,899</u>

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

BLUE RIVER CAREER PROGRAMS  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2007

	General	Capital Projects	Building Trades	Other	Totals
<b>Receipts:</b>					
Local sources	\$ 1,496,521	\$ 141,229	\$ 7,299	\$ 17,261	\$ 1,662,310
State sources	92,395	-	-	-	92,395
Federal sources	-	-	-	154,648	154,648
<b>Total receipts</b>	<b>1,588,916</b>	<b>141,229</b>	<b>7,299</b>	<b>171,909</b>	<b>1,909,353</b>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	1,003,218	4,926	63,268	65,918	1,137,330
Support services	428,461	209,957	-	102,963	741,381
Debt services	316,000	-	-	-	316,000
<b>Total disbursements</b>	<b>1,747,679</b>	<b>214,883</b>	<b>63,268</b>	<b>168,881</b>	<b>2,194,711</b>
Excess (deficiency) of receipts over disbursements	(158,763)	(73,654)	(55,969)	3,028	(285,358)
Cash and investments - beginning	187,748	182,406	173,643	(2,179)	541,618
Cash and investments - ending	<u>\$ 28,985</u>	<u>\$ 108,752</u>	<u>\$ 117,674</u>	<u>\$ 849</u>	<u>\$ 256,260</u>
<b><u>Cash and Investment Assets - Ending</u></b>					
Cash and investments	<u>\$ 28,985</u>	<u>\$ 108,752</u>	<u>\$ 117,674</u>	<u>\$ 849</u>	<u>\$ 256,260</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>					
Unrestricted	<u>\$ 28,985</u>	<u>\$ 108,752</u>	<u>\$ 117,674</u>	<u>\$ 849</u>	<u>\$ 256,260</u>
Total cash and investment fund balance - ending	<u>\$ 28,985</u>	<u>\$ 108,752</u>	<u>\$ 117,674</u>	<u>\$ 849</u>	<u>\$ 256,260</u>

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

BLUE RIVER CAREER PROGRAMS  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2008

	General	Capital Projects	Building Trades	Adult Continuing Education	Other	Totals
Receipts:						
Local sources	\$ 1,987,426	\$ 167,366	\$ 7,275	\$ 110,985	\$ 7,788	\$ 2,280,840
State sources	40,250	-	-	-	40,923	81,173
Federal sources	-	-	-	-	226,502	226,502
Sale of property, adjustments and refunds	1,096	76,163	-	-	-	77,259
<b>Total receipts</b>	<b>2,028,772</b>	<b>243,529</b>	<b>7,275</b>	<b>110,985</b>	<b>275,213</b>	<b>2,665,774</b>
Disbursements:						
Current:						
Instruction	928,086	2,416	74,112	47,957	180,601	1,233,172
Support services	528,753	169,081	-	2,630	89,499	789,963
Debt services	316,000	-	-	-	-	316,000
<b>Total disbursements</b>	<b>1,772,839</b>	<b>171,497</b>	<b>74,112</b>	<b>50,587</b>	<b>270,100</b>	<b>2,339,135</b>
Excess (deficiency) of receipts over disbursements	255,933	72,032	(66,837)	60,398	5,113	326,639
Cash and investments - beginning	28,985	108,752	117,674	-	849	256,260
Cash and investments - ending	<u>\$ 284,918</u>	<u>\$ 180,784</u>	<u>\$ 50,837</u>	<u>\$ 60,398</u>	<u>\$ 5,962</u>	<u>\$ 582,899</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	<u>\$ 284,918</u>	<u>\$ 180,784</u>	<u>\$ 50,837</u>	<u>\$ 60,398</u>	<u>\$ 5,962</u>	<u>\$ 582,899</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	<u>\$ 284,918</u>	<u>\$ 180,784</u>	<u>\$ 50,837</u>	<u>\$ 60,398</u>	<u>\$ 5,962</u>	<u>\$ 582,899</u>
Total cash and investment fund balance - ending	<u>\$ 284,918</u>	<u>\$ 180,784</u>	<u>\$ 50,837</u>	<u>\$ 60,398</u>	<u>\$ 5,962</u>	<u>\$ 582,899</u>

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

BLUE RIVER CAREER PROGRAMS  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2008

	<u>Private-Purpose Trust Funds</u>
Additions:	
Contributions:	
Other	\$ <u>5,142</u>
Deductions:	
Administrative and general	<u>1,571</u>
Excess of total additions over total deductions	3,571
Cash and investment fund balance - beginning	<u>-</u>
Cash and investment fund balance - ending	<u>\$ 3,571</u>
Net assets:	
Cash and investments	<u>\$ 3,571</u>
Total net assets - cash and investment basis held in trust	<u>\$ 3,571</u>

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

BLUE RIVER CAREER PROGRAMS  
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

The School Corporation was established under the laws of the State of Indiana. The School Corporation operates under a Board of School Trustees form of government and provides educational services.

These financial statements present the School Corporation (primary government). There are no significant component units which require inclusion.

In determining the financial reporting entity, the School Corporation complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. However, there are no business-type activities to report at this time.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the School Corporation has not established any enterprise funds.

The School Corporation reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The capital projects fund accounts for planned construction, repair, replacement or remodeling; and the purchase, lease, upgrade, maintenance, or repair of computer equipment.

BLUE RIVER CAREER PROGRAMS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

The building trades fund accounts for funds used for class projects related to building trades.

The adult continuing education fund accounts for non-credit adult education courses.

Additionally, the School Corporation reports the following fund type:

The private-purpose trust funds report a trust arrangement under which principal and income benefit students and adult literacy programs.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Investment transactions are not presented on the financial statements.

If the School Corporation utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds) or other departments or agencies primarily within the government (internal service funds). The School Corporation does not have any enterprise funds.

When both restricted and unrestricted resources are available for use, the School Corporation's policy is to use restricted resources first, then unrestricted resources as they are needed.

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

BLUE RIVER CAREER PROGRAMS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

3. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

4. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

It is the School Corporation's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

BLUE RIVER CAREER PROGRAMS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

The operating costs not provided from other sources will be prorated to each participating school corporation based on the assessed valuation percentage of the total assessed valuation of the participating school corporations.

Each participating school will provide a share of the costs to purchase or lease new facilities, remodel facilities, and provide instructional and non-instructional equipment on the basis of the total assessed valuation of the corporation at the time of final approval of each new project by the Governing Board.

The Director will inform each participating school corporation once the Governing Board has approved the budget for the coming year. Included in this notification will be anticipated billings for the year.

The School Corporation's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

BLUE RIVER CAREER PROGRAMS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

C. Cash and Investment Balance Deficits

At June 30, 2007 and 2008, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and state statute:

Fund	2006-2007	2007-2008
Perkins Grant 2006-2007	\$ 16,240	\$ -
Moving Forward Grant	210	1,763
State Adult Basic Education	-	17,919

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the underestimate of current requirements; these deficits are to be repaid from future receipts.

III. Detailed Notes on All Funds

A. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

IV. Other Information

A. Risk Management

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

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

Medical Benefits to Employees, Retirees and Dependents

During 1997, the School Corporation joined with other governmental entities to form the Central Indiana School Employee's Insurance Trust, a public entity risk pool currently operating as a common risk management and insurance program for six member governmental entities. This risk pool was formed in 1987. The purpose of the risk pool is to provide a medium for the funding and administration of medical benefits to employees, retirees and dependents. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$150,000 per insured event. The risk pool obtains independent coverage for insured events in excess of the \$150,000 limit.

BLUE RIVER CAREER PROGRAMS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

B. Holding Corporation

The School Corporation has entered into a capital lease with Blue River Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the year ended June 30, 2008, totaled \$316,000.

C. Postemployment Benefits

In addition to the pension benefits described in Note III, the School Corporation provides post-employment retirement benefits, as authorized by IC 5-10-8, to all employees who retire from the School Corporation on or after attaining age 55 with at least 20 years of service. Currently, two retirees meet these eligibility requirements. The School Corporation provides 100% of these postemployment benefits. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the year ended June 30, 2008, disbursements of \$9,214 were recognized for postemployment benefits.

These funds are held in reserve to pay health insurance premiums of qualified retirees for a limited time, in accordance with various governmental regulations.

D. Pension Plans

1. Agent Multiple-Employer and Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

BLUE RIVER CAREER PROGRAMS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The School Corporation's annual pension cost and related information, as provided by the actuary, is presented in this note.

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 10,354
Interest on net pension obligation	(1,713)
Adjustment to annual required contribution	1,952
Annual pension cost	10,593
Contributions made	8,198
Increase in net pension obligation	2,395
Net pension obligation, beginning of year	(23,623)
Net pension obligation, end of year	\$ (21,228)

	PERF
Contribution rates:	
School Corporation	5%
Plan members	3%
Actuarial valuation date	07-01-07
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	30 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

<u>Actuarial Assumptions</u>	PERF
Investment rate of return	7.25%
Projected future salary increases:	
Total	5%
Attributed to inflation	4%
Attributed to merit/seniority	1%
Cost-of-living adjustments	2%

BLUE RIVER CAREER PROGRAMS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Three Year Trend Information

	<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
PERF	06-30-05	\$ 2,878	238%	\$ (20,127)
	06-30-06	4,110	185%	(23,623)
	06-30-07	10,593	77%	(21,228)

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

Teachers' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Teachers' Retirement Fund (TRF), a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State statute (IC 5-10.2) governs, through the TRF Board, most requirements of the system and gives the School Corporation authority to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

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

Teachers' Retirement Fund  
150 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 232-3860

Funding Policy and Annual Pension Costs

The School Corporation contributes the employer's share to TRF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana.

Plan members are required to contribute 3% of their salary and the School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2008, 2007, and 2006, were \$44,548, \$37,507, and \$33,659, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years, respectively.

BLUE RIVER CAREER PROGRAMS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-05	\$ 83,863	\$ 69,457	\$ 14,406	121%	\$ 100,875	14%
07-01-06	81,449	73,108	8,341	111%	162,141	5%
07-01-07	97,174	89,664	7,510	108%	169,922	4%

BLUE RIVER CAREER PROGRAMS  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007

	<u>Class Projects General</u>	<u>Class Projects Auto Collision</u>	<u>Learn &amp; Serve America Grant</u>	<u>Federal ABE 2005-2006</u>	<u>Federal ABE 2006-2007</u>
Receipts:					
Local sources	\$ 3,561	\$ 13,700	\$ -	\$ -	\$ -
Federal sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,783</u>
Total receipts	<u>3,561</u>	<u>13,700</u>	<u>-</u>	<u>-</u>	<u>64,783</u>
Disbursements:					
Current:					
Instruction	1,866	15,828	-	343	40,774
Support services	<u>-</u>	<u>-</u>	<u>-</u>	<u>73</u>	<u>23,449</u>
Total disbursements	<u>1,866</u>	<u>15,828</u>	<u>-</u>	<u>416</u>	<u>64,223</u>
Excess (deficiency) of receipts over disbursements	<u>1,695</u>	<u>(2,128)</u>	<u>-</u>	<u>(416)</u>	<u>560</u>
Cash and investments - beginning	<u>8,226</u>	<u>7,122</u>	<u>673</u>	<u>416</u>	<u>-</u>
Cash and investments - ending	<u>\$ 9,921</u>	<u>\$ 4,994</u>	<u>\$ 673</u>	<u>\$ -</u>	<u>\$ 560</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	<u>\$ 9,921</u>	<u>\$ 4,994</u>	<u>\$ 673</u>	<u>\$ -</u>	<u>\$ 560</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Unrestricted	<u>\$ 9,921</u>	<u>\$ 4,994</u>	<u>\$ 673</u>	<u>\$ -</u>	<u>\$ 560</u>
Total cash and investment fund balance - ending	<u>\$ 9,921</u>	<u>\$ 4,994</u>	<u>\$ 673</u>	<u>\$ -</u>	<u>\$ 560</u>

BLUE RIVER CAREER PROGRAMS  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007  
 (Continued)

	Perkins Grant 2005-2006	Perkins Grant 2006-2007	Moving Forward Grant Health Careers	Construction	Totals
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 17,261
Federal sources	<u>23,132</u>	<u>66,733</u>	<u>-</u>	<u>-</u>	<u>154,648</u>
Total receipts	<u>23,132</u>	<u>66,733</u>	<u>-</u>	<u>-</u>	<u>171,909</u>
Disbursements:					
Current:					
Instruction	-	6,897	210	-	65,918
Support services	<u>2,374</u>	<u>76,076</u>	<u>-</u>	<u>991</u>	<u>102,963</u>
Total disbursements	<u>2,374</u>	<u>82,973</u>	<u>210</u>	<u>991</u>	<u>168,881</u>
Excess (deficiency) of receipts over disbursements	<u>20,758</u>	<u>(16,240)</u>	<u>(210)</u>	<u>(991)</u>	<u>3,028</u>
Cash and investments - beginning	<u>(20,758)</u>	<u>-</u>	<u>-</u>	<u>2,142</u>	<u>(2,179)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (16,240)</u>	<u>\$ (210)</u>	<u>\$ 1,151</u>	<u>\$ 849</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	<u>\$ -</u>	<u>\$ (16,240)</u>	<u>\$ (210)</u>	<u>\$ 1,151</u>	<u>\$ 849</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Unrestricted	<u>\$ -</u>	<u>\$ (16,240)</u>	<u>\$ (210)</u>	<u>\$ 1,151</u>	<u>\$ 849</u>
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ (16,240)</u>	<u>\$ (210)</u>	<u>\$ 1,151</u>	<u>\$ 849</u>

BLUE RIVER CAREER PROGRAMS  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2008

	Professional Development	Class Projects General	Class Projects Auto Collision	State ABE	Learn & Serve America Grant	Federal ABE 2006-2007
Receipts:						
Local sources	\$ 630	\$ 2,329	\$ 4,829	\$ -	\$ -	\$ -
State sources	3,000	-	-	37,923	-	-
Federal sources	-	-	-	-	-	-
Total receipts	<u>3,630</u>	<u>2,329</u>	<u>4,829</u>	<u>37,923</u>	<u>-</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	-	5,883	6,646	55,842	673	542
Support services	1,279	-	1,000	-	-	18
Total disbursements	<u>1,279</u>	<u>5,883</u>	<u>7,646</u>	<u>55,842</u>	<u>673</u>	<u>560</u>
Excess (deficiency) of receipts over disbursements	<u>2,351</u>	<u>(3,554)</u>	<u>(2,817)</u>	<u>(17,919)</u>	<u>(673)</u>	<u>(560)</u>
Cash and investments - beginning	-	9,921	4,994	-	673	560
Cash and investments - ending	<u>\$ 2,351</u>	<u>\$ 6,367</u>	<u>\$ 2,177</u>	<u>\$ (17,919)</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	<u>\$ 2,351</u>	<u>\$ 6,367</u>	<u>\$ 2,177</u>	<u>\$ (17,919)</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	<u>\$ 2,351</u>	<u>\$ 6,367</u>	<u>\$ 2,177</u>	<u>\$ (17,919)</u>	<u>\$ -</u>	<u>\$ -</u>
Total cash and investment fund balance - ending	<u>\$ 2,351</u>	<u>\$ 6,367</u>	<u>\$ 2,177</u>	<u>\$ (17,919)</u>	<u>\$ -</u>	<u>\$ -</u>

BLUE RIVER CAREER PROGRAMS  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2008  
 (Continued)

	Federal ABE 2007-2008	Perkins Grant 2006-2007	Perkins Grant 2007-2008	Moving Forward Grant	Construction	Totals
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,788
State sources	-	-	-	-	-	40,923
Federal sources	<u>63,645</u>	<u>21,141</u>	<u>73,033</u>	<u>68,683</u>	-	<u>226,502</u>
<b>Total receipts</b>	<u>63,645</u>	<u>21,141</u>	<u>73,033</u>	<u>68,683</u>	-	<u>275,213</u>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	38,034	-	2,745	70,236	-	180,601
Support services	<u>25,042</u>	<u>4,901</u>	<u>56,850</u>	<u>-</u>	<u>409</u>	<u>89,499</u>
<b>Total disbursements</b>	<u>63,076</u>	<u>4,901</u>	<u>59,595</u>	<u>70,236</u>	<u>409</u>	<u>270,100</u>
Excess (deficiency) of receipts over disbursements	<u>569</u>	<u>16,240</u>	<u>13,438</u>	<u>(1,553)</u>	<u>(409)</u>	<u>5,113</u>
Cash and investments - beginning	-	(16,240)	-	(210)	1,151	849
Cash and investments - ending	<u>\$ 569</u>	<u>\$ -</u>	<u>\$ 13,438</u>	<u>\$ (1,763)</u>	<u>\$ 742</u>	<u>\$ 5,962</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	<u>\$ 569</u>	<u>\$ -</u>	<u>\$ 13,438</u>	<u>\$ (1,763)</u>	<u>\$ 742</u>	<u>\$ 5,962</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Unrestricted	<u>\$ 569</u>	<u>\$ -</u>	<u>\$ 13,438</u>	<u>\$ (1,763)</u>	<u>\$ 742</u>	<u>\$ 5,962</u>
<b>Total cash and investment fund balance - ending</b>	<u>\$ 569</u>	<u>\$ -</u>	<u>\$ 13,438</u>	<u>\$ (1,763)</u>	<u>\$ 742</u>	<u>\$ 5,962</u>

BLUE RIVER CAREER PROGRAMS  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 For the Year Ended June 30, 2008

	<u>PMI Grant</u>	<u>Cuskaden Grant</u>	<u>Adult Literacy</u>	<u>Totals</u>
Additions:				
Contributions:				
Other	\$ 2,294	\$ 433	\$ 2,415	\$ 5,142
Deductions:				
Administrative and general	<u>1,054</u>	<u>261</u>	<u>256</u>	<u>1,571</u>
Excess of total additions over total deductions	1,240	172	2,159	3,571
Cash and investment fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - June 30	<u>\$ 1,240</u>	<u>\$ 172</u>	<u>\$ 2,159</u>	<u>\$ 3,571</u>
Net assets:				
Cash and investments	<u>\$ 1,240</u>	<u>\$ 172</u>	<u>\$ 2,159</u>	<u>\$ 3,571</u>
Total net assets - cash and investment basis held in trust	<u>\$ 1,240</u>	<u>\$ 172</u>	<u>\$ 2,159</u>	<u>\$ 3,571</u>

BLUE RIVER CAREER PROGRAMS  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS

For The Year Ended June 30, 2008

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 322,700
Buildings	3,791,095
Improvements other than buildings	116,294
Machinery and equipment	<u>386,820</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 4,616,909</u>

BLUE RIVER CAREER PROGRAMS  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 June 30, 2008

The School has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
Vocational School Building	\$ 59,378	\$ 61,000
Total governmental activities debt	<u>\$ 59,378</u>	<u>\$ 61,000</u>

BLUE RIVER CAREER PROGRAMS  
EXAMINATION RESULT AND COMMENT

COMPENSATION AND BENEFITS

Some employee positions were not reflected in the salary or resolution adopted by the governing body.

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 13) (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 11)

BLUE RIVER CAREER PROGRAMS  
EXIT CONFERENCE

The contents of this report were discussed on April 9, 2009, with Steve Shaw, Director; and Saudi A. Hensley, Treasurer. The officials concurred with our audit finding.