

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

AREA 30 CAREER CENTER

PUTNAM COUNTY, INDIANA

July 1, 2011 to June 30, 2013



FILED
04/23/2014

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Cindy Burnham	07-01-11 to 06-30-14
Executive Director	Lora Busch	07-01-11 to 06-30-14
President of the Board of Directors	Murray Pride Dr. Carrie Milner	07-01-11 to 06-30-12 07-01-12 to 06-30-14



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE AREA 30 CAREER CENTER, PUTNAM COUNTY, INDIANA

We have examined the accompanying financial statement of the Area 30 Career Center (School Corporation), for the period of July 1, 2011 to June 30, 2013. The financial statement is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the financial statement 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 statement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, 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 comprehensive 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 these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity 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.

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, on the basis of accounting described in Note 1.

Our examination 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 Leases and Debt, 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 examination procedures applied to the financial statement and, accordingly, we express no opinion on them.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

February 24, 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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AREA 30 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

Fund	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	\$ 925,878	\$ 2,038,118	\$ 2,102,534	\$ 145,000	\$ 1,006,462	\$ 1,965,279	\$ 2,179,177	\$ 1,621	\$ 794,185
School Lunch	57,404	75,996	81,111	-	52,289	111,239	88,266	-	75,262
Textbook Rental	-	23,266	21,979	-	1,287	24,984	22,422	-	3,849
Alternative Education	6,973	1,556	6,973	-	1,556	-	-	(1,556)	-
Putnam County Foundation Grant	4,665	-	4,665	-	-	-	-	-	-
Adult Computer Skills Classes	244	-	-	(244)	-	-	-	-	-
Serve Safe Classes	483	-	-	(483)	-	-	-	-	-
Wellness Program	7	3,036	1,535	-	1,508	190	1,623	-	75
Adult and Continuing Education	9,322	5,441	6,446	727	9,044	5,575	6,878	-	7,741
Adult Education/Innovation	-	-	-	-	-	31,217	32,630	-	(1,413)
Robotics - Vex	-	-	-	-	-	-	12,210	-	(12,210)
Educating America, Title III	131	-	-	-	131	-	-	(131)	-
Perkins	5,700	94,921	94,370	-	6,251	64,460	63,860	-	6,851
Adult Basic Education/GED	(499)	90,824	99,619	-	(9,294)	82,705	102,551	-	(29,140)
P-Mini Grant	-	-	-	-	-	6,346	7,000	654	-
School to Work Opportunity Implementation	155	-	-	-	155	-	155	-	-
Challenge Grant for Technology (Dir USDOE)	(1,668)	15,927	14,259	-	-	2,293	2,293	-	-
Technology Literacy Challenge, Title III	588	-	-	-	588	-	-	(588)	-
Payroll Clearing	16,012	364,821	362,126	-	18,707	330,719	332,251	-	17,175
Totals	\$ 1,025,395	\$ 2,713,906	\$ 2,795,617	\$ 145,000	\$ 1,088,684	\$ 2,625,007	\$ 2,851,316	\$ -	\$ 862,375

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

AREA 30 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 may 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.

Intermediate sources which include distributions from the County for fees collected for or on behalf of the School Corporation including educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

AREA 30 CAREER CENTER
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

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.

Noninstructional services which include outflows for food service operations and community service operations.

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

Debt services which include fixed obligations resulting from financial transactions previously entered into by the School Corporation. It includes all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

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

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:

Proceeds of long-term debt which includes money received in relation to the issuance of bonds or other long-term debt issues.

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.

AREA 30 CAREER CENTER
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

AREA 30 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.

AREA 30 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.

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for reimbursable grants. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2012 and 2013.

Note 8. Restatements

For the year ended June 30, 2012, certain changes have been made to some of the beginning balances of the financial statement to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances.

AREA 30 CAREER CENTER
 NOTES TO FINANCIAL STATEMENT
 (Continued)

Fund Name	Balance as of June 30, 2011	New Fund	Prior Period Adjustment	Balance as of July 1, 2011
General	\$ 869,159	\$ -	\$ 56,719	\$ 925,878
Textbook Rental	(12,797)	-	12,797	-
School Lunch	5,747	-	51,657	57,404
Adult Basic Education	51,917	-	(51,917)	-
Payroll Clearing	-	16,012	-	16,012

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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 examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

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

AREA 30 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	School Lunch	Textbook Rental	Alternative Education	Putnam County Foundation Grant	Adult Computer Skills Classes	Serve Safe Classes	Wellness Program	Adult and Continuing Education
Cash and investments - beginning	\$ 925,878	\$ 57,404	\$ -	\$ 6,973	\$ 4,665	\$ 244	\$ 483	\$ 7	\$ 9,322
Receipts:									
Local sources	2,033,186	37,895	23,266	-	-	-	-	3,036	5,441
State sources	-	-	-	1,556	-	-	-	-	-
Federal sources	4,932	38,101	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>2,038,118</u>	<u>75,996</u>	<u>23,266</u>	<u>1,556</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,036</u>	<u>5,441</u>
Disbursements:									
Current:									
Instruction	865,630	-	-	6,973	4,665	-	-	-	6,446
Support services	887,040	-	21,979	-	-	-	-	1,535	-
Noninstructional services	53,767	81,111	-	-	-	-	-	-	-
Facilities acquisition and construction	281,714	-	-	-	-	-	-	-	-
Debt services	14,383	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>2,102,534</u>	<u>81,111</u>	<u>21,979</u>	<u>6,973</u>	<u>4,665</u>	<u>-</u>	<u>-</u>	<u>1,535</u>	<u>6,446</u>
Excess (deficiency) of receipts over disbursements	<u>(64,416)</u>	<u>(5,115)</u>	<u>1,287</u>	<u>(5,417)</u>	<u>(4,665)</u>	<u>-</u>	<u>-</u>	<u>1,501</u>	<u>(1,005)</u>
Other financing sources (uses):									
Proceeds of long-term debt	145,000	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	727
Transfers out	-	-	-	-	-	(244)	(483)	-	-
Total other financing sources (uses)	<u>145,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(244)</u>	<u>(483)</u>	<u>-</u>	<u>727</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>80,584</u>	<u>(5,115)</u>	<u>1,287</u>	<u>(5,417)</u>	<u>(4,665)</u>	<u>(244)</u>	<u>(483)</u>	<u>1,501</u>	<u>(278)</u>
Cash and investments - ending	<u>\$ 1,006,462</u>	<u>\$ 52,289</u>	<u>\$ 1,287</u>	<u>\$ 1,556</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,508</u>	<u>\$ 9,044</u>

AREA 30 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)

	Educating America Title III	Perkins	Adult Basic Education/GED	School to Work Opportunity Implementation	Challenge Grant for Technology (Dir USDOE)	Technology Literacy Challenge Title III	Payroll Clearing	Totals
Cash and investments - beginning	\$ 131	\$ 5,700	\$ (499)	\$ 155	\$ (1,668)	\$ 588	\$ 16,012	\$ 1,025,395
Receipts:								
Local sources	-	-	90,824	-	-	-	-	2,193,648
State sources	-	-	-	-	-	-	-	1,556
Federal sources	-	94,921	-	-	15,927	-	-	153,881
Other	-	-	-	-	-	-	364,821	364,821
Total receipts	-	94,921	90,824	-	15,927	-	364,821	2,713,906
Disbursements:								
Current:								
Instruction	-	94,370	99,619	-	14,259	-	-	1,091,962
Support services	-	-	-	-	-	-	-	910,554
Noninstructional services	-	-	-	-	-	-	-	134,878
Facilities acquisition and construction	-	-	-	-	-	-	-	281,714
Debt services	-	-	-	-	-	-	-	14,383
Nonprogrammed charges	-	-	-	-	-	-	362,126	362,126
Total disbursements	-	94,370	99,619	-	14,259	-	362,126	2,795,617
Excess (deficiency) of receipts over disbursements	-	551	(8,795)	-	1,668	-	2,695	(81,711)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	145,000
Transfers in	-	-	-	-	-	-	-	727
Transfers out	-	-	-	-	-	-	-	(727)
Total other financing sources (uses)	-	-	-	-	-	-	-	145,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	551	(8,795)	-	1,668	-	2,695	63,289
Cash and investments - ending	<u>\$ 131</u>	<u>\$ 6,251</u>	<u>\$ (9,294)</u>	<u>\$ 155</u>	<u>\$ -</u>	<u>\$ 588</u>	<u>\$ 18,707</u>	<u>\$ 1,088,684</u>

AREA 30 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	School Lunch	Textbook Rental	Alternative Education	Wellness Program	Adult and Continuing Education	Adult Education/Innovation	Robotics - Vex	Educating America Title III
Cash and investments - beginning	\$ 1,006,462	\$ 52,289	\$ 1,287	\$ 1,556	\$ 1,508	\$ 9,044	\$ -	\$ -	\$ 131
Receipts:									
Local sources	1,959,918	72,036	24,984	-	190	5,575	-	-	-
Intermediate sources	-	-	-	-	-	-	31,217	-	-
Federal sources	5,361	39,203	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>1,965,279</u>	<u>111,239</u>	<u>24,984</u>	<u>-</u>	<u>190</u>	<u>5,575</u>	<u>31,217</u>	<u>-</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	703,331	-	-	-	-	6,878	32,630	12,210	-
Support services	1,130,293	-	22,422	-	1,623	-	-	-	-
Noninstructional services	52,793	88,266	-	-	-	-	-	-	-
Facilities acquisition and construction	278,840	-	-	-	-	-	-	-	-
Debt services	13,920	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>2,179,177</u>	<u>88,266</u>	<u>22,422</u>	<u>-</u>	<u>1,623</u>	<u>6,878</u>	<u>32,630</u>	<u>12,210</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(213,898)</u>	<u>22,973</u>	<u>2,562</u>	<u>-</u>	<u>(1,433)</u>	<u>(1,303)</u>	<u>(1,413)</u>	<u>(12,210)</u>	<u>-</u>
Other financing sources (uses):									
Transfers in	1,621	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(1,556)	-	-	-	-	(131)
Total other financing sources (uses)	<u>1,621</u>	<u>-</u>	<u>-</u>	<u>(1,556)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(131)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(212,277)</u>	<u>22,973</u>	<u>2,562</u>	<u>(1,556)</u>	<u>(1,433)</u>	<u>(1,303)</u>	<u>(1,413)</u>	<u>(12,210)</u>	<u>(131)</u>
Cash and investments - ending	<u>\$ 794,185</u>	<u>\$ 75,262</u>	<u>\$ 3,849</u>	<u>\$ -</u>	<u>\$ 75</u>	<u>\$ 7,741</u>	<u>\$ (1,413)</u>	<u>\$ (12,210)</u>	<u>\$ -</u>

AREA 30 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	Adult Basic Education/GED	P-Mini Grant	School to Work Opportunity Implementation	Challenge Grant for Technology (Dir USDOE)	Technology Literacy Challenge Title III	Payroll Clearing	Totals
Cash and investments - beginning	\$ 6,251	\$ (9,294)	\$ -	\$ 155	\$ -	\$ 588	\$ 18,707	\$ 1,088,684
Receipts:								
Local sources	-	82,705	6,346	-	-	-	-	2,151,754
Intermediate sources	-	-	-	-	-	-	-	31,217
Federal sources	64,460	-	-	-	2,293	-	-	111,317
Other	-	-	-	-	-	-	330,719	330,719
Total receipts	64,460	82,705	6,346	-	2,293	-	330,719	2,625,007
Disbursements:								
Current:								
Instruction	63,860	102,551	7,000	155	2,293	-	-	930,908
Support services	-	-	-	-	-	-	-	1,154,338
Noninstructional services	-	-	-	-	-	-	-	141,059
Facilities acquisition and construction	-	-	-	-	-	-	-	278,840
Debt services	-	-	-	-	-	-	-	13,920
Nonprogrammed charges	-	-	-	-	-	-	332,251	332,251
Total disbursements	63,860	102,551	7,000	155	2,293	-	332,251	2,851,316
Excess (deficiency) of receipts over disbursements	600	(19,846)	(654)	(155)	-	-	(1,532)	(226,309)
Other financing sources (uses):								
Transfers in	-	-	654	-	-	-	-	2,275
Transfers out	-	-	-	-	-	(588)	-	(2,275)
Total other financing sources (uses)	-	-	654	-	-	(588)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	600	(19,846)	-	(155)	-	(588)	(1,532)	(226,309)
Cash and investments - ending	\$ 6,851	\$ (29,140)	\$ -	\$ -	\$ -	\$ -	\$ 17,175	\$ 862,375

AREA 30 CAREER CENTER
SCHEDULE OF LEASES AND DEBT
June 30, 2013

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities: First Financial Bank	Technology lease	<u>\$ 50,326</u>	06-01-12	06-14-15

AREA 30 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.

	<u>Ending Balance</u>
Governmental activities:	
Machinery and equipment	<u>\$ 1,442,042</u>

AREA 30 CAREER CENTER
EXAMINATION RESULT AND COMMENT

INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

Internal controls over the receipting, disbursing, recording, and accounting for the financial activities were insufficient:

1. The School Corporation School Lunch Fund does not report all activity of the federal lunch program. The School Corporation School Lunch Fund records the receipt of state and federal lunch program distributions. Disbursements of these distributions were receipted to the Area 30 Extra-Curricular (ECA) School Lunch Fund which accounts for the fund activity. The daily receipts, disbursements, and cash balance of the ECA School Lunch Fund were not reflected in the School Corporation School Lunch Fund or the financial statement. Year-end transfers of: \$45,000 on July 29, 2011, to the General Fund; \$30,000 on June 29, 2012; and \$25,000 on June 25, 2013; were disbursed back to the School Corporation School Lunch Fund from the ECA School Lunch Fund balance and were reported as receipts for the School Corporation fund along with the federal distributions.
2. The School Corporation Textbook Rental Fund did not include transactions of the Area 30 Extra-Curricular (ECA) Textbook Rental Fund. The daily receipts, disbursements, and cash balance of the ECA Textbook Rental Fund were not reflected in the School Corporation Textbook Rental Fund or the financial statement.
3. Loan proceeds of \$145,000 recorded as miscellaneous revenue in the General Fund, should have been properly recorded as Other Financing Sources and Uses.

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. (Accounting and Uniform Compliance Guidelines Manual for Public Schools Corporations, Chapter 9) (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

AREA 30 CAREER CENTER
EXIT CONFERENCE

The contents of this report were discussed on February 24, 2014, with Lora Busch, Executive Director; Chad Nunley, Assistant Director; and Cindy Burnham, Treasurer.