

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

SOUTH CENTRAL AREA VOCATIONAL SCHOOL

ORANGE COUNTY, INDIANA

July 1, 2010 to January 31, 2013



FILED
04/25/2014

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Sonya McKeighen	07-01-10 to 05-02-12
	(Vacant)	05-03-12 to 05-07-12
	Naomi Heinz	05-08-12 to 01-31-13
Director	David D. Embree	07-01-10 to 06-15-11
	(Vacant)	06-16-11 to 07-31-11
	David D. Embree	08-01-11 to 01-23-12
	Roberta Jackson	01-24-12 to 05-20-12
	Kevin Knies	05-21-12 to 01-31-13
President of the School Board	Rick Roberts	07-01-10 to 06-30-11
	Larry Pritchett	07-01-11 to 12-31-12
	Scott Blankenbaker	01-01-13 to 01-31-13



STATE OF INDIANA
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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 accompanying financial statement of the South Central Area Vocational School (School Corporation), for the period of July 1, 2010 to January 31, 2013. The financial statement is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the financial statement based on our examination.

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

As discussed in Note 1, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The basis noted above is a different basis than that used in the prior year.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2010 to January 31, 2013.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2010 to January 31, 2013, on the basis of accounting described in Note 1.

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

February 19, 2014

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FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the School Corporation. The financial statement and notes are presented as intended by the School Corporation.

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SOUTH CENTRAL AREA VOCATIONAL SCHOOL
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended June 30, 2011, 2012 and For the Period Ended January 31, 2013

	Cash and Investments 07-01-10	Receipts	Disbursements	Cash and Investments 06-30-11	Receipts	Disbursements	Cash and Investments 06-30-12	Receipts	Disbursements	Cash and Investments 01-31-13
General	\$ 40,508	\$ 492	\$ -	\$ 41,000	\$ 511	\$ 2,203	\$ 39,308	\$ 877	\$ 40,185	\$ -

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

SOUTH CENTRAL AREA VOCATIONAL SCHOOL
NOTES TO THE FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

The School Corporation was established under the laws of the State of Indiana. The School Corporation operates under a Board of School Trustees form of government.

The accompanying financial statement presents the financial information for the School Corporation.

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. The lawsuit was settled November 2, 2006, and the sale of the real estate was finalized March 6, 2007. A counter suit was filed on behalf of the School Corporation in the Clark County Circuit Court. However, the defendant filed bankruptcy; therefore, the School Corporation could not be dissolved at that time.

The four participating School Corporations signed agreements terminating South Central Area Vocational School and a final distribution of funds was made in January 2013.

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

SOUTH CENTRAL AREA VOCATIONAL SCHOOL
NOTES TO THE FINANCIAL STATEMENT
(Continued)

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.

Note 2. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the School Corporation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

SOUTH CENTRAL AREA VOCATIONAL SCHOOL
EXIT CONFERENCE

The contents of this report were discussed on February 19, 2014, with Naomi Heinz, Treasurer; Kevin Knies, Director; and Scott Blankenbaker, President of the School Board.