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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, 2013 to June 30, 2015

FILED
12/11/2017

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SCHEDULE OF OFFICIALS

Office	Official	Term
Treasurer	Cindy Payton	07-01-13 to 06-30-18
Director	Stephen Hagen	07-01-13 to 12-31-13
	David Edds	01-01-14 to 06-30-16
	Nicole Otte	07-01-16 to 06-30-18
President of the School Board	Bill Maschmeyer	07-01-13 to 02-11-15
	Greg Waltz	02-12-15 to 02-08-17
	Michael Metzger	02-09-17 to 02-13-19

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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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, 2013 to June 30, 2015, and the related notes to the financial statement as listed in the Table of Contents.

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 from 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.

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

As discussed in Note 1 to 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, 2013 to June 30, 2015.

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, 2013 to June 30, 2015, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

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.

Other Information

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, 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 auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated October 25, 2017, 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.

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

October 25, 2017

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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, 2013 to June 30, 2015, and the related notes to the financial statement, and have issued our report thereon dated October 25, 2017, 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.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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 exists that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free from 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 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

Paul D. Joyce, CPA
State Examiner

October 25, 2017

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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, 2014 and 2015

Fund	Cash and Investments 07-01-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15
General	$ 1,675,920	$ 3,682,336	$ 3,223,960	$ (125,000)	$ 2,009,296	$ 3,468,309	$ 3,448,480	$ -	$ 2,029,125
Capital Projects	768,430	1,098,624	801,344	-	1,065,710	1,052,316	637,636	-	1,480,390
School Transportation	32,862	37,574	39,426	-	31,010	36,529	7,141	-	60,398
School Bus Replacement	24,500	-	-	25,000	49,500	-	-	-	49,500
Rainy Day	213,279	-	-	333,228	546,507	-	-	(15,087)	531,420
Post-Retirement/Severance Future Benefits	247,504	-	-	-	247,504	-	12,768	-	234,736
Textbook Rental	112,127	20,451	66,467	-	66,111	27,959	52,628	-	41,442
Flower Fund	-	-	-	-	-	115	60	-	55
Jo Co Foundation	-	2,400	280	-	2,120	-	2,120	-	-
Scholarships and Awards	94,418	899	-	-	95,317	-	-	-	95,317
Construction, Remodeling, and Equipping Buildings	-	-	90,733	90,733	-	2	88,988	88,986	-
Staff Activity Fund	-	-	-	-	-	2,417	-	-	2,417
Tech Prep	-	-	-	-	-	25,662	36,921	-	(11,259)
CTE Innovations Match 14/15	-	-	-	-	-	10,000	5,400	-	4,600
Adult and Continuing Education	27,399	195,122	209,205	-	13,316	186,394	221,269	23,006	1,447
Adult Basic Ed (State Support)	-	76,595	45,531	(31,064)	-	-	-	-	-
Adult Ed (St Support) 13/14	-	217,183	310,834	-	(93,651)	115,081	21,430	-	-
Adult Ed (St Support) 14/15	-	-	-	-	-	73,818	75,000	-	(1,182)
IDOC Edinburg Grant 12/13	-	2,126	-	(2,126)	-	-	-	-	-
School Technology	183,415	-	1,390	100,000	282,025	15,195	1,921	-	295,299
Title I	-	8,000	-	(8,000)	-	-	-	-	-
Innovative Education Program Strategies Title V (Part A)	-	8,623	(174)	(8,797)	-	-	-	-	-
Adult Basic Ed Grant 12/13	-	123,391	25,349	(98,042)	-	-	-	-	-
Adult Ed Civics Grant 12/13	-	129,845	32,198	(97,647)	-	-	-	-	-
Adult Basic Ed Grant 13/14	-	67,676	114,079	-	(46,403)	105,688	59,285	-	-
Adult Ed Civics Grant 13/14	-	157,378	177,660	-	(20,282)	31,934	11,652	-	-
Adult Basic Ed Grant 14/15	-	-	-	-	-	344,316	567,598	-	(223,282)
Adult Ed Civics Grant 14/15	-	-	-	-	-	138,532	190,810	-	(52,278)
Abe Professional Development Grant 14/15	-	-	-	-	-	500	5,118	-	(4,618)
EL Civics Professional Development 14/15	-	-	-	-	-	-	2,000	-	(2,000)
Perkins Grant 12/13	-	289,058	203,694	(85,364)	-	-	-	-	-
Perkins Grant 13/14	-	325,859	400,269	-	(74,410)	270,653	196,243	-	-
Perkins Grant 14/15	-	-	-	-	-	309,420	416,251	-	(106,831)
Payroll Withholdings	16,074	698,345	700,794	-	13,625	757,354	756,352	-	14,626
Totals	$ 3,395,928	$ 7,141,485	$ 6,443,039	$ 92,921	$ 4,187,295	$ 6,972,194	$ 6,817,071	$ 96,905	$ 4,439,322

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

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, the following: 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. Amounts received from taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, School Corporation activities, revenue from community service activities, and other revenue from local sources.

State sources. Amounts received as distributions from the State of Indiana that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Federal sources. Amounts received as distributions from the federal government that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Other receipts. Amounts received from various sources, including, but not limited to, the following: 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. Amounts disbursed for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services. Amounts disbursed for support services related to students, instruction, general administration, school administration, outflows for central services, operation and maintenance of plant services, and student transportation.

Facilities acquisition and construction. Amounts disbursed for the acquisition, development, construction, and improvement of new and existing facilities.

Nonprogrammed charges. Amounts disbursed 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:

Sale of capital assets. Amounts received when land, buildings, or equipment owned by the School Corporation are sold.

Transfers in. Amounts 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. Amounts 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 amounts 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 amounts 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.

Note 3. 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, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 4. 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 5. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is a cost-sharing 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
One North Capitol, 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.

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
One North Capitol, 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 6. Negative Receipts and Disbursements

The financial statement contains the Innovative Education Program Strategies Title V (Part A) fund that has a negative disbursement value. This is a result of an adjustment being made to the fund that was for more than the amount of total disbursements.

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of funds being set up for reimbursable grants. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2014 and 2015.

OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: http://www.doe.in.gov/finance/school-financial-reports. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office. Additionally, some financial information of the School Corporation can be found on the Gateway website: https://gateway.ifionline.org/.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the School Corporation's Financial Reports 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 other 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, 2014

	General	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post-Retirement/ Severance Future Benefits	Textbook Rental
Cash and investments - beginning	$ 1,675,920	$ 768,430	$ 32,862	$ 24,500	$ 213,279	$ 247,504	$ 112,127
Receipts:							
Local sources	3,593,364	1,082,459	37,574	-	-	-	20,451
State sources	88,972	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	16,165	-	-	-	-	-
Total receipts	3,682,336	1,098,624	37,574	-	-	-	20,451
Disbursements:							
Instruction	2,085,330	-	-	-	-	-	-
Support services	1,138,630	514,453	39,426	-	-	-	66,467
Facilities acquisition and construction	-	286,891	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	3,223,960	801,344	39,426	-	-	-	66,467
Excess (deficiency) of receipts over disbursements	458,376	297,280	(1,852)	-	-	-	(46,016)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	25,000	387,146	-	-
Transfers out	(125,000)	-	-	-	(53,918)	-	-
Total other financing sources (uses)	(125,000)	-	-	25,000	333,228	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	333,376	297,280	(1,852)	25,000	333,228	-	(46,016)
Cash and investments - ending	$ 2,009,296	$ 1,065,710	$ 31,010	$ 49,500	$ 546,507	$ 247,504	$ 66,111

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, 2014
(Continued)

	Flower Fund	Jo Co Foundation	Scholarships and Awards	Construction, Remodeling, and Equipping Buildings	Staff Activity Fund	Tech Prep	CTE Innovations Match 14/15
Cash and investments - beginning	$ -	$ -	$ 94,418	$ -	$ -	$ -	$ -
Receipts:							
Local sources	-	2,400	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	899	-	-	-	-
Total receipts	-	2,400	899	-	-	-	-
Disbursements:							
Instruction	-	280	-	41,153	-	-	-
Support services	-	-	-	1,622	-	-	-
Facilities acquisition and construction	-	-	-	47,958	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	280	-	90,733	-	-	-
Excess (deficiency) of receipts over disbursements	-	2,120	899	(90,733)	-	-	-
Other financing sources (uses):							
Sale of capital assets	-	-	-	92,921	-	-	-
Transfers in	-	-	-	53,918	-	-	-
Transfers out	-	-	-	(56,106)	-	-	-
Total other financing sources (uses)	-	-	-	90,733	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	2,120	899	-	-	-	-
Cash and investments - ending	$ -	$ 2,120	$ 95,317	$ -	$ -	$ -	$ -

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, 2014
(Continued)

	Adult and Continuing Education	Adult Basic Ed (State Support)	Adult Ed (St Support) 13/14	Adult Ed (St Support) 14/15	IDOC Edinburg Grant 12/13	School Technology	Title I
Cash and investments - beginning	$ 27,399	$ -	$ -	$ -	$ -	$ 183,415	$ -
Receipts:							
Local sources	195,122	-	-	-	-	-	-
State sources	-	76,595	217,183	-	2,126	-	-
Federal sources	-	-	-	-	-	-	8,000
Other receipts	-	-	-	-	-	-	-
Total receipts	195,122	76,595	217,183	-	2,126	-	8,000
Disbursements:							
Instruction	203,457	40,585	198,350	-	-	-	-
Support services	5,748	4,946	112,484	-	-	1,390	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	209,205	45,531	310,834	-	-	1,390	-
Excess (deficiency) of receipts over disbursements	(14,083)	31,064	(93,651)	-	2,126	(1,390)	8,000
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	100,000	-
Transfers out	-	(31,064)	-	-	(2,126)	-	(8,000)
Total other financing sources (uses)	-	(31,064)	-	-	(2,126)	100,000	(8,000)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(14,083)	-	(93,651)	-	-	98,610	-
Cash and investments - ending	$ 13,316	$ -	$ (93,651)	$ -	$ -	$ 282,025	$ -

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, 2014
(Continued)

	Innovative Education Program Strategies Title V (Part A)	Adult Basic Ed Grant 12/13	Adult Ed Civics Grant 12/13	Adult Basic Ed Grant 13/14	Adult Ed Civics Grant 13/14	Adult Basic Ed Grant 14/15	Adult Ed Civics Grant 14/15
Cash and investments - beginning	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	8,623	123,391	129,845	67,676	157,378	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	8,623	123,391	129,845	67,676	157,378	-	-
Disbursements:							
Instruction	(174)	14,329	24,364	55,878	170,074	-	-
Support services	-	11,020	7,834	58,201	7,586	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	(174)	25,349	32,198	114,079	177,660	-	-
Excess (deficiency) of receipts over disbursements	8,797	98,042	97,647	(46,403)	(20,282)	-	-
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	(8,797)	(98,042)	(97,647)	-	-	-	-
Total other financing sources (uses)	(8,797)	(98,042)	(97,647)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	(46,403)	(20,282)	-	-
Cash and investments - ending	$ -	$ -	$ -	$ (46,403)	$ (20,282)	$ -	$ -

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, 2014
(Continued)

	Abe Professional Development Grant 14/15	EL Civics Professional Development 14/15	Perkins Grant 12/13	Perkins Grant 13/14	Perkins Grant 14/15	Payroll Withholdings	Totals
Cash and investments - beginning	$ -	$ -	$ -	$ -	$ -	$ 16,074	$ 3,395,928
Receipts:							
Local sources	-	-	-	-	-	-	4,931,370
State sources	-	-	-	-	-	-	384,876
Federal sources	-	-	289,058	325,859	-	-	1,109,830
Other receipts	-	-	-	-	-	698,345	715,409
Total receipts	-	-	289,058	325,859	-	698,345	7,141,485
Disbursements:							
Instruction	-	-	173,904	273,240	-	-	3,280,770
Support services	-	-	29,790	127,029	-	-	2,126,626
Facilities acquisition and construction	-	-	-	-	-	-	334,849
Nonprogrammed charges	-	-	-	-	-	700,794	700,794
Total disbursements	-	-	203,694	400,269	-	700,794	6,443,039
Excess (deficiency) of receipts over disbursements	-	-	85,364	(74,410)	-	(2,449)	698,446
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	92,921
Transfers in	-	-	-	-	-	-	566,064
Transfers out	-	-	(85,364)	-	-	-	(566,064)
Total other financing sources (uses)	-	-	(85,364)	-	-	-	92,921
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	(74,410)	-	(2,449)	791,367
Cash and investments - ending	$ -	$ -	$ -	$ (74,410)	$ -	$ 13,625	$ 4,187,295

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, 2015

	General	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post-Retirement/ Severance Future Benefits	Textbook Rental
Cash and investments - beginning	$ 2,009,296	$ 1,065,710	$ 31,010	$ 49,500	$ 546,507	$ 247,504	$ 66,111
Receipts:							
Local sources	3,379,232	1,052,316	36,529	-	-	-	27,959
State sources	88,972	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	105	-	-	-	-	-	-
Total receipts	3,468,309	1,052,316	36,529	-	-	-	27,959
Disbursements:							
Instruction	2,270,390	-	-	-	-	12,768	-
Support services	1,178,090	488,289	7,141	-	-	-	52,628
Facilities acquisition and construction	-	149,347	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	3,448,480	637,636	7,141	-	-	12,768	52,628
Excess (deficiency) of receipts over disbursements	19,829	414,680	29,388	-	-	(12,768)	(24,669)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	53,918	-	-
Transfers out	-	-	-	-	(69,005)	-	-
Total other financing sources (uses)	-	-	-	-	(15,087)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	19,829	414,680	29,388	-	(15,087)	(12,768)	(24,669)
Cash and investments - ending	$ 2,029,125	$ 1,480,390	$ 60,398	$ 49,500	$ 531,420	$ 234,736	$ 41,442

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, 2015
(Continued)

	Flower Fund	Jo Co Foundation	Scholarships and Awards	Construction, Remodeling, and Equipping Buildings	Staff Activity Fund	Tech Prep	CTE Innovations Match 14/15
Cash and investments - beginning	$ -	$ 2,120	$ 95,317	$ -	$ -	$ -	$ -
Receipts:							
Local sources	115	-	-	2	2,417	-	10,000
State sources	-	-	-	-	-	25,662	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	115	-	-	2	2,417	25,662	10,000
Disbursements:							
Instruction	-	2,120	-	37,710	-	33,575	5,400
Support services	60	-	-	89	-	3,346	-
Facilities acquisition and construction	-	-	-	51,189	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	60	2,120	-	88,988	-	36,921	5,400
Excess (deficiency) of receipts over disbursements	55	(2,120)	-	(88,986)	2,417	(11,259)	4,600
Other financing sources (uses):							
Sale of capital assets	-	-	-	96,905	-	-	-
Transfers in	-	-	-	45,999	-	-	-
Transfers out	-	-	-	(53,918)	-	-	-
Total other financing sources (uses)	-	-	-	88,986	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	55	(2,120)	-	-	2,417	(11,259)	4,600
Cash and investments - ending	$ 55	$ -	$ 95,317	$ -	$ 2,417	$ (11,259)	$ 4,600

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, 2015
(Continued)

	Adult and Continuing Education	Adult Basic Ed (State Support)	Adult Ed (St Support) 13/14	Adult Ed (St Support) 14/15	IDOC Edinburg Grant 12/13	School Technology	Title I
Cash and investments - beginning	$ 13,316	$ -	$ (93,651)	$ -	$ -	$ 282,025	$ -
Receipts:							
Local sources	186,394	-	-	-	-	15,195	-
State sources	-	-	115,081	73,818	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	186,394	-	115,081	73,818	-	15,195	-
Disbursements:							
Instruction	206,775	-	10,000	59,155	-	1,921	-
Support services	14,494	-	11,430	15,845	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	221,269	-	21,430	75,000	-	1,921	-
Excess (deficiency) of receipts over disbursements	(34,875)	-	93,651	(1,182)	-	13,274	-
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	23,006	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	23,006	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(11,869)	-	93,651	(1,182)	-	13,274	-
Cash and investments - ending	$ 1,447	$ -	$ -	$ (1,182)	$ -	$ 295,299	$ -

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, 2015
(Continued)

	Innovative Education Program Strategies Title V (Part A)	Adult Basic Ed Grant 12/13	Adult Ed Civics Grant 12/13	Adult Basic Ed Grant 13/14	Adult Ed Civics Grant 13/14	Adult Basic Ed Grant 14/15	Adult Ed Civics Grant 14/15
Cash and investments - beginning	$ -	$ -	$ -	$ (46,403)	$ (20,282)	$ -	$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	105,688	31,934	344,316	138,532
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	-	105,688	31,934	344,316	138,532
Disbursements:							
Instruction	-	-	-	58,132	11,151	406,884	155,776
Support services	-	-	-	1,153	501	160,714	35,034
Facilities acquisition and construction	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	-	-	59,285	11,652	567,598	190,810
Excess (deficiency) of receipts over disbursements	-	-	-	46,403	20,282	(223,282)	(52,278)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	46,403	20,282	(223,282)	(52,278)
Cash and investments - ending	$ -	$ -	$ -	$ -	$ -	$ (223,282)	$ (52,278)

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, 2015
(Continued)

	Abe Professional Development Grant 14/15	EL Civics Professional Development 14/15	Perkins Grant 12/13	Perkins Grant 13/14	Perkins Grant 14/15	Payroll Withholdings	Totals
Cash and investments - beginning	$ -	$ -	$ -	$ (74,410)	$ -	$ 13,625	$ 4,187,295
Receipts:							
Local sources	-	-	-	-	-	-	4,710,159
State sources	-	-	-	-	-	-	303,533
Federal sources	500	-	-	270,653	309,420	-	1,201,043
Other receipts	-	-	-	-	-	757,354	757,459
Total receipts	500	-	-	270,653	309,420	757,354	6,972,194
Disbursements:							
Instruction	-	-	-	21,998	234,725	-	3,528,480
Support services	5,118	2,000	-	174,245	181,526	-	2,331,703
Facilities acquisition and construction	-	-	-	-	-	-	200,536
Nonprogrammed charges	-	-	-	-	-	756,352	756,352
Total disbursements	5,118	2,000	-	196,243	416,251	756,352	6,817,071
Excess (deficiency) of receipts over disbursements	(4,618)	(2,000)	-	74,410	(106,831)	1,001	155,122
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	96,905
Transfers in	-	-	-	-	-	-	122,923
Transfers out	-	-	-	-	-	-	(122,923)
Total other financing sources (uses)	-	-	-	-	-	-	96,905
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,618)	(2,000)	-	74,410	(106,831)	1,001	252,027
Cash and investments - ending	$ (4,618)	$ (2,000)	$ -	$ -	$ (106,831)	$ 14,626	$ 4,439,322

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CENTRAL NINE CAREER CENTER
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2015

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	$ 199,479	$ 389,012

CENTRAL NINE CAREER CENTER
SCHEDULE OF LEASES AND DEBT
June 30, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
FP Mailing Solutions	Postage Meter	$ 825	3/1/2013	2/28/2018
Wells Fargo	Copiers	34,301	7/31/2013	7/31/2018
Total governmental activities		35,126		
Total of annual lease payments		$ 35,126		

CENTRAL NINE CAREER CENTER
SCHEDULE OF CAPITAL ASSETS
June 30, 2015

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	75,000
Buildings	25,571,709
Improvements other than buildings	4,509,897
Machinery, equipment, and vehicles	5,127,970
Total governmental activities	36,214,275
Total capital assets	$ 36,214,275

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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
INDIANAPOLIS, INDIANA 46204-2769

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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, 2013 to June 30, 2015. 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, 2013 to June 30, 2015.

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 2015-001 and 2015-002. 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 the 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 types 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 a 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 2015-001 and 2015-002 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
Paul D. Joyce, CPA
State Examiner

October 25, 2017

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved 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, 2014 and 2015

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	Pass-Through To Subrecipient 06-30-14	Total Federal Awards Expended 06-30-14	Pass-Through To Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15
Department of Labor							
WIOA Dislocated Worker National Reserve Demonstration Grants	Indiana Dept of Workforce Development	17.280					
Innovation Grant			5104170P12ABEGR	$ -	$ 8,623	$ -	$ -
Department of Education							
Adult Education - Basic Grants to States	Indiana Dept of Workforce Development	84.002					
Adult Basic Ed Grant 12/13			C1-3-AE-2-33	-	123,391	-	-
Adult Basic Ed Grant 13/14			C1-4-AE-3-33	-	67,676	-	105,688
Adult Basic Ed Grant 14/15			C1-5-AE-4-33	-	-	-	344,816
Adult Ed Civics Grant 12/13			C1-3-ELC-2-33	25,067	129,845	-	-
Adult Ed Civics Grant 13/14			C1-4-ELC-3-33	96,657	157,378	11,652	31,934
Adult Ed Civics Grant 14/15			C1-5-ELC-4-33	-	-	48,012	138,532
Total - Adult Education - Basic Grants to States				121,724	478,290	59,664	620,970
Career and Technical Education - Basic Grants to States	Indiana Dept of Education	84.048					
Perkins Grant 2012/13			12-4700-4265	-	289,058	-	-
Perkins Grant 2013/14			13-4700-4265	-	325,859	-	270,653
Perkins Grant 2014/15			14-4700-4265	-	-	-	309,420
Total - Career and Technical Education - Basic Grants to States				-	614,917	-	580,073
Total - Department of Education				121,724	1,093,207	59,664	1,201,043
Total federal awards expended				$ 121,724	$ 1,101,830	$ 59,664	$ 1,201,043

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 (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2014 and 2015. The information in the SEFA is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

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 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

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; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

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:	Unmodified
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

No matters are reportable.

Section III - Federal Award Findings and Questioned Costs

FINDING 2015-001

Subject: Career and Technical Education -- Basic Grants to States - Allowable Costs/Cost Principles
Federal Agency: Department of Education
Federal Program: Career and Technical Education -- Basic Grants to States
CFDA Number: 84.048
Federal Award Numbers and Years (or Other Identifying Numbers): 12-4700-4265, 13-4700-4265, 14-4700-4265
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Allowable Costs/Cost Principles
Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is not a repeat finding from the immediate prior year.

Condition

The School Corporation had not designed or implemented adequate internal controls to ensure compliance with the Allowable Costs/Cost Principles compliance requirement. There were no procedures in place to ensure that the required Semi-Annual Certifications were completed. An oversight, review, or approval process, or other compensating control, had not been established.

The required certifications for the Career and Technical Education -- Basic Grants to States program were not completed by the School Corporation.

Context

The School Corporation did not have controls in place to ensure that proper time and effort certifications were completed. The issue was systemic throughout the audit period.

Criteria

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. . . ."

OMB Circular A-87, Attachment B section 8(h) states in part:

". . . (3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.

(4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency. . . ."

Cause

Management had not developed a system of internal controls that would have ensured that the School Corporation complied with the Allowable Costs/Cost Principles requirements.

Effect

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls and implement procedures to ensure compliance with the grant agreement and the Allowable Costs/Cost Principles requirements listed above.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2015-002

Subject: Adult Education - Basic Grants to States - Allowable Costs/Cost Principles
Federal Agency: Department of Education
Federal Program: Adult Education - Basic Grants to States
CFDA Number: 84.002
Federal Award Numbers and Years (or Other Identifying Numbers): C1-3-AE-2-33, C1-4-AE-3-33, C1-5-AE-4-33, C1-3-ELC-2-33, C1-4-ELC-3-33, C1-5-ELC-4-33
Pass-Through Entity: Indiana Department of Workforce Development
Compliance Requirement: Allowable Costs/Cost Principles
Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is not a repeat finding from the immediate prior audit.

Condition

The School Corporation had not designed or implemented adequate internal controls to ensure compliance with the Allowable Costs/Cost Principles compliance requirement. There were no procedures in place to ensure that the required Semi-Annual Certifications or time and effort logs, as applicable, were being done. An oversight, review, or approval process, or other compensating control, had not been established.

The required Semi-Annual Certifications or time and effort logs for the Adult Education - Basic Grants to States program were not being kept by the School Corporation.

Context

There were no controls in place at the School Corporation to ensure that required Semi-Annual Certifications or time and effort logs were completed and maintained. The issue was systemic throughout the audit period.

Criteria

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. . . ."

OMB Circular A-87, Attachment B section 8(h) states in part:

". . . (3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.

(4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency. . . ."

Cause

Management had not developed a system of internal controls that would have ensured that the School Corporation complied with the Allowable Costs/Cost Principles compliance requirement.

Effect

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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AUDITEE-PREPARED DOCUMENTS

The subsequent documents were provided by management of the School Corporation. The documents are presented as intended by the School Corporation.

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www.centralnineadulted.org

Central Nine Career Center
Adult Education
1999 US Hwy 31 South
Greenwood, IN 46143
317.888.4401x222
FAX: 317.885.8670

October 17, 2017

Summary Schedule of Prior Audit Findings

Finding 2013-003

Fiscal year in which the finding initially occurred: 2013
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: U.S. Department of Education Contact person responsible for corrective action: Michelle Davis, Director of Adult Education
Contact Phone number: 317.888.4401

Status of Audit Finding:
Pat Green began to sign and or initial reimbursement paperwork.
Pat Green was a contracted financial advisor for adult education at Central Nine Career Center.

Finding 2013-004

Fiscal year in which the finding initially occurred: 2013
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: U.S. Department of Education Contact person responsible for corrective action: Michelle Davis, Director of Adult Education
Contact Phone number: 317.888.4401

Status of Audit Finding:
The documentation was received and filed with the grant paperwork.

Finding 2013-005

Fiscal year in which the finding initially occurred: 2013
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: U.S. Department of Education Contact person responsible for corrective action: Michelle Davis, Director of Adult Education
Contact Phone number: 317.888.4401

Status of Audit Finding:
Central Nine implemented reimbursement spreadsheets that were created and shared with sub recipients. These were looked at quarterly to ensure the sub recipients were being monitored.

Michelle Davis
Director of Adult Education
10-17-17

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2013-006

Fiscal year in which the finding initially occurred: 2013
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: U.S. Department of Education
Contact Person Responsible for Corrective Action: Cindy Payton, Business Manager/Treasurer
Contact Phone Number: 317-888-4401

Status of Audit Finding: Segregation of Duties were put in place as a control over federal grant management. Grant reimbursement request forms are prepared by the Business Manager with expenditure reports included as documentation. The grant reimbursement request form is signed by the Business Manager and the Director. Funds are receipted in Komputrol when received by the Assistant Treasurer. The Business Manager also signs the revenue receipt as a cash management control. Internal control changes were implemented immediately after they were brought to our attention at the exit conference on 3/4/14.

Cindy Payton

Cindy Payton

Business Manager/Treasurer

October 25, 2017

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CORRECTIVE ACTION PLAN

FINDING 2015-001
Contact Person Responsible for Corrective Action: Nicole Otte
Contact Phone Number: 317-888-4401 ext. 244

Views of Responsible Official: This was a finding from a 2015 Perkins Financial Audit. Therefore, we put corrective actions into place at that time.

Description of Corrective Action Plan: In July of 2015, we implemented use of Personnel Activity Reports for employees whose salaries were partially out of the Perkins Grant. We also implemented Semi-Annual Certifications for those employees whose positions are fully funded through the grant. This process remains in place at this time, and will continue to be utilized in the future.

Anticipated Completion Date: July 2015

Cindy Payton
(Signature)

BUSINESS MANAGER
(Title)

10/25/17
(Date)

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October 24, 2017

Finding 2015-008.

Contact Person Responsible for Corrective Action: Michelle Davis
Contact Phone Number: 317-888-4401

Views of Responsible Official: I agree with the findings.

Description of Corrective Action Plan: The Adult Education program will implement the required Time and Effort Reports.

Anticipated Completion Date: The Adult Education program will begin implementation November 2017.

Michelle Davis
Director of Adult Education
10-25-17

OTHER REPORTS

In addition to this report, other reports may have been issued for the School Corporation. All reports can be found on the Indiana State Board of Accounts' website: http://www.in.gov/sboa/.