

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF
SOUTH CENTRAL AREA VOCATIONAL SCHOOL
ORANGE COUNTY, INDIANA
July 1, 2003 to June 30, 2006



FILED
10/02/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Mary Durbin	07-01-03 to 06-30-07
Director	David D. Embree	07-01-03 to 06-30-07
President of the School Board	Rick Roberts	07-01-03 to 06-30-07



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE SOUTH CENTRAL AREA VOCATIONAL
SCHOOL, ORANGE COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the South Central Area Vocational School (School Corporation), for the period of July 1, 2003 to June 30, 2006. The School Corporation's management is responsible for the schedules. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the schedule of receipts, disbursements, and cash and investment balances and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedules referred to above present fairly, in all material respects, the cash transactions of the School Corporation for the years ended June 30, 2004, 2005, and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

September 12, 2006

SOUTH CENTRAL AREA VOCATIONAL SCHOOL
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Years Ended June 30, 2003, 2004, And 2005

	Cash and Investments 07-01-03	Receipts	Disbursements	Cash and Investments 06-30-04
Governmental Funds:				
General	\$ 157,540	\$ 181,013	\$ 307,379	\$ 31,174
Textbook Rental	8,343	-	8,343	-
Alternative Success 2000	2,536	-	-	2,536
Welding Materials	1,155	360	1,515	-
Building Trades Material	(35)	35	-	-
Commercial Food Material	100	-	-	100
Drafting Material	76	-	36	40
Industrial Maintenance	308	-	258	50
Furniture Production Material	184	-	17	167
Health Material	122	-	7	115
Horticulture Material	2,737	-	-	2,737
Information Technologies	212	-	-	212
Adult Continuing Education	4,490	-	-	4,490
H.S. Credit Alternative	5,761	-	-	5,761
Tech Prep 2001	36	-	-	36
Basic Grant 2002-03	32,421	45,853	78,274	-
Breadwinners 1998-99	36	-	-	36
School to Work Grant	64	-	-	64
Fiduciary Fund:				
Payroll Fund	11,559	4,641	15,714	486
Totals	<u>\$ 227,645</u>	<u>\$ 231,902</u>	<u>\$ 411,543</u>	<u>\$ 48,004</u>

	Cash and Investments 07-01-04	Receipts	Disbursements	Cash and Investments 06-30-05
Governmental Funds:				
General	\$ 31,174	\$ 14,667	\$ 14,169	\$ 31,672
Alternative Success 2000	2,536	-	2,536	-
Commercial Food Material	100	-	100	-
Drafting Material	40	-	40	-
Industrial Maintenance	50	-	50	-
Furniture Production Material	167	-	167	-
Health Material	115	-	115	-
Horticulture Material	2,737	-	2,737	-
Information Technologies	212	-	212	-
Adult Continuing Education	4,490	-	4,490	-
H.S. Credit Alternative	5,761	-	5,761	-
Tech Prep 2001	36	-	36	-
Breadwinners 1998-99	36	-	36	-
School to Work Grant	64	-	64	-
Fiduciary Fund:				
Payroll Fund	486	-	486	-
Totals	<u>\$ 48,004</u>	<u>\$ 14,667</u>	<u>\$ 30,999</u>	<u>\$ 31,672</u>

	Cash and Investments 07-01-05	Receipts	Disbursements	Cash and Investments 06-30-06
Governmental Fund:				
General	<u>\$ 31,672</u>	<u>\$ 1,257</u>	<u>\$ 7,545</u>	<u>\$ 25,384</u>

The accompanying notes are an integral part of the schedules.

SOUTH CENTRAL AREA VOCATIONAL SCHOOL
NOTES TO SCHEDULES

Note 1. Introduction

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 and general administrative services.

Note 2. Fund Accounting

The School Corporation uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

Annual budgets are adopted on the cash basis. Prior to June 30, the Treasurer submits to the School Board a proposed operating budget for the year commencing July 1. The School Board reviews and approves the budget.

The School Corporation's management cannot transfer budgeted appropriations without approval of the School Board.

Note 4. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were 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 statute (IC 5-13-9) authorizes the School Corporation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Subsequent Event

The four participating schools agreed to discontinue operation of the School Corporation as of June 30, 2003. All of the assets were sold at a public auction on July 31, 2003.

The sale of the real estate resulted in a lawsuit being filed against the School Corporation. As of September 12, 2006, litigation in regards to the sale of the real estate is still ongoing. Therefore, the School Corporation could not be dissolved even though classes are no longer being held there. The School Corporation's Board continues to meet and pay necessary claims on property (e.g., utility bills, insurance, legal bills).

Paoli Community School Corporation, Springs Valley Community School Corporation and West Washington School Corporation formed a new cooperative as of July 1, 2003. The new cooperative is named Lost River Career Cooperative and the office is located at 610 Elm Street, Paoli, IN 47454.

SOUTH CENTRAL AREA VOCATIONAL SCHOOL
EXIT CONFERENCE

The contents of this report were discussed on September 13, 2006, with David D. Embree, Director; and Mary Durbin, Treasurer. Our examination disclosed no material items that warrant comment at this time.