

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

CARROLL CONSOLIDATED SCHOOL CORPORATION
CARROLL COUNTY, INDIANA

July 1, 2009 to June 30, 2011



FILED

01/24/2012

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report on the Financial Statement 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 the Financial Statement Performed in Accordance With Government Auditing Standards	5-6
Financial Statement: Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis.....	9
Notes to Financial Statement.....	10-14
Supplementary Information: Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis.....	16-27
Schedule of Capital Assets.....	28
Schedule of Long-Term Debt	29
Audit Results and Comments: Internal Controls Over Financial Transactions and Reporting	30
Advance Payments.....	30
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.....	32-33
Schedule of Expenditures of Federal Awards	36
Notes to Schedule of Expenditures of Federal Awards.....	37
Schedule of Findings and Questioned Costs	38-40
Auditee Prepared Schedules: Summary Schedule of Prior Audit Findings	41
Corrective Action Plan.....	42-43
Exit Conference.....	44

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Leslie Allen	07-01-09 to 06-30-2012
Superintendent of Schools	John A. Sayers	07-01-09 to 12-31-2011
President of the School Board	Sam L. Zook	07-01-09 to 06-30-2012



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE CARROLL CONSOLIDATED
SCHOOL CORPORATION, CARROLL COUNTY, INDIANA

We have audited the accompanying financial statement of the Carroll Consolidated School Corporation (School Corporation), for the years ended June 30, 2010 and 2011. This 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 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 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 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 basis of accounting noted above is a different basis than that used in the prior year.

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 years ended June 30, 2010 and 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated December 7, 2011, 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 and should be considered in assessing the results of our audit.

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

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 has been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

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 Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt 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.

This report is intended solely for the information and use of the School Corporation's management, School Board, others within the entity, 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

December 7, 2011



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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 CARROLL CONSOLIDATED
SCHOOL CORPORATION, CARROLL COUNTY, INDIANA

We have audited the financial statement of the Carroll Consolidated School Corporation (School Corporation), for the years ended June 30, 2010 and 2011, and have issued our report thereon dated December 7, 2011. 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 opinion on the financial statement, 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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2011-01 to be a material weakness.

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 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.

The School Corporation's response to the findings identified in our audit is described in the accompanying section of the report entitled Corrective Action Plan. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the School Corporation's management, School Board, others within the entity, 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

December 7, 2011

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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CARROLL CONSOLIDATED SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2010 and 2011

	Cash and Investments		Other Financing Sources (Uses)		Cash and Investments		Other Financing Sources (Uses)		Cash and Investments
	07-01-09	Receipts	Disbursements		06-30-10	Receipts	Disbursements		06-30-11
General	\$ 503,249	\$ 6,641,504	\$ 6,180,582	\$ 8,272	\$ 972,443	\$ 6,562,578	\$ 6,173,983	\$ (195,000)	\$ 1,166,038
Debt Service	26,035	1,070,936	885,458	2,923	214,436	1,113,150	1,003,145	254,857	579,298
Capital Projects	281,015	1,450,368	685,998	78,815	1,124,200	930,795	800,328	-	1,254,667
School Transportation	2,387	733,181	498,962	36,290	272,896	516,524	523,122	14,511	280,809
School Bus Replacement	122,342	244,134	-	292	366,768	197,550	286,942	-	277,376
Special Education Preschool	153,884	14,495	10,843	(157,536)	-	-	-	-	-
Rainy Day	350,000	-	350,000	-	-	-	32,871	210,000	177,129
Construction	1,687,386	800,000	1,845,955	-	641,431	-	381,647	(259,784)	-
School Lunch	144,204	447,782	422,645	-	169,341	444,195	421,080	(15,000)	177,456
Textbook Rental	27,163	101,720	93,192	-	35,691	93,972	81,427	4,927	53,163
Levy Excess	-	-	-	-	-	14,511	-	(14,511)	-
Educational License Plates	3,943	93	30	-	4,006	113	-	-	4,119
SIA Foundation Grant	1,587	-	-	-	1,587	-	-	-	1,587
Miscellaneous Programs	21	-	-	-	21	-	-	-	21
Soil & Water Conservation	372	-	-	-	372	-	-	-	372
Indiana Next Grant	79	-	79	-	-	-	-	-	-
State High Ability 2010/2011	-	-	-	-	-	29,409	16,908	-	12,501
State High Ability 2008/2009	4,892	-	4,892	-	-	-	-	-	-
State High Ability 2009/2010	-	29,858	22,734	-	7,124	-	7,124	-	-
Tech Prep Staff Development 2000	1,466	-	-	-	1,466	-	-	-	1,466
Tech Prep Staff Development 2001	2,199	-	-	-	2,199	-	-	-	2,199
Education Technology	25	-	-	-	25	-	-	-	25
Drug Free Communities	31	-	-	-	31	-	-	-	31
Non-English Speaking Programs P.L. 273-1999	1,159	-	-	-	1,159	-	-	-	1,159
School Technology	-	-	-	-	-	5,754	-	-	5,754
Performance Based Awards	8	-	-	-	8	-	-	-	8
Tech Prep Internship	200	-	-	-	200	-	-	-	200
I.S.G.L.P.	901	-	-	-	901	-	-	-	901
Title I 2008/2009	41,597	15,900	43,213	(14,284)	-	-	-	-	-
Title I 2009/2010	-	122,076	91,476	14,284	44,884	15,900	24,409	(22,256)	14,119
Title I 2010/2011	-	-	-	-	-	102,655	87,064	22,256	37,847
Innovative Education Program Strategies Title V (Part A)	7,986	657	855	-	7,788	-	-	-	7,788
Title VI IASA 1998	221	-	221	-	-	-	-	-	-
Title VI IASA 1999	5,119	-	2,543	-	2,576	-	2,255	-	321
Title VI IASA 2000-2002	5,671	-	-	-	5,671	-	106	-	5,565
Drug Free Schools	4,436	-	-	-	4,436	-	-	-	4,436
Safe & Drug Free Schools FY 01	674	-	500	-	174	-	-	-	174
Educate Indiana 2000-2002	9,999	-	-	-	9,999	-	-	-	9,999
School to Work Opportunity Implementation	898	-	517	-	381	-	-	-	381
Improving Teaching Quality, No Child Left, Title II, Part A	23,726	-	23,726	-	-	21,497	17,460	-	4,037
Title III, Language Instruction	4,340	-	-	-	4,340	-	-	-	4,340
Technology Literacy Challenge, Title III	902	-	-	-	902	-	-	-	902
Fiscal Stabilization - Education	456,538	224,600	681,138	-	-	-	-	-	-
Title I - Grants to LEAs	-	53,294	40,958	-	12,336	29,004	35,342	-	5,998
Special Education - Part B	-	90,591	83,100	30,199	37,690	-	14,994	-	22,696
Special Education - Part B - Preschool	-	3,728	4,473	745	-	-	-	-	-
Totals	\$ 3,876,655	\$ 12,044,917	\$ 11,974,090	\$ -	\$ 3,947,482	\$ 10,077,607	\$ 9,910,207	\$ -	\$ 4,114,882

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

CARROLL CONSOLIDATED SCHOOL CORPORATION
NOTES TO 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 and provides educational services.

The accompanying financial statement presents the financial information for the School Corporation (primary government).

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the 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 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 which include taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, school corporation activities, revenue from community services activities, and other revenue from local sources.

Intermediate sources which include distributions from the County for fees collected for or on behalf of the School Corporation including educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

State sources which include distributions from the State of Indiana to be used by the School Corporation for various purposes. Included in state sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

CARROLL CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Federal sources which include distributions from the federal government to be used by the School Corporation for various purposes. Included in federal sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Temporary loans which include money received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

Interfund loans which include money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

Other receipts which include amounts received from various sources which include 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 which includes outflows for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services which include outflows for support services related to students, instruction, general administration, and school administration. It also includes outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services which include outflows for food service operations and community service operations.

Facilities acquisition and construction which includes outflows for the acquisition, development, construction, and improvement of new and existing facilities.

Debt services which include fixed obligations resulting from financial transactions previously entered into by the School Corporation. It includes all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges which include outflows for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

Interfund loans which include money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

CARROLL CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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:

Proceeds of long-term debt which includes money received in relation to the issuance of bonds or other long-term debt issues.

Sale of capital assets which includes money received when land, buildings, or equipment owned by the School Corporation is sold.

Transfers in which includes money 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 which includes money 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 money 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 money 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. The budget for funds for which property taxes are levied is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

CARROLL CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. 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.

Note 5. 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. These risks may also be mitigated by the School Corporation by recording as a disbursement any replacement items purchased.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is 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 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:

CARROLL CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Indiana Public Retirement System
1 North Capital Street, 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
1 North Capital Street, 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.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://mustang.doe.state.in.us/TRENDS/fin.cfm>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Financial Reports of the School Corporation which are 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 supplementary information presented was prepared and/or approved by management of the School Corporation. It is presented as intended by the School Corporation.

CARROLL CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Special Education Preschool	Rainy Day	Construction
Cash and investments - beginning	\$ 503,249	\$ 26,035	\$ 281,015	\$ 2,387	\$ 122,342	\$ 153,884	\$ 350,000	\$ 1,687,386
Receipts:								
Local sources	296,130	1,070,936	1,450,368	733,181	244,134	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	6,345,374	-	-	-	-	14,495	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	800,000
Total receipts	<u>6,641,504</u>	<u>1,070,936</u>	<u>1,450,368</u>	<u>733,181</u>	<u>244,134</u>	<u>14,495</u>	<u>-</u>	<u>800,000</u>
Disbursements:								
Current:								
Instruction	3,022,502	-	-	-	-	-	-	-
Support services	2,568,173	-	264,804	498,962	-	-	-	-
Noninstructional services	93,225	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	421,194	-	-	-	350,000	1,299,332
Debt services	-	885,458	-	-	-	-	-	546,623
Nonprogrammed charges	496,682	-	-	-	-	10,843	-	-
Total disbursements	<u>6,180,582</u>	<u>885,458</u>	<u>685,998</u>	<u>498,962</u>	<u>-</u>	<u>10,843</u>	<u>350,000</u>	<u>1,845,955</u>
Excess (deficiency) of receipts over disbursements	<u>460,922</u>	<u>185,478</u>	<u>764,370</u>	<u>234,219</u>	<u>244,134</u>	<u>3,652</u>	<u>(350,000)</u>	<u>(1,045,955)</u>
Other financing sources (uses):								
Transfers in	157,535	2,923	78,815	36,290	292	-	-	-
Transfers out	(149,263)	-	-	-	-	(157,536)	-	-
Total other financing sources (uses)	<u>8,272</u>	<u>2,923</u>	<u>78,815</u>	<u>36,290</u>	<u>292</u>	<u>(157,536)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>469,194</u>	<u>188,401</u>	<u>843,185</u>	<u>270,509</u>	<u>244,426</u>	<u>(153,884)</u>	<u>(350,000)</u>	<u>(1,045,955)</u>
Cash and investments - ending	<u>\$ 972,443</u>	<u>\$ 214,436</u>	<u>\$ 1,124,200</u>	<u>\$ 272,896</u>	<u>\$ 366,768</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 641,431</u>

CARROLL CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	SIA Foundation Grant	Miscellaneous Programs	Soil & Water Conservation	Indiana Next Grant
Cash and investments - beginning	\$ 144,204	\$ 27,163	\$ -	\$ 3,943	\$ 1,587	\$ 21	\$ 372	\$ 79
Receipts:								
Local sources	259,109	74,133	-	-	-	-	-	-
Intermediate sources	-	-	-	93	-	-	-	-
State sources	7,343	27,587	-	-	-	-	-	-
Federal sources	181,330	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Total receipts	<u>447,782</u>	<u>101,720</u>	<u>-</u>	<u>93</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	-	-	-	30	-	-	-	79
Support services	24,088	93,192	-	-	-	-	-	-
Noninstructional services	398,557	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>422,645</u>	<u>93,192</u>	<u>-</u>	<u>30</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>79</u>
Excess (deficiency) of receipts over disbursements	<u>25,137</u>	<u>8,528</u>	<u>-</u>	<u>63</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(79)</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>25,137</u>	<u>8,528</u>	<u>-</u>	<u>63</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(79)</u>
Cash and investments - ending	<u>\$ 169,341</u>	<u>\$ 35,691</u>	<u>\$ -</u>	<u>\$ 4,006</u>	<u>\$ 1,587</u>	<u>\$ 21</u>	<u>\$ 372</u>	<u>\$ -</u>

CARROLL CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	State High Ability 2010/2011	State High Ability 2008/2009	State High Ability 2009/2010	Tech Prep Staff Development 2000	Tech Prep Staff Development 2001	Education Technology	Drug Free Communities	Non-English Speaking Programs P.L. 273-1999
Cash and investments - beginning	\$ -	\$ 4,892	\$ -	\$ 1,466	\$ 2,199	\$ 25	\$ 31	\$ 1,159
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	29,858	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Total receipts	-	-	29,858	-	-	-	-	-
Disbursements:								
Current:								
Instruction	-	4,892	22,734	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	4,892	22,734	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	(4,892)	7,124	-	-	-	-	-
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(4,892)	7,124	-	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ 7,124	\$ 1,466	\$ 2,199	\$ 25	\$ 31	\$ 1,159

CARROLL CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	School Technology	Performance Based Awards	Tech Prep Internship	I.S.G.L.P.	Title I 2008/2009	Title I 2009/2010	Title I 2010/2011	Innovative Education Program Strategies Title V (Part A)
Cash and investments - beginning	\$ -	\$ 8	\$ 200	\$ 901	\$ 41,597	\$ -	\$ -	\$ 7,986
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	15,900	122,076	-	657
Temporary loans	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	15,900	122,076	-	657
Disbursements:								
Current:								
Instruction	-	-	-	-	24,876	58,621	-	-
Support services	-	-	-	-	16,550	29,906	-	855
Noninstructional services	-	-	-	-	1,787	2,949	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	43,213	91,476	-	855
Excess (deficiency) of receipts over disbursements	-	-	-	-	(27,313)	30,600	-	(198)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	14,284	-	-
Transfers out	-	-	-	-	(14,284)	-	-	-
Total other financing sources (uses)	-	-	-	-	(14,284)	14,284	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	(41,597)	44,884	-	(198)
Cash and investments - ending	\$ -	\$ 8	\$ 200	\$ 901	\$ -	\$ 44,884	\$ -	\$ 7,788

CARROLL CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Title VI IASA 1998	Title VI IASA 1999	Title VI IASA 2000-2002	Drug Free Schools	Safe & Drug Free Schools FY 01	Educate Indiana 2000-2002	School to Work Opportunity Implementation	Improving Teaching Quality, No Child Left, Title II, Part A
Cash and investments - beginning	\$ 221	\$ 5,119	\$ 5,671	\$ 4,436	\$ 674	\$ 9,999	\$ 898	\$ 23,726
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	-	-
Disbursements:								
Current:								
Instruction	-	-	-	-	500	-	-	22,760
Support services	221	2,543	-	-	-	-	517	966
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	221	2,543	-	-	500	-	517	23,726
Excess (deficiency) of receipts over disbursements	(221)	(2,543)	-	-	(500)	-	(517)	(23,726)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(221)	(2,543)	-	-	(500)	-	(517)	(23,726)
Cash and investments - ending	\$ -	\$ 2,576	\$ 5,671	\$ 4,436	\$ 174	\$ 9,999	\$ 381	\$ -

CARROLL CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Title III, Language Instruction	Technology Literacy Challenge, Title III	Fiscal Stabilization - Education	Title I - Grants to LEAs	Special Education - Part B	Special Education - Part B - Preschool	Totals
Cash and investments - beginning	\$ 4,340	\$ 902	\$ 456,538	\$ -	\$ -	\$ -	\$ 3,876,655
Receipts:							
Local sources	-	-	-	-	-	-	4,127,991
Intermediate sources	-	-	-	-	-	-	93
State sources	-	-	-	-	-	-	6,424,657
Federal sources	-	-	224,600	53,294	90,591	3,728	692,176
Temporary loans	-	-	-	-	-	-	800,000
Total receipts	-	-	224,600	53,294	90,591	3,728	12,044,917
Disbursements:							
Current:							
Instruction	-	-	400,816	29,789	4,777	-	3,592,376
Support services	-	-	150,030	7,142	-	-	3,657,949
Noninstructional services	-	-	2,550	4,027	-	-	503,095
Facilities acquisition and construction	-	-	-	-	9,301	-	2,079,827
Debt services	-	-	-	-	-	-	1,432,081
Nonprogrammed charges	-	-	127,742	-	69,022	4,473	708,762
Total disbursements	-	-	681,138	40,958	83,100	4,473	11,974,090
Excess (deficiency) of receipts over disbursements	-	-	(456,538)	12,336	7,491	(745)	70,827
Other financing sources (uses):							
Transfers in	-	-	-	-	30,199	745	321,083
Transfers out	-	-	-	-	-	-	(321,083)
Total other financing sources (uses)	-	-	-	-	30,199	745	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(456,538)	12,336	37,690	-	70,827
Cash and investments - ending	\$ 4,340	\$ 902	\$ -	\$ 12,336	\$ 37,690	\$ -	\$ 3,947,482

CARROLL CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Special Education Preschool	Rainy Day	Construction
Cash and investments - beginning	\$ 972,443	\$ 214,436	\$ 1,124,200	\$ 272,896	\$ 366,768	\$ -	\$ -	\$ 641,431
Receipts:								
Local sources	168,567	1,113,150	930,795	516,524	197,550	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	6,394,011	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Total receipts	<u>6,562,578</u>	<u>1,113,150</u>	<u>930,795</u>	<u>516,524</u>	<u>197,550</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	3,012,540	-	-	-	-	-	16,673	-
Support services	2,515,878	-	321,534	523,122	286,942	-	16,198	-
Noninstructional services	86,612	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	478,794	-	-	-	-	381,647
Debt services	-	1,003,145	-	-	-	-	-	-
Nonprogrammed charges	558,953	-	-	-	-	-	-	-
Total disbursements	<u>6,173,983</u>	<u>1,003,145</u>	<u>800,328</u>	<u>523,122</u>	<u>286,942</u>	<u>-</u>	<u>32,871</u>	<u>381,647</u>
Excess (deficiency) of receipts over disbursements	<u>388,595</u>	<u>110,005</u>	<u>130,467</u>	<u>(6,598)</u>	<u>(89,392)</u>	<u>-</u>	<u>(32,871)</u>	<u>(381,647)</u>
Other financing sources (uses):								
Transfers in	15,000	259,784	-	14,511	-	-	210,000	-
Transfers out	(210,000)	(4,927)	-	-	-	-	-	(259,784)
Total other financing sources (uses)	<u>(195,000)</u>	<u>254,857</u>	<u>-</u>	<u>14,511</u>	<u>-</u>	<u>-</u>	<u>210,000</u>	<u>(259,784)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>193,595</u>	<u>364,862</u>	<u>130,467</u>	<u>7,913</u>	<u>(89,392)</u>	<u>-</u>	<u>177,129</u>	<u>(641,431)</u>
Cash and investments - ending	<u>\$ 1,166,038</u>	<u>\$ 579,298</u>	<u>\$ 1,254,667</u>	<u>\$ 280,809</u>	<u>\$ 277,376</u>	<u>\$ -</u>	<u>\$ 177,129</u>	<u>\$ -</u>

CARROLL CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	SIA Foundation Grant	Miscellaneous Programs	Soil & Water Conservation	Indiana Next Grant
Cash and investments - beginning	\$ 169,341	\$ 35,691	\$ -	\$ 4,006	\$ 1,587	\$ 21	\$ 372	\$ -
Receipts:								
Local sources	249,392	67,277	14,511	-	-	-	-	-
Intermediate sources	-	-	-	113	-	-	-	-
State sources	7,058	26,695	-	-	-	-	-	-
Federal sources	187,745	-	-	-	-	-	-	-
Total receipts	<u>444,195</u>	<u>93,972</u>	<u>14,511</u>	<u>113</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	-	-
Support services	25,991	81,427	-	-	-	-	-	-
Noninstructional services	395,089	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>421,080</u>	<u>81,427</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>23,115</u>	<u>12,545</u>	<u>14,511</u>	<u>113</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):								
Transfers in	-	4,927	-	-	-	-	-	-
Transfers out	(15,000)	-	(14,511)	-	-	-	-	-
Total other financing sources (uses)	<u>(15,000)</u>	<u>4,927</u>	<u>(14,511)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>8,115</u>	<u>17,472</u>	<u>-</u>	<u>113</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 177,456</u>	<u>\$ 53,163</u>	<u>\$ -</u>	<u>\$ 4,119</u>	<u>\$ 1,587</u>	<u>\$ 21</u>	<u>\$ 372</u>	<u>\$ -</u>

CARROLL CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	State High Ability 2010/2011	State High Ability 2008/2009	State High Ability 2009/2010	Tech Prep Staff Development 2000	Tech Prep Staff Development 2001	Education Technology	Drug Free Communities	Non-English Speaking Programs P.L. 273-1999
Cash and investments - beginning	\$ -	\$ -	\$ 7,124	\$ 1,466	\$ 2,199	\$ 25	\$ 31	\$ 1,159
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	29,409	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Total receipts	<u>29,409</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	16,908	-	7,124	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>16,908</u>	<u>-</u>	<u>7,124</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>12,501</u>	<u>-</u>	<u>(7,124)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>12,501</u>	<u>-</u>	<u>(7,124)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 12,501</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,466</u>	<u>\$ 2,199</u>	<u>\$ 25</u>	<u>\$ 31</u>	<u>\$ 1,159</u>

CARROLL CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	School Technology	Performance Based Awards	Tech Prep Internship	I.S.G.L.P.	Title I 2008/2009	Title I 2009/2010	Title I 2010/2011	Innovative Education Program Strategies Title V (Part A)
Cash and investments - beginning	\$ -	\$ 8	\$ 200	\$ 901	\$ -	\$ 44,884	\$ -	\$ 7,788
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	5,754	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	15,900	102,655	-
Total receipts	5,754	-	-	-	-	15,900	102,655	-
Disbursements:								
Current:								
Instruction	-	-	-	-	-	12,461	79,607	-
Support services	-	-	-	-	-	10,679	6,248	-
Noninstructional services	-	-	-	-	-	1,269	1,209	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	24,409	87,064	-
Excess (deficiency) of receipts over disbursements	5,754	-	-	-	-	(8,509)	15,591	-
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	22,256	-
Transfers out	-	-	-	-	-	(22,256)	-	-
Total other financing sources (uses)	-	-	-	-	-	(22,256)	22,256	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	5,754	-	-	-	-	(30,765)	37,847	-
Cash and investments - ending	\$ 5,754	\$ 8	\$ 200	\$ 901	\$ -	\$ 14,119	\$ 37,847	\$ 7,788

CARROLL CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Title VI IASA 1998	Title VI IASA 1999	Title VI IASA 2000-2002	Drug Free Schools	Safe & Drug Free Schools FY 01	Educate Indiana 2000-2002	School to Work Opportunity Implementation	Improving Teaching Quality, No Child Left, Title II, Part A
Cash and investments - beginning	\$ -	\$ 2,576	\$ 5,671	\$ 4,436	\$ 174	\$ 9,999	\$ 381	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	21,497
Total receipts	-	-	-	-	-	-	-	21,497
Disbursements:								
Current:								
Instruction	-	-	106	-	-	-	-	16,242
Support services	-	2,255	-	-	-	-	-	1,218
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	2,255	106	-	-	-	-	17,460
Excess (deficiency) of receipts over disbursements	-	(2,255)	(106)	-	-	-	-	4,037
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(2,255)	(106)	-	-	-	-	4,037
Cash and investments - ending	\$ -	\$ 321	\$ 5,565	\$ 4,436	\$ 174	\$ 9,999	\$ 381	\$ 4,037

CARROLL CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Title III, Language Instruction	Technology Literacy Challenge, Title III	Fiscal Stabilization - Education	Title I - Grants to LEAs	Special Education - Part B	Special Education - Part B - Preschool	Totals
Cash and investments - beginning	\$ 4,340	\$ 902	\$ -	\$ 12,336	\$ 37,690	\$ -	\$ 3,947,482
Receipts:							
Local sources	-	-	-	-	-	-	3,257,766
Intermediate sources	-	-	-	-	-	-	113
State sources	-	-	-	-	-	-	6,462,927
Federal sources	-	-	-	29,004	-	-	356,801
Total receipts	-	-	-	29,004	-	-	10,077,607
Disbursements:							
Current:							
Instruction	-	-	-	27,976	2,314	-	3,191,951
Support services	-	-	-	6,555	-	-	3,798,047
Noninstructional services	-	-	-	811	-	-	484,990
Facilities acquisition and construction	-	-	-	-	12,630	-	873,071
Debt services	-	-	-	-	-	-	1,003,145
Nonprogrammed charges	-	-	-	-	50	-	559,003
Total disbursements	-	-	-	35,342	14,994	-	9,910,207
Excess (deficiency) of receipts over disbursements	-	-	-	(6,338)	(14,994)	-	167,400
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	526,478
Transfers out	-	-	-	-	-	-	(526,478)
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	(6,338)	(14,994)	-	167,400
Cash and investments - ending	\$ 4,340	\$ 902	\$ -	\$ 5,998	\$ 22,696	\$ -	\$ 4,114,882

CARROLL CONSOLIDATED SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2011

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.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 77,961
Buildings	13,751,619
Improvements other than buildings	2,044,919
Machinery and equipment	<u>2,104,484</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 17,978,983</u>

CARROLL CONSOLIDATED SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2011

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Bonds payable:		
General obligation bonds:		
HVAC at Carroll Jr./Sr. High	\$ 800,000	\$ 828,307

CARROLL CONSOLIDATED SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

Control activities should be selected and developed at various levels of the School Corporation to reduce risks to achievement of financial reporting objectives. We noted several deficiencies in the internal control system of the School Corporation related to financial transactions and reporting. We believe the following deficiencies constitute material internal control weaknesses:

1. **Lack of Segregation of Duties:** The School Corporation has not separated incompatible activities related to receipts, disbursements, payroll, and cash and investment balances. The failure to establish these controls could enable material misstatements or irregularities to occur undetected.
2. **Preparing Financial Statement:** Effective internal control over financial reporting involves the identification and analysis of the risks of material misstatement to the School Corporation's audited financial statement and then determining how those identified risks should be managed. The School Corporation has not identified risks to the preparation of a reliable financial statement and as a result has failed to design effective controls over the preparation of the financial statement to prevent or detect material misstatements, including notes to the financial statement.
3. **Monitoring of Controls:** Effective internal control over financial reporting requires the School Board to monitor and assess the quality of the School Corporation's system of internal controls. The School Board has not performed either an ongoing or separate evaluation of their system of internal controls. The failure to exercise their oversight responsibility places the School Corporation at risk that controls may not be designed or operating effectively to provide reasonable assurance that controls will prevent or detect material misstatements in a timely manner. Additionally, the School Corporation has no process to identify or communicate corrective actions to improve controls.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Controls over the receipting, disbursing, recording and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

ADVANCE PAYMENTS

Eight months of Special Education teaching services for 2011 were paid on December 13, 2010.

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

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 CARROLL CONSOLIDATED
SCHOOL CORPORATION, CARROLL COUNTY, INDIANA

Compliance

We have audited the compliance of the Carroll Consolidated School Corporation (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, 2010 and 2011. 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, 2010 and 2011. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements 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 2011-02 and 2011-03.

Internal Control Over Compliance

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

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)

compliance 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.

A deficiency in 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 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 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.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying Schedule of Findings and Questioned Costs as items 2011-02 and 2011-03. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The School Corporation's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. We did not audit the School Corporation's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of the School Corporation's management, School Board, others within the entity, 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

December 7, 2011

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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.

CARROLL CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2010 and 2011

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-10	Total Federal Awards Expended 06-30-11
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through the Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	FY 2009-2011	\$ 24,885	\$ 26,205
National School Lunch Program	10.555	FY 2009-2011	<u>184,392</u>	<u>190,208</u>
Total for federal grantor agency			<u>209,277</u>	<u>216,413</u>
U.S. DEPARTMENT OF EDUCATION				
Pass-Through the Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010			
		FY 2008-2009	43,213	-
		FY 2009-2010	91,475	24,407
		FY 2010-2011	<u>-</u>	<u>87,064</u>
Total for program			134,688	111,471
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	FY 2009-2011	<u>40,960</u>	<u>35,342</u>
Total for cluster			<u>175,648</u>	<u>146,813</u>
Pass-Through Logansport Community School Corporation				
Special Education Cluster (IDEA)				
ARRA - Special Education - Grants to States, Recovery Act	84.391	FY 2009-2011	83,098	14,994
ARRA - Special Education - Preschool Grants, Recovery Act	84.392	FY 2009-2011	<u>4,473</u>	<u>-</u>
Total for cluster			<u>87,571</u>	<u>14,994</u>
Pass-Through Indiana Department of Education				
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	FY 2009-2011	<u>681,138</u>	<u>-</u>
Career and Technical Education - Basic Grants to States				
PLTW Biomedical Sciences Grant	84.048	SPLBIO-7-349	24,054	-
PLTW Biomedical Sciences Grant		SPLBIO-9-349	<u>-</u>	<u>19,936</u>
Total for program			<u>24,054</u>	<u>19,936</u>
Safe and Drug-Free Schools and Communities - State Grants	84.186			
		FY 2007-2008	<u>500</u>	<u>-</u>
Tech-Prep Education				
Project Lead The Way	84.243			
		PLTW-9-349	<u>-</u>	<u>9,669</u>
School to Work Opportunities				
STW-804-0750	84.278			
		FY 1998-1999	<u>516</u>	<u>-</u>
State Grants for Innovative Programs				
Technology and Education Materials	84.298	07-0750	855	-
Innovative Education Program Strategies		SY 1997-1998	221	-
Innovative Education Program Strategies		99-292	2,543	2,255
Innovative Education Program Strategies		SY 2001-2002	<u>-</u>	<u>106</u>
Total for program			<u>3,619</u>	<u>2,361</u>
Improving Teacher Quality State Grants				
Title II, Part A - Improving Teacher Quality, Class Size Reduction	84.367			
		SY 2008-2009	23,726	-
Title II, Part A - Improving Teacher Quality, Class Size Reduction		SY 2010-2011	<u>-</u>	<u>17,460</u>
Total for program			<u>23,726</u>	<u>17,460</u>
Total for federal grantor agency			<u>996,772</u>	<u>211,233</u>
Total federal awards expended			<u>\$ 1,206,049</u>	<u>\$ 427,646</u>

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

CARROLL CONSOLIDATED SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Carroll Consolidated School Corporation (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

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 et seq.), audits of School Corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2010 and 2011. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2010	2011
School Breakfast Program	10.553	\$ 3,323	\$ 3,471
National School Lunch Program	10.555	24,623	25,197

CARROLL CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	yes
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?	yes

Identification of Major Programs:

Name of Federal Program or Cluster

Child Nutrition Cluster
Title I, Part A Cluster
State Fiscal Stabilization Fund Cluster

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

FINDING 2011-01 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

Control activities should be selected and developed at various levels of the school to reduce risks to achievement of financial reporting objectives. We noted several deficiencies in the internal control system of the School Corporation related to financial transactions and reporting. We believe the following deficiencies constitute material internal control weaknesses:

1. Lack of Segregation of Duties: The School Corporation has not separated incompatible activities related to receipts, disbursements, payroll, and cash and investment balances. The failure to establish these controls could enable material misstatements or irregularities to occur undetected.

CARROLL CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2. **Preparing Financial Statement:** Effective internal control over financial reporting involves the identification and analysis of the risks of material misstatement to the School Corporation's audited financial statement and then determining how those identified risks should be managed. The School Corporation has not identified risks to the preparation of a reliable financial statement and as a result has failed to design effective controls over the preparation of the financial statement to prevent or detect material misstatements, including notes to the financial statement.
3. **Monitoring of Controls:** Effective internal control over financial reporting requires the School Board to monitor and assess the quality of the School Corporation's system of internal controls. The School Board has not performed either an ongoing or separate evaluation of their system of internal controls. The failure to exercise their oversight responsibility places the School Corporation at risk that controls may not be designed or operating effectively to provide reasonable assurance that controls will prevent or detect material misstatements in a timely manner. Additionally, the School Corporation has no process to identify or communicate corrective actions to improve controls.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Section III – Federal Award Findings and Questioned Costs

FINDING 2011-02 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

Federal Agency: U.S. Department of Education

Pass-Through Agency: Indiana Department of Education

Federal Program: ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act
CFDA Number: 84.394

The financial records for federal funds received as a part of the ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act program are maintained in the School Corporation's business office. Currently, due to the limited personnel in the business office the School Corporation has not separated incompatible activities related to all areas of the financial statement. The failure to establish these controls could enable material misstatements to occur undetected.

Circular A133, Subpart C, section .300(b) states that the auditee shall:

"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 it's Federal programs."

We recommended the School Corporation develop internal control procedures that properly segregate accounting activities in the business office.

CARROLL CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2011-3 - CASH MANAGEMENT

Federal Agency: U.S. Department of Education
Pass-Through Agency: Indiana Department of Education
Federal Programs: Title I, Part A Cluster
CFDA Numbers: 84.010
Award Numbers: 10-0750, 11-0750, 10-0750 ARRA

The School Corporation determines cash needs for this grant during the application process with the State of Indiana. A cash request schedule is prepared and submitted to the State of Indiana at the beginning of the grant period based on anticipated monthly needs. School Corporation officials are to ensure minimal time elapses between the receipt of funds requested and their subsequent disbursement. However, when actual grant activity does not occur as timely as expected, School Corporation officials do not have procedures in place to ensure any month end grant balances plus the next scheduled grant drawdown does not exceed the monthly need. A review of the Title I Grants, from July 1, 2009 to June 30, 2011, indicated several months where the School Corporation's Title 1 funds had an excessive cash balance on hand at month end.

EDGAR 80.20 (b) states:

"The financial management systems of other grantees and subgrantees must meet the following standards: . . .

- (7) Cash management - Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and subgrantees must be followed whenever advance payment procedures are used. . . . Grantees must monitor cash drawdowns by their subgrantees to assure that they conform substantially to the same standards of timing and amount as apply to advances to the grantees."

We recommended the School Corporation implement procedures to match their drawdown requests to the budgeted monthly expenditures, with the goal to minimize the amount of cash on hand at the end of the month.

CARROLL CONSOLIDATED SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

Carroll Consolidated School Corporation

Office of the Superintendent of Schools

2 SOUTH THIRD STREET • FLORA, INDIANA 46929 • PHONE 574 967-4113 • FAX 574 967-3831

A-133 Audit Corrective Action Plan FY10 and FY11

December 7, 2011

State Board of Accounts
302 West Washington Street
Room E418
Indianapolis, IN 46204-2765

Audit Contact: Leslie Allen, Treasurer
Phone: 574-967-4113
Expected Completion Date: December 31, 2011

Section II – Financial Statement Findings

Finding 2011- 01, Internal Controls over Financial Transactions and Reporting

Corrective Action Planned:

The management of Carroll Consolidated School Corporation has reviewed the Financial Statement Findings related to their audit for the years 2009-2011 and offers the following corrective actions.

Lack of segregation of Duties: Carroll Consolidated School Corporation will review their office procedures and attempt to institute duties that would involve to some degree, at least on a sample basis, review of the work being performed by each of the office employees. However, Carroll is a small school and management has determined that the cost associated with employing additional staff necessary to properly segregate the duties in the business office would outweigh the benefits of a stronger internal control structure. Management acknowledges and assumes the risks inherent with the current design of their business office.

Section III – Federal Award Findings and Questioned Costs

Finding 2011-02, Internal Controls over Financial Transactions and Reporting

Corrective Action Planned:

The management of Carroll Consolidated School Corporation has reviewed the Federal Award Findings and Questioned Costs related to their audit for the years 2009-2011 and offers the following corrective actions.

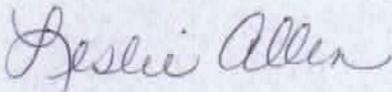
Lack of segregation of Duties: Carroll Consolidated School Corporation will review their office procedures and attempt to institute duties that would involve to some degree, at least on a sample basis, review of the work being performed by each of the office employees. However, Carroll is a small school and management has determined that the cost associated with employing additional staff necessary to properly segregate the duties in the business office would outweigh the benefits of a stronger internal control structure. Management acknowledges and assumes the risks inherent with the current design of their business office.

Finding 2011-03, Cash Management

Corrective Action Planned:

The school followed the system that was in place at the time by the Indiana Department of Education (IDOE). The Indiana Department of Education has replaced the previous cash request system with a reimbursement request system. During the transition from cash request to reimbursement, request cash balances may have exceeded established guidelines. The new reimbursement process is currently being utilized which will result in reduction in cash balances with the good of eliminating cash balances.

Sincerely,



Leslie Allen, Corporation Treasurer
Carroll Consolidated School Corporation

CARROLL CONSOLIDATED SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on December 7, 2011, with Leslie Allen, Treasurer; John A. Sayers, Superintendent of Schools; Sam L. Zook, President of the School Board; and David W. Lambert, Vice President of the School Board. The officials concurred with our audit findings.