

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

CENTRAL NINE CAREER CENTER
JOHNSON COUNTY, INDIANA

July 1, 2011 to June 30, 2013



FILED
03/28/2014

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Cindy Payton	07-01-11 to 06-30-14
Director	Stephen Hagen David Edds	07-01-11 to 12-31-13 01-01-14 to 06-30-14
President of the School Board	Chris Wood Bill Maschmeyer	07-01-11 to 06-30-12 07-01-12 to 06-30-14



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE CENTRAL NINE CAREER CENTER, JOHNSON COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Central Nine Career Center (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2011 to June 30, 2013, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement 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 statement is free of material misstatement.

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2011 to June 30, 2013.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2011 to June 30, 2013, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated March 4, 2014, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the 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 School Corporation's internal control over financial reporting and compliance.

Accompanying Information

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statement. 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 financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis, Schedule of Payables and Receivables, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

A handwritten signature in blue ink that reads "Paul D. Joyce".

Paul D. Joyce, CPA
State Examiner

March 4, 2014



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE CENTRAL NINE CAREER CENTER, JOHNSON COUNTY, INDIANA

We have audited, 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, the financial statement of the Central Nine Career Center (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2011 to June 30, 2013, and the related notes to the financial statement, and have issued our report thereon dated March 4, 2014, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the School Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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 statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2013-001 and 2013-002 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is 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

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2013-002.

Central Nine Career Center's Response to Findings

The School Corporation's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Paul D. Joyce, CPA
State Examiner

March 4, 2014

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FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the School Corporation. The financial statement and notes are presented as intended by the School Corporation.

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CENTRAL NINE CAREER CENTER
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2012 and 2013

	Cash and Investments 07-01-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13
General	\$ 1,305,498	\$ 3,688,221	\$ 3,563,639	\$ (150,000)	\$ 1,280,080	\$ 3,764,795	\$ 3,368,958	\$ -	\$ 1,675,917
Capital Projects	668,060	1,084,265	967,359	-	784,966	1,064,627	1,081,165	-	768,428
School Transportation	66,166	16,323	38,415	-	44,074	41,819	53,031	-	32,862
School Bus Replacement	25,000	-	50,500	50,000	24,500	-	-	-	24,500
Rainy Day	502,446	-	89,758	97,980	510,668	-	387,146	89,758	213,280
Post-Retirement/Severance Future Benefits	283,857	-	15,871	-	267,986	-	20,483	-	247,503
Construction Fund Phase 1	94,397	-	-	-	94,397	-	-	(94,397)	-
Construction Fund Phase 2	741	43,000	26,863	-	16,878	-	111,275	94,397	-
Textbook Rental	157,952	51,035	36,696	-	172,291	16,351	76,516	-	112,126
Scholarships and Awards	94,790	2,628	3,000	-	94,418	-	-	-	94,418
Construction, Remodeling, and Equipping Buildings	-	-	-	-	-	76,726	76,726	-	-
Miscellaneous Programs	5,000	-	5,000	-	-	-	-	-	-
Adult and Continuing Education	64,528	245,663	351,792	56,131	14,530	211,316	303,371	104,927	27,402
Adult Basic Ed (State Support)	-	143,267	143,267	-	-	119,322	62,416	(56,906)	-
Adult Education (State Support)	-	-	-	-	-	144,848	144,848	-	-
IDOC Edinburg Grant 12/13	-	-	-	-	-	7,500	7,500	-	-
Adult Basic Ed (State Support) 10-11	-	51,121	(5,010)	(56,131)	-	-	-	-	-
School Technology	75,030	9,864	6,910	100,000	177,984	6,960	1,530	-	183,414
Miscellaneous Programs	-	11,973	11,973	-	-	310	27	(283)	-
Computer Support Grant	-	11,369	11,369	-	-	3,147	631	(2,516)	-
Emergency Medical Tech Grant	-	10,262	10,262	-	-	2,255	1,738	(517)	-
Administrative Asst Grant	-	11,726	11,726	-	-	7,379	274	(7,105)	-
Title I	-	-	-	-	-	8,000	8,000	-	-
Innovative Education Program Strategies Title V (Part A)	-	-	-	-	-	8,797	8,797	-	-
Adult Education and Family Literacy, Title II	-	120,763	120,763	-	-	33,424	19,927	(13,497)	-
Adult Ed Civics Grant 11/12	-	48,146	48,146	-	-	44,474	20,371	(24,103)	-
Adult Basic Ed Grant 12/13	-	-	-	-	-	134,694	134,694	-	-
Adult Ed Civics Grant 12/13	-	-	-	-	-	130,798	130,798	-	-
ABE Grant 2010-2011	-	37,311	7,968	(29,343)	-	-	-	-	-
EL Civics Grant 2010-2011	-	5,976	214	(5,762)	-	-	-	-	-
Vocational and Technical Board Grants	-	356,203	356,203	-	-	222,542	132,784	(89,758)	-
PLTW Bio-Med Cat I (11-12)	-	10,000	10,000	-	-	-	-	-	-
PLTW Eng Cat I (11-12)	-	15,000	15,000	-	-	-	-	-	-
Perkins Tech Prep CAT II (11-12)	-	69,031	69,031	-	-	-	-	-	-
Perkins Grant 2012/2013	-	-	-	-	-	408,113	408,113	-	-
Tech Prep Grant 2012	-	-	-	-	-	17,097	17,097	-	-
Perkins Grant	-	172,027	115,036	(56,991)	-	-	-	-	-
PLTW Bio-Med Grant 10-11	-	4,300	2,000	(2,300)	-	-	-	-	-
PLTW Engineering Grant 10-11	-	4,596	1,012	(3,584)	-	-	-	-	-
Payroll Funds	16,873	674,084	676,009	-	14,948	721,859	720,732	-	16,075
Totals	<u>\$ 3,360,338</u>	<u>\$ 6,898,154</u>	<u>\$ 6,760,772</u>	<u>\$ -</u>	<u>\$ 3,497,720</u>	<u>\$ 7,197,153</u>	<u>\$ 7,298,948</u>	<u>\$ -</u>	<u>\$ 3,395,925</u>

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

CENTRAL NINE CAREER CENTER
NOTES TO FINANCIAL STATEMENT

Note 1. 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 accompanying financial statement presents the financial information for the School Corporation.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory 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.

C. Cash and Investments

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

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Local sources which include taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, School Corporation activities, revenue from community services activities, and other revenue from local sources.

State sources include distributions from the State of Indiana and are to be used by the School Corporation for various purposes. Included in state sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

CENTRAL NINE CAREER CENTER
NOTES TO FINANCIAL STATEMENT
(Continued)

Federal sources include distributions from the federal government and are to be used by the School Corporation for various purposes. Included in federal sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Interfund loans which include money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

Other receipts which include amounts received from various sources which include return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Instruction which includes outflows for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services which include outflows for support services related to students, instruction, general administration, and school administration. It also includes outflows for central services, operation and maintenance of plant services, and student transportation.

Facilities acquisition and construction which includes outflows for the acquisition, development, construction, and improvement of new and existing facilities.

Nonprogrammed charges which include outflows for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

Interfund loans which include money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

F. Other Financing Sources and Uses

Other financing sources and uses are presented in the aggregate on the face of the financial statement. The aggregate other financing sources and uses include the following:

Transfers in which includes money received by one fund as a result of transferring money from another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

Transfers out which includes money paid by one fund to another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

CENTRAL NINE CAREER CENTER
NOTES TO FINANCIAL STATEMENT
(Continued)

G. Fund Accounting

Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the School Corporation. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the School Corporation in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the School Corporation submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the School Corporation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

CENTRAL NINE CAREER CENTER
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 5. Risk Management

The School Corporation may be 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.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the School Corporation to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is 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 this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) 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 members' 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.

INPRS 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. That report may be obtained by contacting:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

CENTRAL NINE CAREER CENTER
NOTES TO FINANCIAL STATEMENT
(Continued)

B. Teachers' Retirement Fund

Plan Description

The Indiana Teachers' Retirement Fund (TRF) is 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 Indiana Public Retirement System (INPRS) 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 members' contributions, set by state statute at 3 percent 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.

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

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 286-3544

Funding Policy and Annual Pension Cost

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.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://mustang.doe.state.in.us/TRENDS/fin.cfm>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's Office.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Financial Reports of the School Corporation which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The supplementary information presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

CENTRAL NINE CAREER CENTER
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2012

	General	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post Retirement/ Severance Future Benefits	Construction Fund Phase 1	Construction Fund Phase 2	Textbook Rental
Cash and investments - beginning	\$ 1,305,498	\$ 668,060	\$ 66,166	\$ 25,000	\$ 502,446	\$ 283,857	\$ 94,397	\$ 741	\$ 157,952
Receipts:									
Local sources	3,591,594	1,054,446	16,323	-	-	-	-	43,000	51,035
State sources	88,972	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	7,655	29,819	-	-	-	-	-	-	-
Total receipts	3,688,221	1,084,265	16,323	-	-	-	-	43,000	51,035
Disbursements:									
Current:									
Instruction	2,226,315	-	-	-	-	15,871	-	-	31,953
Support services	1,337,324	413,933	38,415	50,500	-	-	-	-	4,743
Facilities acquisition and construction	-	553,426	-	-	-	-	-	26,863	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	89,758	-	-	-	-
Total disbursements	3,563,639	967,359	38,415	50,500	89,758	15,871	-	26,863	36,696
Excess (deficiency) of receipts over disbursements	124,582	116,906	(22,092)	(50,500)	(89,758)	(15,871)	-	16,137	14,339
Other financing sources (uses):									
Transfers in	-	-	-	50,000	97,980	-	-	-	-
Transfers out	(150,000)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(150,000)	-	-	50,000	97,980	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(25,418)	116,906	(22,092)	(500)	8,222	(15,871)	-	16,137	14,339
Cash and investments - ending	\$ 1,280,080	\$ 784,966	\$ 44,074	\$ 24,500	\$ 510,668	\$ 267,986	\$ 94,397	\$ 16,878	\$ 172,291

CENTRAL NINE CAREER CENTER
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2012
(Continued)

	Scholarships and Awards	Construction Remodeling and Equipping Buildings	Miscellaneous Programs	Adult and Continuing Education	Adult Basic Ed (State Support)	Adult Education (State Support)	IDOC Edinburg Grant 12/13	Adult Education (State Support) 10-11
Cash and investments - beginning	\$ 94,790	\$ -	\$ 5,000	\$ 64,528	\$ -	\$ -	\$ -	\$ -
Receipts:								
Local sources	2,628	-	-	245,663	-	-	-	-
State sources	-	-	-	-	86,361	-	-	51,121
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	56,906	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	2,628	-	-	245,663	143,267	-	-	51,121
Disbursements:								
Current:								
Instruction	-	-	5,000	233,074	128,043	-	-	(5,010)
Support services	-	-	-	13,792	15,224	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Nonprogrammed charges	3,000	-	-	-	-	-	-	-
Interfund loans	-	-	-	104,926	-	-	-	-
Total disbursements	3,000	-	5,000	351,792	143,267	-	-	(5,010)
Excess (deficiency) of receipts over disbursements	(372)	-	(5,000)	(106,129)	-	-	-	56,131
Other financing sources (uses):								
Transfers in	-	-	-	56,132	-	-	-	-
Transfers out	-	-	-	(1)	-	-	-	(56,131)
Total other financing sources (uses)	-	-	-	56,131	-	-	-	(56,131)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(372)	-	(5,000)	(49,998)	-	-	-	-
Cash and investments - ending	\$ 94,418	\$ -	\$ -	\$ 14,530	\$ -	\$ -	\$ -	\$ -

CENTRAL NINE CAREER CENTER
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2012
(Continued)

	School Technology	Miscellaneous Programs	Computer Support Grant	Emergency Medical Tech Grant	Administrative Asst Grant	Title I	Innovative Education Program Strategies Title V (Part A)	Adult Education and Family Literacy Title II
Cash and investments - beginning	\$ 75,030	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:								
Local sources	9,864	-	-	-	-	-	-	-
State sources	-	11,690	8,853	9,745	4,621	-	-	-
Federal sources	-	-	-	-	-	-	-	107,266
Interfund loans	-	283	2,516	517	7,105	-	-	13,497
Other	-	-	-	-	-	-	-	-
Total receipts	9,864	11,973	11,369	10,262	11,726	-	-	120,763
Disbursements:								
Current:								
Instruction	5,945	11,973	11,369	10,262	11,726	-	-	117,507
Support services	660	-	-	-	-	-	-	3,256
Facilities acquisition and construction	305	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	6,910	11,973	11,369	10,262	11,726	-	-	120,763
Excess (deficiency) of receipts over disbursements	2,954	-	-	-	-	-	-	-
Other financing sources (uses):								
Transfers in	100,000	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	100,000	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	102,954	-	-	-	-	-	-	-
Cash and investments - ending	\$ 177,984	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CENTRAL NINE CAREER CENTER
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2012
(Continued)

	Adult Ed Civics Grant 11/13	Adult Basic Ed Grant 12/13	Adult Ed Civics Grant 12/13	ABE Grant 2010-2011	EL Civics Grant 2010-2011	Vocational and Technical Board Grants	PLTW Bio-Med Cat I (11-12)	PLTW Eng Cat I (11-12)
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	24,043	-	-	37,311	5,976	266,445	10,000	15,000
Interfund loans	24,103	-	-	-	-	89,758	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	48,146	-	-	37,311	5,976	356,203	10,000	15,000
Disbursements:								
Current:								
Instruction	48,040	-	-	7,822	214	233,312	10,000	15,000
Support services	106	-	-	146	-	122,891	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	48,146	-	-	7,968	214	356,203	10,000	15,000
Excess (deficiency) of receipts over disbursements	-	-	-	29,343	5,762	-	-	-
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(29,343)	(5,762)	-	-	-
Total other financing sources (uses)	-	-	-	(29,343)	(5,762)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CENTRAL NINE CAREER CENTER
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2012
(Continued)

	Perkins Tech Prep Cat II (11-12)	Perkins Grant 2012-2013	Tech Prep Grant 2012	Perkins Grant	PLTW Bio-Med Grant 10-11	PLTW Engineering 10-11	Payroll Funds	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,873	\$ 3,360,338
Receipts:								
Local sources	-	-	-	-	-	-	-	5,014,553
State sources	-	-	-	-	-	-	-	261,363
Federal sources	69,031	-	-	172,027	4,300	4,596	-	715,995
Interfund loans	-	-	-	-	-	-	-	194,685
Other	-	-	-	-	-	-	674,084	711,558
Total receipts	69,031	-	-	172,027	4,300	4,596	674,084	6,898,154
Disbursements:								
Current:								
Instruction	69,031	-	-	92,265	2,000	1,012	-	3,282,724
Support services	-	-	-	22,771	-	-	-	2,023,761
Facilities acquisition and construction	-	-	-	-	-	-	-	580,594
Nonprogrammed charges	-	-	-	-	-	-	-	3,000
Interfund loans	-	-	-	-	-	-	676,009	870,693
Total disbursements	69,031	-	-	115,036	2,000	1,012	676,009	6,760,772
Excess (deficiency) of receipts over disbursements	-	-	-	56,991	2,300	3,584	(1,925)	137,382
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	304,112
Transfers out	-	-	-	(56,991)	(2,300)	(3,584)	-	(304,112)
Total other financing sources (uses)	-	-	-	(56,991)	(2,300)	(3,584)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	-	(1,925)	137,382
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,948	\$ 3,497,720

CENTRAL NINE CAREER CENTER
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2013

	General	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post Retirement/ Severance Future Benefits	Construction Fund Phase 1	Construction Fund Phase 2	Textbook Rental
Cash and investments - beginning	\$ 1,280,080	\$ 784,966	\$ 44,074	\$ 24,500	\$ 510,668	\$ 267,986	\$ 94,397	\$ 16,878	\$ 172,291
Receipts:									
Local sources	3,675,823	1,064,627	38,954	-	-	-	-	-	16,351
State sources	88,972	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	2,865	-	-	-	-	-	-
Total receipts	3,764,795	1,064,627	41,819	-	-	-	-	-	16,351
Disbursements:									
Current:									
Instruction	2,195,645	-	-	-	-	20,483	-	-	-
Support services	1,173,313	467,839	53,031	-	-	-	-	-	76,516
Facilities acquisition and construction	-	613,326	-	-	-	-	-	111,275	-
Interfund loans	-	-	-	-	387,146	-	-	-	-
Total disbursements	3,368,958	1,081,165	53,031	-	387,146	20,483	-	111,275	76,516
Excess (deficiency) of receipts over disbursements	395,837	(16,538)	(11,212)	-	(387,146)	(20,483)	-	(111,275)	(60,165)
Other financing sources (uses):									
Transfers in	-	-	-	-	89,758	-	-	94,397	-
Transfers out	-	-	-	-	-	-	(94,397)	-	-
Total other financing sources (uses)	-	-	-	-	89,758	-	(94,397)	94,397	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	395,837	(16,538)	(11,212)	-	(297,388)	(20,483)	(94,397)	(16,878)	(60,165)
Cash and investments - ending	\$ 1,675,917	\$ 768,428	\$ 32,862	\$ 24,500	\$ 213,280	\$ 247,503	\$ -	\$ -	\$ 112,126

CENTRAL NINE CAREER CENTER
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2013
(Continued)

	Scholarships and Awards	Construction Remodeling and Equipping Buildings	Miscellaneous Programs	Adult and Continuing Education	Adult Basic Ed (State Support)	Adult Education (State Support)	IDOC Edinburg Grant 12/13	School Technology
Cash and investments - beginning	\$ 94,418	\$ -	\$ -	\$ 14,530	\$ -	\$ -	\$ -	\$ 177,984
Receipts:								
Local sources	-	20,620	-	210,024	-	-	-	6,960
State sources	-	-	-	1,292	119,322	113,784	5,373	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	56,106	-	-	-	31,064	2,127	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	76,726	-	211,316	119,322	144,848	7,500	6,960
Disbursements:								
Current:								
Instruction	-	28,638	-	265,780	974	113,262	7,500	870
Support services	-	1,638	-	37,591	61,442	31,586	-	660
Facilities acquisition and construction	-	46,450	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	76,726	-	303,371	62,416	144,848	7,500	1,530
Excess (deficiency) of receipts over disbursements	-	-	-	(92,055)	56,906	-	-	5,430
Other financing sources (uses):								
Transfers in	-	-	-	104,927	-	-	-	-
Transfers out	-	-	-	-	(56,906)	-	-	-
Total other financing sources (uses)	-	-	-	104,927	(56,906)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	12,872	-	-	-	5,430
Cash and investments - ending	\$ 94,418	\$ -	\$ -	\$ 27,402	\$ -	\$ -	\$ -	\$ 183,414

CENTRAL NINE CAREER CENTER
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2013
(Continued)

	Miscellaneous Programs	Computer Support Grant	Emergency Medical Tech Grant	Administrative Asst Grant	Title I	Innovative Education Program Strategies Title V (Part A)	Adult Education and Family Literacy Title II	Adult Ed Civics Grant 11/13
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
State sources	310	3,147	2,255	7,379	-	-	-	-
Federal sources	-	-	-	-	-	-	33,424	44,474
Interfund loans	-	-	-	-	8,000	8,797	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	310	3,147	2,255	7,379	8,000	8,797	33,424	44,474
Disbursements:								
Current:								
Instruction	27	631	1,738	274	8,000	8,797	3,215	17,668
Support services	-	-	-	-	-	-	16,712	2,703
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	27	631	1,738	274	8,000	8,797	19,927	20,371
Excess (deficiency) of receipts over disbursements	283	2,516	517	7,105	-	-	13,497	24,103
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(283)	(2,516)	(517)	(7,105)	-	-	(13,497)	(24,103)
Total other financing sources (uses)	(283)	(2,516)	(517)	(7,105)	-	-	(13,497)	(24,103)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CENTRAL NINE CAREER CENTER
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2013
(Continued)

	Adult Basic Ed Grant 12/13	Adult Ed Civics Grant 12/13	ABE Grant 2010-2011	EL Civics Grant 2010-2011	Vocational and Technical Board Grants	PLTW Bio-Med Cat I (11-12)	PLTW Eng Cat I (11-12)	Perkins Tech Prep Cat II (11-12)
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	36,653	33,151	-	-	222,542	-	-	-
Interfund loans	98,041	97,647	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	134,694	130,798	-	-	222,542	-	-	-
Disbursements:								
Current:								
Instruction	100,488	130,290	-	-	111,874	-	-	-
Support services	34,206	508	-	-	20,910	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	134,694	130,798	-	-	132,784	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	89,758	-	-	-
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(89,758)	-	-	-
Total other financing sources (uses)	-	-	-	-	(89,758)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CENTRAL NINE CAREER CENTER
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2013
(Continued)

	Perkins Grant 2012-2013	Tech Prep Grant 2012	Perkins Grant	PLTW Bio-Med Grant 10-11	PLTW Engineering 10-11	Payroll Funds	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,948	\$ 3,497,720
Receipts:							
Local sources	-	-	-	-	-	-	5,033,359
State sources	-	-	-	-	-	-	341,834
Federal sources	322,750	17,097	-	-	-	-	710,091
Interfund loans	85,363	-	-	-	-	-	387,145
Other	-	-	-	-	-	721,859	724,724
Total receipts	408,113	17,097	-	-	-	721,859	7,197,153
Disbursements:							
Current:							
Instruction	278,854	17,097	-	-	-	-	3,312,105
Support services	129,259	-	-	-	-	-	2,107,914
Facilities acquisition and construction	-	-	-	-	-	-	771,051
Interfund loans	-	-	-	-	-	720,732	1,107,878
Total disbursements	408,113	17,097	-	-	-	720,732	7,298,948
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	1,127	(101,795)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	289,082
Transfers out	-	-	-	-	-	-	(289,082)
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	1,127	(101,795)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,075	\$ 3,395,925

CENTRAL NINE CAREER CENTER
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2013

<u>School Corporation</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 262,949</u>	<u>\$ 245,677</u>

CENTRAL NINE CAREER CENTER
SCHEDULE OF CAPITAL ASSETS
June 30, 2013

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.

	Ending Balance
Governmental activities:	
Land	\$ 929,699
Infrastructure	-
Buildings	15,444,174
Improvements other than buildings	-
Machinery, equipment, and vehicles	3,179,423
Books and other	-
	<hr/>
Total capital assets	\$ 19,553,295
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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

TO: THE OFFICIALS OF THE CENTRAL NINE CAREER CENTER, JOHNSON COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Central Nine Career Center's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2011 to June 30, 2013. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2011 to June 30, 2013.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2013-003, 2013-004, and 2013-005. Our opinion on each major federal program is not modified with respect to these matters.

The School Corporation's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the type of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.


Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2013-003, 2013-004, 2013-005, and 2013-006 to be material weaknesses.

The School Corporation's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

March 4, 2014

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying notes presented were prepared by management of the School Corporation. The schedule and notes are presented as intended by the School Corporation.

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CENTRAL NINE CAREER CENTER
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2012 and 2013

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-12	Total Federal Awards Expended 06-30-13
U.S. DEPARTMENT OF LABOR					
Workforce Investment Act (WIA) Dislocated Worker National Reserve					
Demonstration Grants	Indiana Department of Workforce Development	17.280			
WIA Grant #4100	Work One		FY 2012/13	\$ -	\$ 8,000
INOVATION Grant #4200			FY 2012/13	-	8,797
Total Department of Labor				-	16,797
U.S. DEPARTMENT OF EDUCATION					
Adult Education - Basic Grants to States	Indiana Department of Workforce Development	84.002			
ABE Grant 2010/11 #5580			FY 2010/11	37,311	-
ABE Grant 2011/12 #5500			FY 2011/12	107,266	16,712
ABE Grant 2012/13 #5520			FY 2012/13	-	36,653
CIVICS Grant 2010/11 #5590			FY 2010/11	5,976	-
CIVICS Grant 2011/12 #5510			FY 2011/12	24,043	44,474
CIVICS Grant 2012/13 #5530			FY 2012/13	-	33,151
Total - Adult Education - Basic Grants to States				174,596	130,990
Career and Technical Education - Basic Grants to States	Indiana Department of Education	84.048			
PERKINS Grant 2010/11 #6270			FY 2010/11	172,027	-
PERKINS Grant 2011/12 #6200			FY 2011/12	266,445	222,542
PERKINS Grant 2012/13 #6250			FY 2012/13	-	322,750
PERKINS TECH Grant 2011/12 #6230			FY 2011/12	69,031	-
PERKINS TECH Grant 2012/13 #6260			FY 2012/13	-	17,097
PROJECT LEAD THE WAY (Bio-Med) #6280			FY 2010/11	4,300	-
PROJECT LEAD THE WAY (Engineering) #6290			FY 2010/11	4,596	-
PROJECT LEAD THE WAY (Bio-Med) #6210			FY 2011/12	10,000	-
PROJECT LEAD THE WAY (Engineering) #6220			FY 2011/12	15,000	-
Total - Career and Technical Education - Basic Grants to States				541,399	562,389
Total Department of Education				715,995	693,379
Total federal awards expended				\$ 715,995	\$ 710,176

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

CENTRAL NINE CAREER CENTER
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Central Nine Career Center (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1 et seq.), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. Subrecipients

Of the federal expenditures presented in the schedule, the School Corporation provided federal awards to subrecipients as follows for the years ended June 30, 2012 and 2013:

Program Title	Federal CFDA Number	2012	2013
Adult Education – Basic Grants to States	84.002	\$ 5,682	\$ 91,441

CENTRAL NINE CAREER CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unqualified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.002	Adult Education - Basic Grants to States
84.048	Career and Technical Education - Basic Grants to States

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee?	no
--	----

Section II - Financial Statement Findings

**FINDING 2013-001 - INTERNAL CONTROLS OVER
FINANCIAL TRANSACTIONS AND REPORTING**

We noted deficiencies in the internal control system of the School Corporation related to financial transactions and reporting. We believe the following deficiencies constitute material weaknesses:

1. Lack of Segregation of Duties: Control activities should be selected and developed at various levels of the cash and investment and cash receipts to reduce risks to the achievement of financial reporting objectives. The School Corporation hires an outside consultant to prepare the monthly bank reconciliation. No one at the School Corporation reviews the reconciliation for accuracy after it's prepared. Additionally, the School Corporation has not separated incompatible activities related to receipts. The failure to establish these controls could enable material misstatements or irregularities to remain undetected.

CENTRAL NINE CAREER CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

***FINDING 2013-002 - INTERNAL CONTROLS OVER PREPARATION
OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS***

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The School Corporation should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

During the audit of the SEFA, we noted the following errors: ABE 2010/2011, CIVICS 2010/2011, Perkins 2010/2011 were understated; while ABE 2012/2013, CIVICS 2012/2013, Perkins 2012/2013, PTLW (Bio-Med), and PLTW (Engineering) were overstated. The net effect of this is an overstatement of \$207,556.00. There were various errors in regard to Grantor Agency, Cluster Title, Program Title, or Project Title. Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA presented in this report. These adjustments resulted in a presentation of the SEFA that is materially correct in relation to the financial statement.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with section .310."

OMB Circular A-133, Subpart C, section .310(b) states:

"Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

CENTRAL NINE CAREER CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

Section III - Federal Award Findings and Questioned Costs

FINDING 2013-003 - CASH MANAGEMENT AND REPORTING

Federal Agency: U.S. Department of Education

Federal Program: Adult Education - Basic Grants to States

CFDA Number: 84.002

Federal Award Number and Year (or Other Identifying Number): FY 2010/11, FY 2011/12, FY 2012/13

Pass-Through Entity: Indiana Department of Workforce Development

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the following compliance requirements: cash management and reporting. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the grant.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

CENTRAL NINE CAREER CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The Adult and Continuing Education Program hires an outside consultant to prepare the cash reimbursement request forms. The consultant attaches an expenditure report to the cash reimbursement request forms and gives to the Director of Adult Education to sign and submit. The Director admitted to not reviewing the attached expenditure report or the cash reimbursement request form, but relies on the consultant's work. During testing, we noted 5 expenditures that were paid after reimbursement request was submitted.

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

34 CFR 80.21 states in part:

"(b) *Basic standard.* Methods and procedures for payment shall minimize the time elapsing between the transfer of funds and disbursement by the grantee or subgrantee, in accordance with Treasury regulations at 31 CFR part 205.

(c) *Advances.* Grantees and subgrantees shall be paid in advance, provided they maintain or demonstrate the willingness and ability to maintain procedures to minimize the time elapsing between the transfer of the funds and their disbursement by the grantee or subgrantee.

(d) *Reimbursement.* Reimbursement shall be the preferred method when the requirements in paragraph (c) of this section are not met. Grantees and subgrantees may also be paid by reimbursement for any construction grant. Except as otherwise specified in regulation, Federal agencies shall not use the percentage of completion method to pay construction grants. The grantee or subgrantee may use that method to pay its construction contractor, and if it does, the awarding agency's payments to the grantee or subgrantee will be based on the grantee's or subgrantee's actual rate of disbursement.'

31 CFR 205.12(b)(5) states: "Reimbursable funding means that a Federal Program Agency transfers Federal funds to a State after that State has already paid out the funds for Federal assistance program purposes."

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements that have a direct and material effect to the program could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and cash management and reporting compliance requirements.

FINDING 2013-004 - EARMARKING

Federal Agency: U.S. Department of Education

Federal Program: Adult Education - Basic Grants to States

CFDA Number: 84.002

Federal Award Number and Year (or Other Identifying Number): FY 2011/12 and FY 2012/13

Pass-Through Entity: Indiana Department of Workforce Development

CENTRAL NINE CAREER CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and Earmarking compliance requirement. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the grant.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

The School Corporation spent \$9,002.32 over the allowed amount for non-instructional expenditures. For the CIVICS Grant period ended June 30, 2012, and June 30, 2013, the School Corporation spent 14 percent and 6 percent of the total grant awards, respectively. Included in the files for the grants, were applications for a waiver to spend more than allowed; however, approved waivers were never located. The Indiana Department of Workforce Development was contacted to obtain a signed waiver; however, the agency was unable to obtain a signed copy. The \$9,002.32 is considered Questioned Cost.

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

20 U.S.C.9243 states:

"(a) In general. Subject to subsection (b) of this section, of the amount that is made available under this part to an eligible provider - (1) not less than 95 percent shall be expended for carrying out adult education and literacy activities; and (2) the remaining amount, not to exceed 5 percent, shall be used for planning, administration, personnel development, and interagency coordination. (b) Special rule In cases where the cost limits described in subsection (a) of this section are too restrictive to allow for adequate planning, administration, personnel development, and interagency coordination, the eligible provider shall negotiate with the eligible agency in order to determine an adequate level of funds to be used for noninstructional purposes"

The lack internal controls and documentation of approved waivers caused the School Corporation to not be in compliance with the Earmarking requirement for noninstructional expenditures.

We recommend the School Corporation establish controls related to the Earmarking compliance requirement that would ensure that proper documentation was maintained for all approved waivers or that spending was within the allowed amount.

CENTRAL NINE CAREER CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2013-005 - SUBRECIPIENT MONITORING

Federal Agency: U.S. Department of Education

Federal Program: Adult Education - Basic Grants to States

CFDA Number: 84.002

Federal Award Number and Year (or Other Identifying Number): FY 2011/12 and FY 2012/13

Pass-Through Entity: Indiana Department of Workforce Development

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the subrecipient monitoring requirement. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the grant.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

The School Corporation did not have subrecipient monitoring policies and procedures in place. As a result, reasonable assurance that the subrecipients are in compliance with requirements imposed upon them by Federal statutes and regulations was not documented. The subrecipients submitted to the School Corporation documentation to support expenditures paid by the subrecipient. The School Corporation then reviewed the documentation for allowable activities and allowable costs/cost principles. Once reviewed the School Corporation reimbursed the subrecipient for expenditures paid.

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

34 CFR 80.37 states in part:

". . . (b) All other grantees. All other grantees shall follow the provisions of this part which are applicable to awarding agencies when awarding and administering subgrants (whether on a cost reimbursement or fixed amount basis) of financial assistance to local and Indian tribal governments. Grantees shall:

- (1) Ensure that every subgrant includes a provision for compliance with this part;
- (2) Ensure that every subgrant includes any clauses required by Federal statute and executive orders and their implementing regulations; and
- (3) Ensure that subgrantees are aware of requirements imposed upon them by Federal statutes and regulations. . . ."

CENTRAL NINE CAREER CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements that have a direct and material effect to the program could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the subrecipient monitoring requirement. Additionally, we recommended the School Corporation establish a written policy to monitor all subrecipient for proper compliance with the applicable compliance requirements.

FINDING 2013-006 - CASH MANAGEMENT, LEVEL OF EFFORT, AND REPORTING

Federal Agency: U.S. Department of Education

Federal Program: Career and Technical Education - Basic Grants to States

CFDA Number: 84.048

Federal Award Number and Year (or Other Identifying Number): FY 2010/11, FY 2011/12, FY 2012/13

Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the following compliance requirements: Cash Management, Level of Effort, and Reporting. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the grant.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements that have a direct and material effect to the program could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the cash management, level of effort, and reporting compliance requirement.

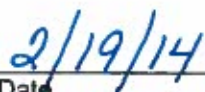
Summary Schedule of Prior Audit Findings

Finding 2011-3, Internal Controls over Major Programs

Original SBA Audit Report Number:	B40140
Fiscal Year	2011
Auditee Contact Person:	Cindy Payton
Title of Contact Person:	Business Manager
Phone Number:	317-888-4401

State of Finding: After it was brought to our attention through the last audit that payroll claims were not being approved by the Governing Board, changes were immediately implemented. Starting with our January 12, 2012 Governing Board meeting, a payroll claim detail listing report & deduction check posting report are included with accounts payable voucher listing reports for board member approval signatures.


Cindy Payton, Business Mgr.


Date



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Jeff West
Technology
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Corrective Action Plan

Finding 2013-003 – Cash Management and Reporting

Federal Agency: U.S. Department of Education
Federal Program: Adult Education-Basic Grants to States
CFDA Number: 84.002
Federal Award Number and Year(or other Identifying Number):FY2010/11,FY2011/12, FY2012/13
Pass-Through Entity: Indiana Department of Workforce Development
Contact Person: Michelle Davis
Contact Number: 317-888-4401 ext 229

Corrective Action Plan:

Monitoring measures will be put into place to ensure compliance of the grant agreement and grant requirements.

Anticipated Completion Date:

The monitoring measures have been implemented effective 02/2014.

Finding 2013-004 – Earmarking

Federal Agency: U.S. Department of Education
Federal Program: Adult Education-Basic Grants to States
CFDA Number: 84.002
Federal Award Number and Year(or other Identifying Number):FY2010/11,FY2011/12, FY2012/13
Pass-Through Entity: Indiana Department of Workforce Development
Contact Person: Michelle Davis
Contact Number: 317-888-4401 ext 229

Corrective Action Plan:

Controls will be implemented to ensure that proper documentation is maintained for all approved documentation.

Anticipated Completion Date:

A follow up email has been sent to DWD on 03-06-14 requesting the approved documentation for our files.

Finding 2013-005 – Subrecipient Monitoring

Federal Agency: U.S. Department of Education
Federal Program: Adult Education-Basic Grants to States
CFDA Number: 84.002
Federal Award Number and Year(or other Identifying Number):FY2010/11,FY2011/12, FY2012/13
Pass-Through Entity: Indiana Department of Workforce Development
Contact Person: Michelle Davis
Contact Number: 317-888-4401 ext 229

Corrective Action Plan:

By being the LEA, agreements with the subrecipients will be implemented to establish internal controls for ensuring the subrecipients monitoring requirement.

Anticipated Completion Date:

Agreements will be implemented with the 2014-15 EL Civics subrecipients.

Signed: Michelle Davis

Titled: Director of Adult Education

Date: 03-04-14

Beech Grove

Center Grove
Indian Creek

serving
Franklin Community
Southport Whiteland

Franklin Central
Perry Meridian

Greenwood



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Central Nine Career Center
Corrective Action Plan

Finding 2013-001 – Internal Controls over Financial Transactions and Reporting

Contact Person: Cindy Payton

Contact Number: 317-888-4401 ext. #239

Corrective Action Plan: Segregation of duties will be put in place as a control over financial transactions. Bank reconciliation reports will be prepared by an outside consultant then reviewed and signed by the Business Manager or Director. Cash receipts will be prepared & signed by the employee receiving the payment. Then the receipt will be verified, posted, and signed by the Assistant Treasurer.

Anticipated Completion Date: Internal control changes were implemented immediately after they were brought to our attention at the exit conference on 3/4/14.

Finding 2013-002 – Internal Controls over Preparation of the Schedule of Expenditures of Federal Awards

Contact Person: Cindy Payton

Contact Number: 317-888-4401 ext. #239

Corrective Action Plan: Adjustments were made to the SEFA report submitted for this audit to correct any errors. In the future, grants will be reported on the SEFA as of the date the reimbursement funds are received.

Anticipated Completion Date: Adjustments were made to the SEFA report submitted for this audit to correct any errors. Internal control changes were implemented immediately after they were brought to our attention at the exit conference on 3/4/14.

Finding 2013-006 – Cash Management, Level of effort, and Reporting

Federal Agency: U.S. Department of Education

Federal Program: Career and Technical Education-Basic Grants to States

CFDA Number: 84.048

Federal Award Number and Year: FY 2010/11, FY 2011/12, FY 2012/13

Pass-Through Entity: Indiana Department of Education

Contact Person: Cindy Payton

Contact Number: 317-888-4401 ext. #239

Corrective Action Plan: Segregation of duties will be put in place as a control over federal grant management. Grant reimbursement request forms will be prepared by the Business Manager with expenditure reports included as documentation. The grant reimbursement request form will be signed by the Director. Funds will be receipted in when received by the Assistant Treasurer as a cash management control.

Anticipated Completion Date: Internal control changes were implemented immediately after they were brought to our attention at the exit conference on 3/4/14.

Signed: _____

Title: Business Manager/Treasurer

Date: March 4, 2014

serving

Beech Grove

Center Grove
Indian Creek

Franklin Community
Southport Whiteland

Franklin Central
Perry Meridian

Greenwood

CENTRAL NINE CAREER CENTER
EXIT CONFERENCE

The contents of this report were discussed on March 4, 2014, with David Edds, Director and Cindy Payton, Treasurer.