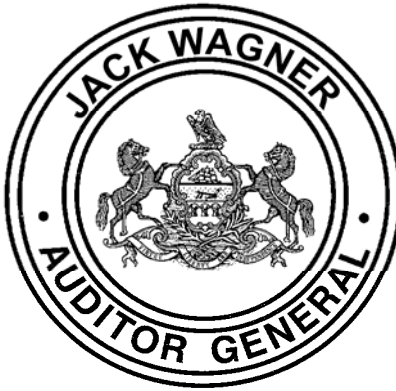


FRANKLIN COUNTY CAREER AND TECHNOLOGY CENTER

FRANKLIN COUNTY, PENNSYLVANIA

PERFORMANCE AUDIT REPORT

FOR THE YEARS ENDED JUNE 30, 2006 AND 2005,
AND IN CERTAIN AREAS EXTENDING BEYOND JUNE 30, 2006

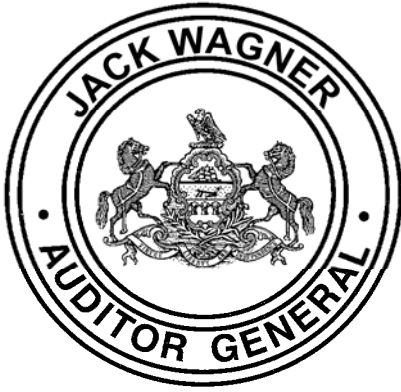


FRANKLIN COUNTY CAREER AND TECHNOLOGY CENTER
FRANKLIN COUNTY, PENNSYLVANIA
PERFORMANCE AUDIT REPORT

FOR THE YEARS ENDED JUNE 30, 2006 AND 2005,
AND IN CERTAIN AREAS EXTENDING BEYOND JUNE 30, 2006

FRANKLIN COUNTY CAREER AND TECHNOLOGY CENTER
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The Honorable Edward G. Rendell
Governor
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania 17120

Dear Governor Rendell:

We have conducted a performance audit of the Franklin County Career and Technology Center for the years ended June 30, 2006 and 2005, and in certain areas extending beyond June 30, 2006. Our audit was conducted pursuant to 72 P.S. § 403 and in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.

The objective of our audit was to determine if the Franklin County Career and Technology Center complied with applicable state laws, regulations, contracts, grant requirements, and administrative procedures falling within the scope of our audit.

To plan and perform our audit of the Franklin County Career and Technology Center, we considered the school's internal controls pertinent to our audit objectives. Based on our consideration of these internal controls we determined audit procedures for the purpose of reporting on our audit objectives, but not to provide assurance on the effectiveness of the school's internal controls. However, any significant internal control deficiencies found during our audit were included in our report.

The results of our tests indicated that, in all significant respects, the Franklin County Career and Technology Center complied with applicable state laws, regulations, contracts, grant requirements, and administrative procedures falling within the scope of our audit.

Independent Auditor's Report (Continued)

The accompanying supplementary information is presented for purposes of additional analysis. We did not audit the information and, accordingly, express no form of assurance on it.

Sincerely,

June 1, 2007

/s/
JACK WAGNER
Auditor General

FRANKLIN COUNTY CAREER AND TECHNOLOGY CENTER
PERFORMANCE AUDIT REPORT
BACKGROUND

Background

The school's administrative offices are located at 2463 Loop Road, Chambersburg, Pennsylvania.

According to school administrative officials, during the 2005-06 school year, the school provided educational services to 913 secondary pupils and 51 post-secondary pupils in various vocational and technical fields through the employment of 4 administrators, 35 teachers, and 17 full-time and part-time support personnel.

The operation, administration and management of the school is directed by a joint operating committee (JOC) which is comprised of nine members from the following school districts:

Chambersburg Area	Shippensburg Area
Fannett-Metal	Tuscarora
Greencastle-Antrim	Waynesboro Area

The JOC members are appointed by the individual school boards at the December meeting, each to serve a three year term.

Generally, state subsidies and reimbursements are paid in the year subsequent to the year in which the school incurs the cost that qualifies it for the applicable subsidy or reimbursement. While the Pennsylvania Department of Education (DE) makes partial payments to the school throughout the year, final payments are normally made in June. Refer to the Supplementary Information on pages 7 and 8 of this report for a listing of the state revenue the school received during the 2005-06 and 2004-05 school years and for descriptions of the state revenue received by category.

In July of each year, the Commonwealth's Labor, Education and Community Services, Comptroller's Office confirms the payments that were made by DE throughout the prior fiscal year. Career and technology center (CTC) annual financial reports and the related certified audits of the payments are generally not available before October 31st of the following fiscal year.

FRANKLIN COUNTY CAREER AND TECHNOLOGY CENTER
PERFORMANCE AUDIT REPORT
OBJECTIVE, SCOPE AND METHODOLOGY

OBJECTIVE AND SCOPE

Our audit objective was to determine if the Franklin County Career and Technology Center complied with applicable state laws, regulations, contracts, grant requirements, and administrative procedures falling within the scope of our audit.

The scope of our audit covered the years ended June 30, 2006 and 2005, and in certain areas extending beyond June 30, 2006.

METHODOLOGY

Our audit was conducted under authority of 72 P.S. § 403, and does not supplant the local annual audit as required by the Public School Code of 1949, as amended (Public School Code).

The proper administration of a CTC requires the joint operating committee (JOC) members to establish and maintain internal controls to provide reasonable assurance that specific CTC objectives will be achieved. JOC members are responsible for the adoption and use of policies and procedures that promote the economical and efficient conduct of assigned duties and responsibilities. In completing our audit, we obtained an understanding of the Franklin County Career and Technology Center's internal controls as they relate to the school's compliance with applicable state laws, regulations, contracts, grant requirements, and administrative procedures falling within the scope of our audit. We evaluated and tested documents, files, reports, agreements, and systems, and performed analytical procedures to the extent necessary to satisfy our audit objectives. Additionally, we interviewed selected administrators and operations personnel.

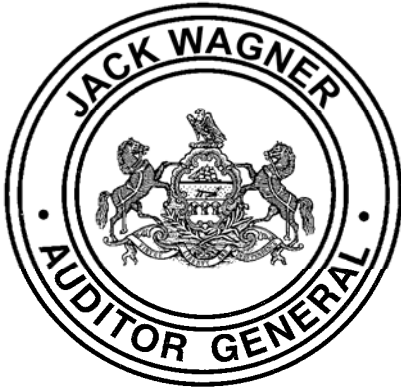
As noted in the Background section of this report, the Department of Education generally pays state subsidies and reimbursements in the fiscal year subsequent to the fiscal year in which the school incurs the qualifying cost. Because we use the payment confirmations, annual financial reports and certified audit data as supporting documentation of actual payments received in the performance of our audit, we cannot begin the field work of a CTC's operations for a given year until after this information becomes available.

FRANKLIN COUNTY CAREER AND TECHNOLOGY CENTER
PERFORMANCE AUDIT REPORT

CONCLUSION

The objective of our audit was to determine if the Franklin County Career and Technology Center complied with applicable state laws, regulations, contracts, grant requirements, and administrative procedures falling within the scope of our audit.

The results of our tests indicate that with respect to the items tested, the Franklin County Career and Technology Center complied with applicable state laws, regulations, contracts, grant requirements, and administrative procedures falling within the scope of our audit.



FRANKLIN COUNTY CAREER AND TECHNOLOGY CENTER
PERFORMANCE AUDIT REPORT

SUPPLEMENTARY INFORMATION
[UNAUDITED]

Schedule of State Revenue Received

The school reported it received state revenue of \$796,950 and \$838,895, respectively, for the years ended June 30, 2006 and 2005, as detailed in the following schedule:

	<u>2006</u>	<u>2005</u>
STATE REVENUE		
Vocational Education	\$473,724	\$472,939
Alternative Education	85,085	5,486
Vocational Training of the Unemployed	-	179,757
Social Security and Medicare Taxes	100,219	101,407
Retirement	61,922	54,306
Equipment Grant	<u>76,000</u>	<u>25,000</u>
<u>TOTAL STATE REVENUE</u>	<u>\$796,950</u>	<u>\$838,895</u>

FRANKLIN COUNTY CAREER AND TECHNOLOGY CENTER
PERFORMANCE AUDIT REPORT

SUPPLEMENTARY INFORMATION
[UNAUDITED]

Description of State Revenue Received (Source: Pennsylvania Accounting Manual)

Vocational Education

Revenue received from the Commonwealth as subsidy for vocational education expenditures which are classified as current operating expenditures and also for preliminary expenses in establishing an area vocational education school. Payments are made in accordance with Sections 2504, 2506 and 2507 of the Public School Code.

Alternative Education

Revenue received from the Commonwealth for alternative education expenditures. Alternative education is specialized educational instruction and support services to students that must be removed from regular classrooms because of disruptive behavior. These funds enable schools to provide students with a sound education course of study and counseling designed to modify disruptive behavior and return the students to a regular school curriculum.

Vocational Training of the Unemployed

Revenue received from the Commonwealth for vocational training of the unemployed. Payments are made in accordance with Section 2508.3 of the Public School Code. This account includes payments for customized job training (CJT).

Social Security and Medicare Taxes

Revenue received from the Commonwealth as subsidy designated as the Commonwealth's matching share of the employer's contribution of the Social Security and Medicare taxes for covered employees who are not federally funded.

Retirement

Revenue received from the Commonwealth as subsidy designated as the Commonwealth's matching share of the employer's contribution of retirement contributions for active members of the Public School Employees' Retirement System.

Other Program Subsidies/Grants

Revenue received from the Commonwealth not specified elsewhere.

BUREAU OF SCHOOL AUDITS

AUDIT REPORT DISTRIBUTION LIST

This report was initially distributed to the superintendent of record of the career and technology center, the joint operating committee members, our website address at www.auditorgen.state.pa.us, and the following:

The Honorable Edward G. Rendell
Governor
Commonwealth of Pennsylvania
Harrisburg, PA 17120

The Honorable Gerald Zahorchak, D.Ed.
Secretary of Education
1010 Harristown Building #2
333 Market Street
Harrisburg, PA 17126

The Honorable Robin L. Wiessmann
State Treasurer
Room 129 - Finance Building
Harrisburg, PA 17120

Mr. John Godlewski
Director, Bureau of Budget and Fiscal Management
Department of Education
4th Floor, 333 Market Street
Harrisburg, PA 17126

Dr. David Wazeter
Research Manager
Pennsylvania State Education Association
400 North Third Street - Box 1724
Harrisburg, PA 17105

Dr. David Davare
Director of Research Services
Pennsylvania School Boards Association
P.O. Box 2042
Mechanicsburg, PA 17055

This report is a matter of public record. Copies of this report may be obtained from the Pennsylvania Department of the Auditor General, Office of Communications, 318 Finance Building, Harrisburg, Pennsylvania 17120. If you have any questions regarding this report or any other matter, you may contact the Department of the Auditor General by accessing our website at www.auditorgen.state.pa.us.