

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, 2008 to June 30, 2010



FILED

06/15/2011

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Saudi A. Hensley	07-01-08 to 06-30-11
Director	Steve Shaw	07-01-08 to 06-30-11
President of the School Board	Michael Vaught	07-01-08 to 06-30-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial statements presented herein of the Blue River Career Programs (School Corporation), for the period of July 1, 2008 to June 30, 2010. The School Corporation's management is responsible for the financial statements 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 statements 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 statements referred to above present fairly, in all material respects, the financial statements of the School Corporation for the years ended June 30, 2009 and 2010, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

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

STATE BOARD OF ACCOUNTS

February 23, 2011

BLUE RIVER CAREER PROGRAMS
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2009

<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	\$ 1,107,883	\$ -	\$ 3,000	\$ (1,104,883)
Support services	791,285	40,064	-	(751,221)
Facilities acquisition and construction	62,113	-	-	(62,113)
Debt service	46,811	-	-	(46,811)
	<u>\$ 2,008,092</u>	<u>\$ 40,064</u>	<u>\$ 3,000</u>	<u>(1,965,028)</u>
General receipts:				
Other local sources				1,826,486
State aid				62,314
Grants and contributions not restricted to specific programs				201,568
Investment earnings				6,100
Other				1,116
				<u>2,097,584</u>
Total general receipts, interfund loans, transfers, and special items				<u>2,097,584</u>
Change in net assets				132,556
Net assets - beginning				<u>582,899</u>
Net assets - ending				<u>\$ 715,455</u>
<u>Assets</u>				
Cash and investments				<u>\$ 715,455</u>
Total assets				<u>\$ 715,455</u>
<u>Net Assets</u>				
Unrestricted				<u>\$ 715,455</u>
Total net assets				<u>\$ 715,455</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, 2010

<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	\$ 978,795	\$ -	\$ 1,250	\$ (977,545)
Support services	1,076,958	189,902	-	(887,056)
Facilities acquisition and construction	70,191	-	-	(70,191)
Total governmental activities	\$ 2,125,944	\$ 189,902	\$ 1,250	(1,934,792)
General receipts:				
Other local sources				2,017,553
State aid				58,847
Grants and contributions not restricted to specific programs				160,268
Investment earnings				6,778
Other				4,499
Total general receipts, interfund loans, transfers, and special items				2,247,945
Change in net assets				313,153
Net assets - beginning				715,455
Net assets - ending				\$ 1,028,608
<u>Assets</u>				
Cash and investments				\$ 1,028,608
Total assets				\$ 1,028,608
<u>Net Assets</u>				
Unrestricted				\$ 1,028,608
Total net assets				\$ 1,028,608

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, 2009

	General	Capital Projects	Building Trades	Other	Totals
Receipts:					
Local sources	\$ 1,533,062	\$ 279,593	\$ 1,784	\$ 58,211	\$ 1,872,650
State sources	2,789	-	-	65,314	68,103
Federal sources	-	-	-	198,779	198,779
Other	-	1,116	-	-	1,116
Total receipts	1,535,851	280,709	1,784	322,304	2,140,648
Disbursements:					
Current:					
Instruction	801,346	-	76,948	229,589	1,107,883
Support services	537,867	114,959	-	138,459	791,285
Facilities acquisition and construction	-	62,113	-	-	62,113
Debt services	46,811	-	-	-	46,811
Total disbursements	1,386,024	177,072	76,948	368,048	2,008,092
Excess (deficiency) of receipts over disbursements	149,827	103,637	(75,164)	(45,744)	132,556
Other financing sources (uses):					
Transfers in	5,000	-	-	-	5,000
Transfers out	-	-	-	(5,000)	(5,000)
Total other financing sources (uses)	5,000	-	-	(5,000)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	154,827	103,637	(75,164)	(50,744)	132,556
Cash and investments - beginning	284,918	180,784	50,837	66,360	582,899
Cash and investments - ending	<u>\$ 439,745</u>	<u>\$ 284,421</u>	<u>\$ (24,327)</u>	<u>\$ 15,616</u>	<u>\$ 715,455</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	<u>\$ 439,745</u>	<u>\$ 284,421</u>	<u>\$ (24,327)</u>	<u>\$ 15,616</u>	<u>\$ 715,455</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Unrestricted	<u>\$ 439,745</u>	<u>\$ 284,421</u>	<u>\$ (24,327)</u>	<u>\$ 15,616</u>	<u>\$ 715,455</u>
Total cash and investment fund balance - ending	<u>\$ 439,745</u>	<u>\$ 284,421</u>	<u>\$ (24,327)</u>	<u>\$ 15,616</u>	<u>\$ 715,455</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, 2010

	General	Capital Projects	Building Trades	Perkins Grant 2009-2010	Other	Totals
Receipts:						
Local sources	\$ 1,609,012	\$ 214,161	\$ 148,260	\$ 173,678	\$ 69,122	\$ 2,214,233
State sources	2,789	-	-	-	60,097	62,886
Federal sources	-	-	-	68,667	88,812	157,479
Other	-	4,499	-	-	-	4,499
Total receipts	<u>1,611,801</u>	<u>218,660</u>	<u>148,260</u>	<u>242,345</u>	<u>218,031</u>	<u>2,439,097</u>
Disbursements:						
Current:						
Instruction	804,052	-	3,371	30,863	140,509	978,795
Support services	725,496	76,592	-	228,508	46,362	1,076,958
Facilities acquisition and construction	-	70,191	-	-	-	70,191
Total disbursements	<u>1,529,548</u>	<u>146,783</u>	<u>3,371</u>	<u>259,371</u>	<u>186,871</u>	<u>2,125,944</u>
Excess (deficiency) of receipts over disbursements	<u>82,253</u>	<u>71,877</u>	<u>144,889</u>	<u>(17,026)</u>	<u>31,160</u>	<u>313,153</u>
Cash and investments - beginning	<u>439,745</u>	<u>284,421</u>	<u>(24,327)</u>	<u>-</u>	<u>15,616</u>	<u>715,455</u>
Cash and investments - ending	<u>\$ 521,998</u>	<u>\$ 356,298</u>	<u>\$ 120,562</u>	<u>\$ (17,026)</u>	<u>\$ 46,776</u>	<u>\$ 1,028,608</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	<u>\$ 521,998</u>	<u>\$ 356,298</u>	<u>\$ 120,562</u>	<u>\$ (17,026)</u>	<u>\$ 46,776</u>	<u>\$ 1,028,608</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	<u>\$ 521,998</u>	<u>\$ 356,298</u>	<u>\$ 120,562</u>	<u>\$ (17,026)</u>	<u>\$ 46,776</u>	<u>1,028,608</u>
Total cash and investment fund balance - ending	<u>\$ 521,998</u>	<u>\$ 356,298</u>	<u>\$ 120,562</u>	<u>\$ (17,026)</u>	<u>\$ 46,776</u>	<u>\$ 1,028,608</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, 2009

	Private Purpose Trust Funds	Agency Funds
Additions:		
Contributions:		
Other	\$ 250	
Deductions:		
Administrative and general	354	
Deficiency of total additions over total deductions	(104)	
Cash and investment fund balance - beginning	3,571	
Cash and investment fund balance - ending	\$ 3,467	\$ (4,549)
Net assets:		
Cash and investments	\$ 3,467	\$ (4,549)
Total net assets - cash and investment basis held in trust	\$ 3,467	\$ (4,549)

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, 2010

	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
Additions:		
Contributions:		
Other	<u>\$ 758</u>	
Deductions:		
Administrative and general	<u>54</u>	
Excess of total additions over total deductions	704	
Cash and investment fund balance - beginning	<u>3,467</u>	
Cash and investment fund balance - ending	<u>\$ 4,171</u>	<u>\$ 1,392</u>
Net assets:		
Cash and investments	<u>\$ 4,171</u>	<u>\$ 1,392</u>
Total net assets - cash and investment basis held in trust	<u>\$ 4,171</u>	<u>\$ 1,392</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.

The School Corporation's financial reporting entity is composed of the following:

Primary Government: Blue River Career Programs

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 nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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

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

BLUE RIVER CAREER PROGRAMS
NOTES TO FINANCIAL STATEMENTS
(Continued)

The Perkins Grant 2009-2010 fund accounts for receipts and expenditures of Carl D. Perkins federal vocational grant funds.

Additionally, the School Corporation reports the following fund types:

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

The agency funds account for payroll withholdings.

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. Restricted Assets

All restricted assets, as presented in the accompanying financial statements, are restricted due to enabling legislation.

2. 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.

BLUE RIVER CAREER PROGRAMS
NOTES TO FINANCIAL STATEMENTS
(Continued)

3. 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.

4. Long-Term Debt

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

5. 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."

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

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.

F. Internal and Interfund 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 in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.

BLUE RIVER CAREER PROGRAMS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.
4. Interfund loans – Flow of assets from one fund to another where repayment is expected is reported as interfund loans.

Government-Wide Financial Statements

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

1. 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 loans and services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.
2. Primary government and component unit activity – Resource flows between the primary government and the discretely-presented component unit(s) are reported as if they were external transactions and are classified separately from internal activities within the primary government.

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.

BLUE RIVER CAREER PROGRAMS
NOTES TO FINANCIAL STATEMENTS
(Continued)

The School Corporation's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. 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.

B. Cash Balance Deficits

At June 30, 2009 and 2010, the following funds reported deficits in cash, which are violations of the Uniform Compliance Guidelines as authorized by state statute:

Fund	2009	2010
Building Trades	\$ 24,327	\$ -
State ABE	25,898	24,938
Perkins Grant 2008-2009	14,453	-
Payroll Withholdings	4,549	-
Perkins Grant 2009-2010	-	17,026

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. IC 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 School Corporation does not have a deposit policy for custodial credit risk. At June 30, 2010, the School Corporation had deposit balances in the amount of \$1,034,169.

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.

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2009 and 2010, were as follows:

Transfer From	Transfer To	2009	2010
Other Governmental Funds	General Fund	\$ 5,000	\$ -

The School Corporation typically uses transfers for cash flow purposes as provided by various statutory provisions.

BLUE RIVER CAREER PROGRAMS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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; 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; medical benefits to employees, retirees, and dependents; and natural disasters are covered by commercial insurance from independent third parties.

Settled claims from risks covered by commercial insurance have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

During 1997, the School Corporation joined with other governmental entities in the Central Indiana School Employee's Insurance Trust, a public entity risk pool currently operating as a common risk management and insurance program for 6 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 School Corporation pays an annual premium to the risk pool for its medical benefits to employees, retirees and dependents coverage. 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.

B. Other Postemployment Benefits

In addition to the pension benefits described in Note 3, the School Corporation provides postemployment retirement benefits, as authorized by Indiana Code 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, 2010, disbursements of \$35,716 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.

C. Pension Plans

1. Agent Multiple-Employer and Single-Employer 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.

BLUE RIVER CAREER PROGRAMS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

Funding Policy

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The total contributions made to PERF by the School Corporation during the period were \$19,552.

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

BLUE RIVER CAREER PROGRAMS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Funding Policy

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.

The School Corporation's contributions to the plan during the period were \$88,540.

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, 2009

	Professional Development	Class Projects General	Class Projects Auto Collision	Adult Continuing Education	State ABE	Federal ABE 2007-2008
Receipts:						
Local sources	\$ -	\$ 5,077	\$ 12,730	\$ 40,404	\$ -	\$ -
State sources	3,000	-	-	-	62,314	-
Federal sources	-	-	-	-	-	-
Total receipts	3,000	5,077	12,730	40,404	62,314	-
Disbursements:						
Current:						
Instruction	-	4,018	11,621	55,883	70,293	287
Support services	3,563	-	-	12	-	283
Total disbursements	3,563	4,018	11,621	55,895	70,293	570
Excess (deficiency) of receipts over disbursements	(563)	1,059	1,109	(15,491)	(7,979)	(570)
Other financing uses:						
Transfers out	-	-	-	(5,000)	-	-
Total other financing uses	-	-	-	(5,000)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(563)	1,059	1,109	(20,491)	(7,979)	(570)
Cash and investments - beginning	2,351	6,367	2,177	60,398	(17,919)	569
Cash and investments - ending	\$ 1,788	\$ 7,426	\$ 3,286	\$ 39,907	\$ (25,898)	\$ (1)
Cash and Investment Assets - Ending						
Cash and investments	\$ 1,788	\$ 7,426	\$ 3,286	\$ 39,907	\$ (25,898)	\$ (1)
Cash and Investment Fund Balance - Ending						
Unrestricted	1,788	7,426	3,286	39,907	(25,898)	(1)
Total cash and investment fund balance - ending	\$ 1,788	\$ 7,426	\$ 3,286	\$ 39,907	\$ (25,898)	\$ (1)

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, 2009
 (Continued)

	Federal ABE 2008-2009	Perkins Grant 2007-2008	Perkins Grant 2008-2009	Moving Forward Grant	Construction	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,211
State sources	-	-	-	-	-	65,314
Federal sources	<u>84,097</u>	<u>21,190</u>	<u>77,418</u>	<u>16,074</u>	<u>-</u>	<u>198,779</u>
Total receipts	<u>84,097</u>	<u>21,190</u>	<u>77,418</u>	<u>16,074</u>	<u>-</u>	<u>322,304</u>
Disbursements:						
Current:						
Instruction	46,108	-	31,668	9,711	-	229,589
Support services	<u>35,170</u>	<u>34,628</u>	<u>60,203</u>	<u>4,600</u>	<u>-</u>	<u>138,459</u>
Total disbursements	<u>81,278</u>	<u>34,628</u>	<u>91,871</u>	<u>14,311</u>	<u>-</u>	<u>368,048</u>
Excess (deficiency) of receipts over disbursements	<u>2,819</u>	<u>(13,438)</u>	<u>(14,453)</u>	<u>1,763</u>	<u>-</u>	<u>(45,744)</u>
Other financing uses:						
Transfers out	-	-	-	-	-	(5,000)
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,000)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>2,819</u>	<u>(13,438)</u>	<u>(14,453)</u>	<u>1,763</u>	<u>-</u>	<u>(50,744)</u>
Cash and investments - beginning	<u>-</u>	<u>13,438</u>	<u>-</u>	<u>(1,763)</u>	<u>742</u>	<u>66,360</u>
Cash and investments - ending	<u>\$ 2,819</u>	<u>\$ -</u>	<u>\$ (14,453)</u>	<u>\$ -</u>	<u>\$ 742</u>	<u>\$ 15,616</u>
Cash and Investment Assets - Ending						
Cash and investments	<u>\$ 2,819</u>	<u>\$ -</u>	<u>\$ (14,453)</u>	<u>\$ -</u>	<u>\$ 742</u>	<u>\$ 15,616</u>
Cash and Investment Fund Balance - Ending						
Unrestricted	<u>2,819</u>	<u>-</u>	<u>(14,453)</u>	<u>-</u>	<u>742</u>	<u>15,616</u>
Total cash and investment fund balance - ending	<u>\$ 2,819</u>	<u>\$ -</u>	<u>\$ (14,453)</u>	<u>\$ -</u>	<u>\$ 742</u>	<u>\$ 15,616</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, 2010

	Professional Development	Class Projects General	Class Projects Auto Collision	Adult Continuing Education	State ABE
Receipts:					
Local sources	\$ -	\$ 6,830	\$ 9,440	\$ 52,852	\$ -
State sources	1,250	-	-	-	58,847
Federal sources	-	-	-	-	-
Total receipts	<u>1,250</u>	<u>6,830</u>	<u>9,440</u>	<u>52,852</u>	<u>58,847</u>
Disbursements:					
Current:					
Instruction	-	1,980	6,299	39,654	57,887
Support services	2,003	-	-	3,600	-
Total disbursements	<u>2,003</u>	<u>1,980</u>	<u>6,299</u>	<u>43,254</u>	<u>57,887</u>
Excess (deficiency) of receipts over disbursements	<u>(753)</u>	<u>4,850</u>	<u>3,141</u>	<u>9,598</u>	<u>960</u>
Cash and investments - beginning	1,788	7,426	3,285	39,907	(25,898)
Cash and investments - ending	<u>\$ 1,035</u>	<u>\$ 12,276</u>	<u>\$ 6,426</u>	<u>\$ 49,505</u>	<u>\$ (24,938)</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	<u>\$ 1,035</u>	<u>\$ 12,276</u>	<u>\$ 6,426</u>	<u>\$ 49,505</u>	<u>\$ (24,938)</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Unrestricted	<u>\$ 1,035</u>	<u>\$ 12,276</u>	<u>\$ 6,426</u>	<u>\$ 49,505</u>	<u>\$ (24,938)</u>
Total cash and investment fund balance - ending	<u>\$ 1,035</u>	<u>\$ 12,276</u>	<u>\$ 6,426</u>	<u>\$ 49,505</u>	<u>\$ (24,938)</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, 2010
 (Continued)

	Federal ABE 2008-2009	Federal ABE 2009-2010	Perkins Grant 2008-2009	Construction	Totals
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 69,122
State sources	-	-	-	-	60,097
Federal sources	-	66,127	22,685	-	88,812
Total receipts	-	66,127	22,685	-	218,031
Disbursements:					
Current:					
Instruction	1,973	32,151	565	-	140,509
Support services	846	32,247	7,666	-	46,362
Total disbursements	2,819	64,398	8,231	-	186,871
Excess (deficiency) of receipts over disbursements	(2,819)	1,729	14,454	-	31,160
Cash and investments - beginning	2,819	-	(14,453)	742	15,616
Cash and investments - ending	<u>\$ -</u>	<u>\$ 1,729</u>	<u>\$ 1</u>	<u>\$ 742</u>	<u>\$ 46,776</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	<u>\$ -</u>	<u>\$ 1,729</u>	<u>\$ 1</u>	<u>\$ 742</u>	<u>\$ 46,776</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Unrestricted	<u>\$ -</u>	<u>\$ 1,729</u>	<u>\$ 1</u>	<u>\$ 742</u>	<u>\$ 46,776</u>
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 1,729</u>	<u>\$ 1</u>	<u>\$ 742</u>	<u>\$ 46,776</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, 2009

	<u>PMI Grant</u>	<u>Cuskaden Grant</u>	<u>Adult Literacy</u>	<u>Totals</u>
Additions:				
Contributions:				
Other	\$ -	\$ 100	\$ 150	\$ 250
Deductions:				
Administrative and general	-	-	354	354
Excess (deficiency) of total additions over total deductions	-	100	(204)	(104)
Cash and investment fund balance - beginning	<u>1,240</u>	<u>172</u>	<u>2,159</u>	<u>3,571</u>
Cash and investments - June 30	<u>\$ 1,240</u>	<u>\$ 272</u>	<u>\$ 1,955</u>	<u>\$ 3,467</u>
Net assets:				
Cash and investments	<u>\$ 1,240</u>	<u>\$ 272</u>	<u>\$ 1,955</u>	<u>\$ 3,467</u>
Total net assets - cash and investment basis held in trust	<u>\$ 1,240</u>	<u>\$ 272</u>	<u>\$ 1,955</u>	<u>\$ 3,467</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, 2010

	<u>PMI Grant</u>	<u>Cuskaden Grant</u>	<u>Adult Literacy</u>	<u>Totals</u>
Additions:				
Contributions:				
Other	\$ 260	\$ 100	\$ 398	\$ 758
Deductions:				
Administrative and general	-	-	54	54
Excess of total additions over total deductions	260	100	344	704
Cash and investment fund balance - beginning	<u>1,240</u>	<u>272</u>	<u>1,955</u>	<u>3,467</u>
Cash and investments - June 30	<u>\$ 1,500</u>	<u>\$ 372</u>	<u>\$ 2,299</u>	<u>\$ 4,171</u>
Net assets:				
Cash and investments	<u>\$ 1,500</u>	<u>\$ 372</u>	<u>\$ 2,299</u>	<u>\$ 4,171</u>
Total net assets - cash and investment basis held in trust	<u>\$ 1,500</u>	<u>\$ 372</u>	<u>\$ 2,299</u>	<u>\$ 4,171</u>

BLUE RIVER CAREER PROGRAMS
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2010

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	3,721,831
Building improvements	84,022
Non-building improvements	116,294
Machinery and equipment	<u>517,221</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 4,762,068</u>

BLUE RIVER CAREER PROGRAMS
EXIT CONFERENCE

The contents of this report were discussed on February 23, 2011, with Steve Shaw, Director, and Saudi A. Hensley, Treasurer. Our examination disclosed no material items that warrant comment at this time.