

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

AUDIT REPORT
OF
SOUTHEASTERN CAREER CENTER
RIPLEY COUNTY, INDIANA
July 1, 2005 to June 30, 2007



FILED
05/23/2008

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report on Financial Statements and Supplementary Schedule of Expenditures of Federal Awards	3-4
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	5-6
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Activities and Net Assets - Cash and Investment Basis.....	7-8
Fund Financial Statements:	
Governmental Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances - Cash and Investment Basis - Governmental Funds	9-10
Notes to Financial Statements	11-17
Required Supplementary Information:	
Schedule of Funding Progress	18
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances - Cash and Investment Basis - Other Governmental Funds.....	19-24
Audit Results and Comments:	
Investments	25
Accounts Payable Vouchers.....	25
Capital Asset Records	25
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.....	28-29
Schedule of Expenditures of Federal Awards	30
Notes to Schedule of Expenditures of Federal Awards.....	31
Schedule of Findings and Questioned Costs	32
Auditee Prepared Schedule:	
Summary Schedule of Prior Audit Findings	33
Exit Conference.....	34

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Deborah Tompkins	07-01-05 to 06-30-08
Director	Bradley Street	07-01-05 to 06-30-08
President of the Board of Managers	Ted Ahaus	07-01-05 to 06-30-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE SOUTHEASTERN CAREER CENTER, RIPLEY COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Southeastern Career Center (School Corporation), as of and for the years ended June 30, 2006 and 2007, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the School Corporation prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2006 and 2007, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated March 31, 2008, 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 and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the School Corporation taken as a whole. 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedule of Funding Progress as listed in the Table of Contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The School Corporation has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

STATE BOARD OF ACCOUNTS

March 31, 2008



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE SOUTHEASTERN CAREER CENTER, RIPLEY COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Southeastern Career Center (School Corporation), as of and for the years ended June 30, 2006 and 2007, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated March 31, 2008. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses, as defined above.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
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 statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance 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.

This report is intended solely for the information and use of the School Corporation's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

March 31, 2008

SOUTHEASTERN CAREER CENTER
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2006

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Totals</u>
Governmental activities:			
Instruction	\$ 1,934,350	\$ -	\$ (1,934,350)
Support services	2,637,560	46,838	(2,590,722)
Community services	7,331	-	(7,331)
Nonprogrammed charges	<u>54,204</u>	<u>-</u>	<u>(54,204)</u>
Total governmental activities	<u>\$ 4,633,445</u>	<u>\$ 46,838</u>	<u>(4,586,607)</u>
General receipts:			
Other local sources			586,221
State aid			240,296
Grants and contributions not restricted to specific programs			1,513,049
Sale of property, adjustments, and refunds			111,187
Investment earnings			53,549
Intergovernmental transfers			<u>2,330,249</u>
Total general receipts and intergovernmental transfers			<u>4,834,551</u>
Change in net assets			247,944
Net assets - beginning			<u>2,166,139</u>
Net assets - ending			<u>\$ 2,414,083</u>
<u>Assets</u>			
Cash and investments			<u>\$ 2,414,083</u>
<u>Net Assets</u>			
Unrestricted			<u>\$ 2,414,083</u>

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

SOUTHEASTERN CAREER CENTER
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2007

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>	<u>Charges for Services</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
				<u>Totals</u>
Governmental activities:				
Instruction	\$ 2,058,446	\$ -		\$ (2,058,446)
Support services	2,949,836	56,805		(2,893,031)
Nonprogrammed charges	<u>108,780</u>	<u>-</u>		<u>(108,780)</u>
Total governmental activities	<u>\$ 5,117,062</u>	<u>\$ 56,805</u>		<u>(5,060,257)</u>
General receipts:				
Other local sources				837,532
State aid				343,976
Grants and contributions not restricted to specific programs				672,108
Sale of property, adjustments, and refunds				252,893
Investment earnings				65,575
Intergovernmental transfers				<u>2,247,562</u>
Total general receipts and intergovernmental transfers				<u>4,419,646</u>
Change in net assets				(640,611)
Net assets - beginning				<u>2,414,083</u>
Net assets - ending				<u>\$ 1,773,472</u>
<u>Assets</u>				
Cash and investments				<u>\$ 1,773,472</u>
<u>Net Assets</u>				
Unrestricted				<u>\$ 1,773,472</u>

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

SOUTHEASTERN CAREER CENTER
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2006

	General	Lilly Grant/ Indiana Virtual Academy	Capital Projects	Other	Totals
Receipts:					
Local sources	\$ 527,959	\$ 906,899	\$ 619	\$ 74,169	\$ 1,509,646
State sources	103,800	-	-	136,496	240,296
Federal sources	19,263	-	-	670,749	690,012
Sale of property, adjustments and refunds	88,103	18,583	4,500	-	111,186
Intergovernmental transfers	<u>2,204,866</u>	<u>-</u>	<u>125,383</u>	<u>-</u>	<u>2,330,249</u>
Total receipts	<u>2,943,991</u>	<u>925,482</u>	<u>130,502</u>	<u>881,414</u>	<u>4,881,389</u>
Disbursements:					
Current:					
Instruction	1,280,130	-	-	654,220	1,934,350
Support services	1,594,836	655,876	160,573	226,275	2,637,560
Community services	-	-	-	7,331	7,331
Nonprogrammed charges	<u>1,200</u>	<u>53,004</u>	<u>-</u>	<u>-</u>	<u>54,204</u>
Total disbursements	<u>2,876,166</u>	<u>708,880</u>	<u>160,573</u>	<u>887,826</u>	<u>4,633,445</u>
Excess (deficiency) of receipts over disbursements	<u>67,825</u>	<u>216,602</u>	<u>(30,071)</u>	<u>(6,412)</u>	<u>247,944</u>
Other financing sources (uses):					
Transfers in	-	-	21,012	-	21,012
Transfers out	<u>(21,012)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,012)</u>
Total other financing sources (uses)	<u>(21,012)</u>	<u>-</u>	<u>21,012</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	46,813	216,602	(9,059)	(6,412)	247,944
Cash and investments - beginning	<u>674,168</u>	<u>1,368,402</u>	<u>198,967</u>	<u>(75,398)</u>	<u>2,166,139</u>
Cash and investments - ending	<u>\$ 720,981</u>	<u>\$ 1,585,004</u>	<u>\$ 189,908</u>	<u>\$ (81,810)</u>	<u>\$ 2,414,083</u>
Cash and Investment Assets - Ending					
Cash and investments	<u>\$ 720,981</u>	<u>\$ 1,585,004</u>	<u>\$ 189,908</u>	<u>\$ (81,810)</u>	<u>\$ 2,414,083</u>
Cash and Investment Fund Balance - Ending					
Unrestricted	<u>\$ 720,981</u>	<u>\$ 1,585,004</u>	<u>\$ 189,908</u>	<u>\$ (81,810)</u>	<u>\$ 2,414,083</u>

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

SOUTHEASTERN CAREER CENTER
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2007

	General	Lilly Grant/ Indiana Virtual Academy	Capital Projects	Other	Totals
Receipts:					
Local sources	\$ 769,997	\$ 141,106	\$ 3,468	\$ 90,724	\$ 1,005,295
State sources	90,152	108,780	-	145,044	343,976
Federal sources	2,400	-	-	624,325	626,725
Sale of property, adjustments and refunds	235,995	12,081	4,817	-	252,893
Intergovernmental transfers	1,999,519	-	248,043	-	2,247,562
Total receipts	<u>3,098,063</u>	<u>261,967</u>	<u>256,328</u>	<u>860,093</u>	<u>4,476,451</u>
Disbursements:					
Current:					
Instruction	1,414,458	-	-	643,988	2,058,446
Support services	1,783,855	512,378	445,453	208,150	2,949,836
Nonprogrammed charges	108,780	-	-	-	108,780
Total disbursements	<u>3,307,093</u>	<u>512,378</u>	<u>445,453</u>	<u>852,138</u>	<u>5,117,062</u>
Excess (deficiency) of receipts over disbursements	<u>(209,030)</u>	<u>(250,411)</u>	<u>(189,125)</u>	<u>7,955</u>	<u>(640,611)</u>
Other financing sources (uses):					
Transfers in	-	-	10,000	-	10,000
Transfers out	(10,000)	-	-	-	(10,000)
Total other financing sources (uses)	<u>(10,000)</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(219,030)</u>	<u>(250,411)</u>	<u>(179,125)</u>	<u>7,955</u>	<u>(640,611)</u>
Cash and investments - beginning	<u>720,981</u>	<u>1,585,004</u>	<u>189,908</u>	<u>(81,810)</u>	<u>2,414,083</u>
Cash and investments - ending	<u>\$ 501,951</u>	<u>\$ 1,334,593</u>	<u>\$ 10,783</u>	<u>\$ (73,855)</u>	<u>\$ 1,773,472</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	<u>\$ 501,951</u>	<u>\$ 1,334,593</u>	<u>\$ 10,783</u>	<u>\$ (73,855)</u>	<u>\$ 1,773,472</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Unrestricted	<u>\$ 501,951</u>	<u>\$ 1,334,593</u>	<u>\$ 10,783</u>	<u>\$ (73,855)</u>	<u>\$ 1,773,472</u>

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

SOUTHEASTERN CAREER CENTER
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

The School Corporation is a vocational co-op established by area schools to provide vocational educational services to students of participating school corporations. The establishment of a vocational co-op is authorized under the laws of the State of Indiana. The School Corporation operates under a Board of Managers composed of one representative from each of the following participating schools.

Batesville Community School Corporation
Jac-Cen-Del Community School Corporation
Jennings County School Corporation
Lawrenceburg Community School Corporation
Milan Community School Corporation
Rising Sun-Ohio County Community School Corporation
South Dearborn Community School Corporation
South Ripley Community School Corporation
Southwestern-Jefferson County Consolidated School Corporation
Sunman-Dearborn Community School Corporation
Switzerland County School Corporation

The accompanying financial statements present the activities of the School Corporation (primary government). There are no significant component units which require inclusion.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statements of Activities and Net Assets - Cash and Investments Basis display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the School Corporation has not established any proprietary or fiduciary funds.

SOUTHEASTERN CAREER CENTER
NOTES TO FINANCIAL STATEMENTS
(Continued)

The School Corporation reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Lilly grant fund (also known as Indiana Virtual Academy) accounts for a grant received from a private foundation for a technology based initiative to support grades K-12 curriculum development.

The capital projects fund accounts for planned construction, repair, replacement or remodeling; and the purchase, lease, upgrade, maintenance, or repair of computer equipment.

C. Measurement Focus and Basis of Accounting

The government-wide and governmental fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Investment transactions are not presented on the financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, the School Corporation's policy is to use restricted resources first, then unrestricted resources as they are needed.

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Compensated Absences

a. Sick Leave

Employees earn sick leave at the rate of 6 to 10 days per year depending upon job classification. Unused sick leave may be accumulated to a maximum of 35 days for non-certified employees and 185 days for certified employees. A portion of accumulated sick leave is paid to employees upon retirement as part of a severance pay policy.

b. Vacation Leave

Nonteaching or administrative and full-time noncertified School Corporation employees earn vacation leave at the rate 12 days per year. Vacation leave does not accumulate from year to year.

SOUTHEASTERN CAREER CENTER
NOTES TO FINANCIAL STATEMENTS
(Continued)

c. Personal Leave

School Corporation employees earn personal leave at the rate of 2 to 3 days per school year depending upon job classification. Unused personal leave may be added toward the accumulated sick leave; except for, the certified employees can elect to be paid the current substitute pay rate for each unused personal day.

E. Receipts and Disbursements

Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts.

II. Detailed Notes on All Funds

Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

Authorization for investment activity is stated in Indiana Code 5-13.

Investment Policies

Indiana Code 5-13-9 authorizes the School Corporation to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the School Corporation to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held

SOUTHEASTERN CAREER CENTER
NOTES TO FINANCIAL STATEMENTS
(Continued)

by the School Corporation and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the School Corporation may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the School Corporation's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

III. Other Information

A. Risk Management

The School Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, and dependents; and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

Medical Benefits to Employees

During 1999, the School Corporation joined with other governmental entities to form the Southeastern Indiana Insurance Consortium, a public entity risk pool currently operating as a common risk management and insurance program for eight member governmental entities. The purpose of the risk pool is to provide a medium for the funding and administration of medical benefits to employees. The School Corporation pays an annual premium to the risk pool for its medical benefits to employees coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$100,000 per insured event. The insurance company is responsible for any individual's claim in excess of \$100,000 in a plan year.

B. Subsequent Events

In 2001, the Southeastern Career Center received a grant from the Lilly Endowment Inc., in the amount of \$4,917,178 to implement a "virtual consolidation" of Ripley County school corporations.

SOUTHEASTERN CAREER CENTER
NOTES TO FINANCIAL STATEMENTS
(Continued)

The virtual consolidation was originally called Ripley County Learning Network (RCLN) and in May 2005 it was renamed Indiana Virtual Academy (IndVA). In February 2008, the State Board of Education allowed IndVA to become a separate legal entity under the provisions of the Interlocal Cooperation Act, Indiana Code 36-1-7 and will have powers conferred by Indiana Code 20-26-1.

C. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The School Corporation's annual pension cost and related information, as provided by the actuary, is presented in this note.

SOUTHEASTERN CAREER CENTER
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 33,691
Interest on net pension obligation	(1,950)
Adjustment to annual required contribution	2,223
Annual pension cost	33,964
Contributions made	25,100
Increase in net pension obligation	8,864
Net pension obligation, beginning of year	(26,901)
Net pension obligation, end of year	\$ (18,037)

Contribution rates:

School Corporation	7%
Plan members	3%
Actuarial valuation date	07-01-06
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	40 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

Actuarial Assumptions

Investment rate of return	7.25%
Projected future salary increases:	
Total	5%
Attributed to inflation	4%
Attributed to merit/seniority	1%
Cost-of-living adjustments	2%

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-04	\$ 25,107	108%	\$ (30,788)
	06-30-05	30,190	87%	(26,901)
	06-30-06	33,964	74%	(18,037)

SOUTHEASTERN CAREER CENTER
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

Teachers' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Teachers' Retirement Fund (TRF), a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State statute (IC 5-10.2) governs, through the TRF Board, most requirements of the system and gives the School Corporation authority to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

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

Teachers' Retirement Fund
150 West Market Street
Indianapolis, IN 46204
Ph. (317) 232-3860

Funding Policy and Annual Pension Costs

The School Corporation contributes the employer's share to TRF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana.

The School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2007, 2006, and 2005, were \$73,078, \$66,393, and \$69,181, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

SOUTHEASTERN CAREER CENTER
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-04	\$ 365,490	\$ 445,312	\$ (79,822)	82%	\$ 452,981	(18%)
07-01-05	386,312	537,688	(151,376)	72%	399,010	(38%)
07-01-06	368,532	430,332	(61,800)	86%	361,817	(17%)

SOUTHEASTERN CAREER CENTER
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006

	Food Service	Textbook Rental	Adult Education English Literacy Civics 2005-2006	Even Start 2003-2004	Even Start 2004-2005	Even Start 2005-2006	GED
Receipts:							
Local sources	\$ -	\$ 46,838	\$ -	\$ -	\$ -	\$ -	\$ 9,656
State sources	-	-	-	-	-	-	-
Federal sources	-	-	33,000	-	-	164,230	-
Total receipts	-	46,838	33,000	-	-	164,230	9,656
Disbursements:							
Current:							
Instruction	1,451	238	29,574	-	641	29,050	2,810
Support services	-	49,603	3,426	152	1,554	124,849	-
Community services	-	-	-	-	-	7,331	-
Total disbursements	1,451	49,841	33,000	152	2,195	161,230	2,810
Excess (deficiency) of receipts over disbursements	(1,451)	(3,003)	-	(152)	(2,195)	3,000	6,846
Cash and investments - beginning	1,451	14,600	-	152	2,195	-	-
Cash and investments - ending	\$ -	\$ 11,597	\$ -	\$ -	\$ -	\$ 3,000	\$ 6,846
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ 11,597	\$ -	\$ -	\$ -	\$ 3,000	\$ 6,846
<u>Cash and Investment Fund Balance - Ending</u>							
Unrestricted	\$ -	\$ 11,597	\$ -	\$ -	\$ -	\$ 3,000	\$ 6,846

SOUTHEASTERN CAREER CENTER
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Adult Basic Ed. Federal 2003-2004	Adult Basic Ed. State 2003-2004	Adult Basic Ed. Local 2003-2004	Adult Basic Ed. Federal 2004-2005	Adult Basic Ed. State 2004-2005	Adult Basic Ed. Local 2005-2006
Receipts:						
Local sources	\$ -	\$ -	\$ 3,409	\$ 20	\$ 1,142	\$ 11,975
State sources	-	-	-	-	61,774	-
Federal sources	-	-	-	67	-	-
Total receipts	-	-	3,409	87	62,916	11,975
Disbursements:						
Current:						
Instruction	9,469	2,298	-	19,265	-	-
Support services	-	-	-	10	-	-
Community services	-	-	-	-	-	-
Total disbursements	9,469	2,298	-	19,275	-	-
Excess (deficiency) of receipts over disbursements	(9,469)	(2,298)	3,409	(19,188)	62,916	11,975
Cash and investments - beginning	9,469	2,298	15,175	19,188	(62,916)	-
Cash and investments - ending	\$ -	\$ -	\$ 18,584	\$ -	\$ -	\$ 11,975
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ 18,584	\$ -	\$ -	\$ 11,975
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	\$ -	\$ -	\$ 18,584	\$ -	\$ -	\$ 11,975

SOUTHEASTERN CAREER CENTER
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Adult Basic Ed. Federal 2005-2006	Adult Basic Ed. State 2005-2006	Carl Perkins 2004-2005	Carl Perkins 2005-2006	High Schools That Work	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 1,129	\$ 74,169
State sources	-	74,722	-	-	-	136,496
Federal sources	118,494	-	94,468	258,490	2,000	670,749
Total receipts	118,494	74,722	94,468	258,490	3,129	881,414
Disbursements:						
Current:						
Instruction	68,313	136,995	19,546	333,529	1,041	654,220
Support services	37,006	-	-	9,675	-	226,275
Community services	-	-	-	-	-	7,331
Total disbursements	105,319	136,995	19,546	343,204	1,041	887,826
Excess (deficiency) of receipts over disbursements	13,175	(62,273)	74,922	(84,714)	2,088	(6,412)
Cash and investments - beginning	-	-	(74,922)	-	(2,088)	(75,398)
Cash and investments - ending	\$ 13,175	\$ (62,273)	\$ -	\$ (84,714)	\$ -	\$ (81,810)
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 13,175	\$ (62,273)	\$ -	\$ (84,714)	\$ -	\$ (81,810)
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	\$ 13,175	\$ (62,273)	\$ -	\$ (84,714)	\$ -	\$ (81,810)

SOUTHEASTERN CAREER CENTER
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007

	Textbook Rental	Adult Education English Literacy Civics 2006-2007	Even Start 2005-2006	Even Start 2006-2007	GEED	Adult Basic Ed. Federal 2006-2007
Receipts:						
Local sources	\$ 47,191	\$ -	\$ -	\$ -	\$ 8,698	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	33,000	-	139,390	-	117,515
Total receipts	47,191	33,000	-	139,390	8,698	117,515
Disbursements:						
Current:						
Instruction	-	25,473	-	21,903	3,292	72,840
Support services	38,277	4,957	3,000	116,701	-	36,116
Total disbursements	38,277	30,430	3,000	138,604	3,292	108,956
Excess (deficiency) of receipts over disbursements	8,914	2,570	(3,000)	786	5,406	8,559
Cash and investments - beginning	11,597	-	3,000	-	6,846	-
Cash and investments - ending	\$ 20,511	\$ 2,570	\$ -	\$ 786	\$ 12,252	\$ 8,559
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 20,511	\$ 2,570	\$ -	\$ 786	\$ 12,252	\$ 8,559
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	\$ 20,511	\$ 2,570	\$ -	\$ 786	\$ 12,252	\$ 8,559

SOUTHEASTERN CAREER CENTER
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Adult Basic Ed. State 2006-2007	Adult Basic Ed. Local 2004-2005	Adult Basic Ed. Local 2005-2006	Adult Basic Ed. Federal 2005-2006	Adult Basic Ed. State 2005-2006
Receipts:					
Local sources	\$ -	\$ -	\$ 14,824	\$ -	\$ -
State sources	82,771	-	-	-	62,273
Federal sources	-	-	-	-	-
	<u>82,771</u>	<u>-</u>	<u>14,824</u>	<u>-</u>	<u>62,273</u>
Total receipts					
Disbursements:					
Current:					
Instruction	143,888	18,584	26,799	13,076	-
Support services	-	-	-	99	-
	<u>143,888</u>	<u>18,584</u>	<u>26,799</u>	<u>13,175</u>	<u>-</u>
Total disbursements					
Excess (deficiency) of receipts over disbursements	<u>(61,117)</u>	<u>(18,584)</u>	<u>(11,975)</u>	<u>(13,175)</u>	<u>62,273</u>
Cash and investments - beginning	-	18,584	11,975	13,175	(62,273)
Cash and investments - ending	<u>\$ (61,117)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	<u>\$ (61,117)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Unrestricted	<u>\$ (61,117)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SOUTHEASTERN CAREER CENTER
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Adult Basic Ed. Local 2006-2007	Carl Perkins 2006-2007	Carl Perkins 2005-2006	High Schools That Work	Totals
Receipts:					
Local sources	\$ 20,011	\$ -	\$ -	\$ -	\$ 90,724
State sources	-	-	-	-	145,044
Federal sources	-	247,230	85,690	1,500	624,325
Total receipts	<u>20,011</u>	<u>247,230</u>	<u>85,690</u>	<u>1,500</u>	<u>860,093</u>
Disbursements:					
Current:					
Instruction	-	316,545	873	715	643,988
Support services	-	9,000	-	-	208,150
Total disbursements	<u>-</u>	<u>325,545</u>	<u>873</u>	<u>715</u>	<u>852,138</u>
Excess (deficiency) of receipts over disbursements	<u>20,011</u>	<u>(78,315)</u>	<u>84,817</u>	<u>785</u>	<u>7,955</u>
Cash and investments - beginning	-	-	(84,714)	-	(81,810)
Cash and investments - ending	<u>\$ 20,011</u>	<u>\$ (78,315)</u>	<u>\$ 103</u>	<u>\$ 785</u>	<u>\$ (73,855)</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	<u>\$ 20,011</u>	<u>\$ (78,315)</u>	<u>\$ 103</u>	<u>\$ 785</u>	<u>\$ (73,855)</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Unrestricted	<u>\$ 20,011</u>	<u>\$ (78,315)</u>	<u>\$ 103</u>	<u>\$ 785</u>	<u>(73,855)</u>

SOUTHEASTERN CAREER CENTER
AUDIT RESULTS AND COMMENTS

INVESTMENTS

The review of investments and investment transactions noted the following exceptions:

- (1) The School Corporation purchased a certificate of deposit on December 28, 2005, that matures on December 31, 2010.

Indiana Code 5-13-9-5.6 states in part: ". . . investments made under this chapter must have a stated final maturity of not more than: . . . (3) two (2) years . . . after the date of purchase . . ."

- (2) Interest earned on a Money Market Account as of June 30, 2007, in the amount of \$26,884.38, was not posted to the financial records until December 2007.

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

ACCOUNTS PAYABLE VOUCHERS

The following deficiencies were noted regarding accounts payable vouchers:

- (1) Twenty percent (20%) of accounts payable vouchers we reviewed did not have the signature of the person who had received the goods or services.
- (2) Four out of seven credit card payments reviewed did not have all of the required supporting documentation. Missing supported documentation included: (a) itemized receipts for restaurant charges totaling \$335.56; an invoice from Priority Electronics in the amount of \$112.99; and receipts from Wal-Mart Supercenter in the amount of \$211.86.

Indiana Code 5-11-10-1.6(c) states in part: "The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services; . . ."

A similar comment was reported in the prior Report B26685.

CAPITAL ASSET RECORDS

The Career Center has capital asset records but these records have not been updated with the additions and deletions.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

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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

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE SOUTHEASTERN CAREER CENTER, RIPLEY COUNTY, INDIANA

Compliance

We have audited the compliance of the Southeastern Career Center (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2006 and 2007. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

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. Our audit does not provide a legal determination of the School Corporation's compliance with those requirements.

In our opinion, the School Corporation complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2006 and 2007.

Internal Control Over Compliance

The management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

A control deficiency in a School Corporation's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies or material weaknesses, as defined above.

This report is intended solely for the information and use of the School Corporation's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

March 31, 2008

SOUTHEASTERN CAREER CENTER
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2006 and 2007

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-06	Total Federal Awards Expended 06-30-07
U.S. DEPARTMENT OF LABOR				
Pass-Through Indiana Department of Workforce Development Trade Adjustment Assistance	17.245	NTN-BCA	\$ 18,922	\$ 5,724
Total for federal grantor agency			<u>18,922</u>	<u>5,724</u>
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education Adult Education-State Grant Program	84.002			
FY 03-04		V003A020014 FY04-8034	9,469	-
FY 04-05		V004A020014 FY05-8034	19,255	-
FY 05-06		V002A050014 FY06-8034	105,319	13,175
FY 06-07		V002A060014 FY07-8034	-	108,956
FY 05-06 Civics Program		V002A050014 FY05-8409	33,000	-
FY 06-07 Civics Program		V002A060014 FY06-8409	-	30,430
Total for program			<u>167,043</u>	<u>152,561</u>
Vocational Education - Basic Grants to States	84.048			
FY 04-05		05-4700-6915	19,546	-
FY 05-06		06-4700-6915	343,204	873
FY 06-07		07-4700-6915	-	325,545
High School That Works		05-1303-6915	2,000	-
High School That Works		06-1303-6915	-	715
Total for program			<u>364,750</u>	<u>327,133</u>
Even Start - State Educational Agencies	84.213			
FY 03-04		S213C030015 FY04-1011	152	-
FY 04-05		S213C040015 FY05-1011	2,195	-
FY 05-06		S213C050015 FY06-1011	161,230	3,000
FY 06-07		S213C060015 FY07-1007	-	138,604
Total for program			<u>163,577</u>	<u>141,604</u>
Total for federal grantor agency			<u>695,370</u>	<u>621,298</u>
Total federal awards expended			<u>\$ 714,292</u>	<u>\$ 627,022</u>

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

SOUTHEASTERN CAREER CENTER
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Southeastern Career Center (School Corporation) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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 the Indiana Code (IC 5-11-1 et seq.), audits of School Corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

II. Subrecipients

Of the federal expenditures presented in the schedule, the School Corporation provided federal awards to subrecipients as follows for the years ended June 30, 2006 and 2007:

Program Title	Federal CFDA Number	2006	2007
Even Start - State Educational Agencies	84.213	<u>\$ 140,302</u>	<u>\$ 115,277</u>

SOUTHEASTERN CAREER CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:
 Material weaknesses identified? no
 Reportable conditions identified that are not considered to be material weaknesses? none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:
 Material weaknesses identified? no
 Reportable conditions identified that are not considered to be material weaknesses? none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.002	Adult Education - State Grant Program
84.048	Vocational Education - Basic Grants to States
84.213	Even Start - State Educational Agencies

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

No matters are reportable.

SOUTHEASTERN CAREER CENTER
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

SOUTHEASTERN CAREER CENTER
EXIT CONFERENCE

The contents of this report were discussed on March 31, 2008, with Bradley Street, Director; Ted Ahaus, President of School Board; and Deborah Tompkins, Treasurer. The officials concurred with our audit findings.