

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

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

COMPLIANCE ENGAGEMENT REPORT

OF

HEARTLAND CAREER CENTER

WABASH COUNTY, INDIANA

July 1, 2020 to June 30, 2024



FILED

05/15/2025

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Debra Grindle Darcy Conrad	07-01-20 to 09-22-22 09-23-22 to 12-31-25
Director	Mark Hobbs Floyd McWhirt	07-01-20 to 06-30-23 07-01-23 to 12-31-25
President of the Board of Managers	Tony Pulley David Terflinger Matthew Driscoll	07-01-20 to 12-31-20 01-01-21 to 12-31-21 01-01-22 to 12-31-25



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INDIANA STATE BOARD OF ACCOUNTS

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TO: THE OFFICIALS OF THE HEARTLAND CAREER CENTER, WABASH COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Heartland Career Center (School Corporation), for the period of July 1, 2020 to June 30, 2024. The objective of this engagement was to determine compliance with applicable Indiana laws, regulations, and uniform compliance guidelines (Guidelines) established by the Indiana State Board of Accounts pursuant to Indiana Code 5-11-1-24. The objective of this engagement is not to opine on compliance or financial activity of the School Corporation as this engagement was not conducted in accordance with any standards established by an authoritative standard-setting body, and, as such, we do not provide any opinions on compliance or financial activity.

Management is responsible for preparing and maintaining its accounting records and related documents in accordance with applicable Indiana laws, regulations, and Guidelines. Management's responsibility also includes, but is not limited to, complying with other applicable Indiana laws, regulations, and Guidelines concerning how it operates: authorized sources and uses of funds; what reports are required to be prepared and filed; and what depositories and investment types are allowable.

We fulfilled our responsibility as detailed in the first paragraph, using procedures that verified the appropriate accounting for and reporting of cash, receipts, disbursements, and other financing sources (uses); and the appropriate sources and uses of funds in accordance with applicable Indiana laws, regulations, and Guidelines. Expanding the scope and nature of these procedures can and does occur in specific circumstances.

The comments contained herein, if any, describe the identified reportable instances of noncompliance found during our engagement. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified. Any Official Response to the comments incorporated within this report was not verified for accuracy.

The Schedule of Officials and Statements of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis (Statements) are informational only. The Statements have not been subjected to any procedures designed to express an opinion or provide any assurance on them, and, accordingly, we do not express an opinion or provide any assurance on them.

This report is intended solely for the information and use of management, governance, and others within the organization. This restriction is not intended to limit the distribution of this report, which is a matter of public record. Reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>, and the School Corporation's Annual Financial Reports filed by management can be found on the Indiana Gateway for Government Units financial reporting system website: <http://www.gateway.ifionline.org>.

The contents of this report were communicated to Darcy Conrad, Treasurer; Floyd McWhirt, Director; and Matthew Driscoll, President of the Board of Managers, on May 8, 2025.



Beth Kelley, CPA, CFE
Deputy State Examiner

April 23, 2025

HEARTLAND CAREER CENTER
COMMENT

ANNUAL FINANCIAL REPORTS

Condition and Context

Financial and other information are required to be entered annually into the Annual Financial Report (AFR) via the Indiana Gateway for Government Units (Gateway) financial reporting system, which is the source of the School Corporation's Statements of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis. Internal controls were not in place to ensure the AFRs filed on Gateway were accurate. The AFRs had the following errors:

Financial Data

Fund financial information for the 2022-2023 and 2023-2024 AFRs did not match the School Corporation's records as detailed in the following schedule:

Fund	Over (Under) Stated		
	Beginning Balance Year Ended June 30, 2023	Receipts Year Ended June 30, 2024	Disbursements Year Ended June 30, 2024
Education	\$ 515,901	\$ -	\$ -
Operations	744,354	-	-
Community/Hcc Scholarship	1,759	-	-
2021 Manchester Kiwanis Grant	19	-	-
2021 Haas Scholarship Grant	1,351	-	-
2021-22 Ford Meter Box Grant	3,077	-	-
Prostart Ecolab Grant 2021-22	116	-	-
Cfw 2021-22 Good Deeds-Gdl	40	-	-
Cfw Good Deeds Cybersecurity	26	-	-
2022 Haas Scholarship Grant	15,000	-	-
2022-23 Ford Meter Box Grant	15,000	-	-
Farm Rent - Certification	553	-	-
State Connectivity Grant	(130)	-	-
Vocational And Technology Board Grants	(15,802)	-	-
3E Grant 2022-2024	(4,583)	-	-
2023-24 School Safety Grant	-	(11,520)	(11,520)
Federal Income Tax-Withholding	-	60,445	60,445
Social Security	(33)	58,140	58,140
Indiana Withholding Tax	3,239	22,304	22,304
County Withholding Tax	2,920	20,923	20,923
Group Insurance	4,327	66,865	66,865
Annuities	-	26,362	26,362
Garnishments/Order To Withhold	-	2,044	2,044
Totals	<u>\$ 1,287,135</u>	<u>\$ 245,561</u>	<u>\$ 245,561</u>

HEARTLAND CAREER CENTER
COMMENT
(Continued)

Adjustments were proposed, approved by management, and made to the 2022-2023 and 2023-2024 AFRs and to the Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis for the Years Ended June 30, 2023, and June 30, 2024, in this report.

Leases, Accounts Payable, Accounts Receivable

Information regarding leases, accounts payable, and accounts receivable for the 2023-2024 AFR did not match the School Corporation's records as detailed in the following schedule:

	Over (Under) Stated Year Ended June 30, 2024
Leases	\$ (9,500)
Accounts Payable	(16,862)
Accounts Receivable	<u>(1,107)</u>
Total	<u>\$ (27,469)</u>

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner as set forth in the uniform compliance guidelines. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

STATEMENTS OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
(USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS

HEARTLAND CAREER CENTER
 STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER
 FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Years Ended June 30, 2021 and 2022

Fund	Cash and Investments 07-01-20	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-21	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-22
Education	\$ 382,900	\$ 1,502,257	\$ 1,469,568	\$ -	\$ 415,589	\$ 1,590,919	\$ 1,568,930	\$ -	\$ 437,578
Operations	669,196	687,835	699,627	1,997	659,401	817,799	774,834	4,935	707,301
Community/Hcc Scholarship	4,104	8,208	8,208	-	4,104	7,863	8,208	-	3,759
2018-19 Ford Meter Box Grant	17	-	17	-	-	-	-	-	-
Ag Bio Science Community Grant	27	-	27	-	-	-	-	-	-
2019-20 Ford Meter Box Grant	10,000	-	6,787	-	3,213	-	3,213	-	-
2020-21 Ford Meter Box Grant	-	10,000	200	-	9,800	-	9,800	-	-
2020 Haas Scholarship Grant	-	7,500	7,216	-	284	-	284	-	-
2021 Manchester Kiwanis Grant	-	500	-	-	500	-	481	-	19
2021 Haas Scholarship Grant	-	15,000	-	-	15,000	-	11,410	-	3,590
2021-22 Ford Meter Box Grant	-	-	-	-	-	15,000	4,812	-	10,188
2021-22 Rachel Ray Grant-Cua	-	-	-	-	-	5,000	4,901	-	99
Prostart Ecolab Grant 2021-22	-	-	-	-	-	1,000	-	-	1,000
Cfw 2021-22 Good Deeds-Gdl	-	-	-	-	-	5,000	4,579	-	421
Cfw Good Deeds Cybersecurity	-	-	-	-	-	5,000	3,846	-	1,154
Cfw Cdl Training Grant	-	-	-	-	-	15,000	15,000	-	-
Secured Schools Safety Grant	-	18,537	18,537	-	-	-	-	-	-
State Connectivity Grant	360	5,760	4,320	-	1,800	5,760	7,200	-	360
Perkins 2019-20 Basic Grant	(16,527)	24,293	7,766	-	-	-	-	-	-
Perkins 19-20 Assessment Grant	(2,026)	2,026	-	-	-	-	-	-	-
Perkins 2020 Planning Grant	(4,065)	4,065	-	-	-	-	-	-	-
Perkins 2020-21 Basic Grant	-	83,662	88,297	-	(4,635)	32,138	27,503	-	-
Perkins 20-21 Pilot Impl. Grant	-	43,690	46,490	-	(2,800)	5,609	2,809	-	-
Perkins Covid19 Assistance	-	23,490	23,490	-	-	-	-	-	-
Perkins 20-21 Assessment Grant	-	2,076	2,076	-	-	-	-	-	-
Perkins 2021 Reserve Grant	-	-	-	-	-	37,641	37,641	-	-
Perkins 2021-22 Basic Grant	-	-	-	-	-	93,975	99,289	-	(5,314)
Perkins 2021-22 Assessment	-	-	-	-	-	5,418	5,418	-	-
Federal Income Tax-Withholding	-	112,657	112,657	-	-	118,554	118,554	-	-
Social Security	-	94,807	94,807	-	-	100,743	100,743	-	-
Indiana Withholding Tax	2,935	39,284	39,238	-	2,981	41,283	41,037	-	3,227
County Withholding Tax	2,402	32,147	32,112	-	2,437	34,297	34,053	-	2,681
Group Insurance	543	110,631	110,601	-	573	97,612	97,011	-	1,174
Annuities	-	26,460	26,460	-	-	33,270	33,270	-	-
Garnishments/Order To Withhold	-	-	-	-	-	1,606	1,606	-	-
Fringe Benefit Clearing	-	627	627	-	-	646	646	-	-
Totals	\$ 1,049,866	\$ 2,855,512	\$ 2,799,128	\$ 1,997	\$ 1,108,247	\$ 3,071,133	\$ 3,017,078	\$ 4,935	\$ 1,167,237

HEARTLAND CAREER CENTER
 STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER
 FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Years Ended June 30, 2023 and 2024

Fund	Cash and Investments 07-01-22	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-23	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-24
Education	\$ 437,575	\$ 1,657,354	\$ 1,579,031	\$ -	\$ 515,898	\$ 1,751,728	\$ 1,760,328	\$ -	\$ 507,298
Operations	707,299	812,625	782,766	7,199	744,357	843,435	783,816	683	804,659
Community/Hcc Scholarship	3,759	-	2,000	-	1,759	-	-	-	1,759
2021 Manchester Kiwanis Grant	19	-	-	-	19	-	-	-	19
2021 Haas Scholarship Grant	3,590	-	2,240	-	1,350	-	-	-	1,350
2021-22 Ford Meter Box Grant	10,188	-	7,110	-	3,078	-	-	-	3,078
2021-22 Rachel Ray Grant-Cua	99	-	99	-	-	-	-	-	-
Prostart Ecolab Grant 2021-22	1,000	-	884	-	116	-	-	-	116
Cfw 2021-22 Good Deeds-Gdl	421	-	381	-	40	-	-	-	40
Cfw Good Deeds Cybersecurity	1,154	-	1,129	-	25	-	-	-	25
2022 Haas Scholarship Grant	-	15,000	-	-	15,000	-	1,438	-	13,562
2022-23 Ford Meter Box Grant	-	15,000	-	-	15,000	-	-	-	15,000
80/20 Don Wood Grant (2022-23)	-	2,500	2,500	-	-	-	-	-	-
Farm Rent - Certification	-	8,553	8,000	-	553	8,208	-	-	8,761
2022-23 Cdl Training Grant	-	12,000	12,000	-	-	-	-	-	-
2023-24 Ford Meter Box Grant	-	-	-	-	-	15,000	-	-	15,000
John Parke Grant	-	-	-	-	-	326,057	295	-	325,762
2024-25 Ford Meter Box Grant	-	-	-	-	-	15,000	-	-	15,000
2023-24 School Safety Grant	-	-	-	-	-	11,520	11,520	-	-
State Connectivity Grant	360	4,440	4,930	-	(130)	1,440	2,167	-	(857)
Perkins 2021-22 Basic Grant	(5,314)	26,335	21,021	-	-	-	-	-	-
Vocational And Technology Board Grants	-	93,734	109,536	-	(15,802)	25,209	9,407	-	-
Perkins 2022-23 Assessment	-	5,800	5,800	-	-	-	-	-	-
Perkins Basic Grant 2023-24	-	-	-	-	-	83,236	86,492	-	(3,256)
3E Grant 2022-2024	-	23,826	28,409	-	(4,583)	44,534	47,695	-	(7,744)
Federal Income Tax-Withholding	-	118,753	118,753	-	-	51,750	51,750	-	-
Social Security	-	105,519	105,552	-	(33)	49,262	49,229	-	-
Indiana Withholding Tax	3,227	42,218	42,207	-	3,238	19,424	19,555	-	3,107
County Withholding Tax	2,681	36,258	36,018	-	2,921	17,571	17,556	-	2,936
Group Insurance	1,174	108,387	105,235	-	4,326	59,258	64,086	-	(502)
Annuities	-	47,321	47,321	-	-	21,646	21,646	-	-
Garnishments/Order To Withhold	-	3,796	3,796	-	-	1,752	1,752	-	-
Fringe Benefit Clearing	-	1,018	1,018	-	-	1,015	1,015	-	-
Other Clearing	-	-	-	-	-	-	-	-	-
Totals	\$ 1,167,232	\$ 3,140,437	\$ 3,027,736	\$ 7,199	\$ 1,287,132	\$ 3,347,045	\$ 2,929,747	\$ 683	\$ 1,705,113