

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

ATTICA CONSOLIDATED SCHOOL CORPORATION
FOUNTAIN COUNTY, INDIANA

July 1, 2009 to June 30, 2011



FILED

01/27/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Carrie R. Brier	07-01-09 to 06-30-12
Superintendent of Schools	David R. Ryan Dr. Judith A. Bush Derek R. Marshall	07-01-09 to 07-31-09 08-01-09 to 06-30-11 07-01-11 to 06-30-12
President of the School Board	Tony Crane Jerry Mattern	07-01-09 to 06-30-10 07-01-10 to 06-30-12



STATE OF INDIANA
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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 ATTICA CONSOLIDATED SCHOOL
CORPORATION, FOUNTAIN COUNTY, INDIANA

We have audited the accompanying financial statement of the Attica 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 this 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 November 10, 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 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 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.

The School Corporation's response to the Audit Result and Comments identified in our audit is described in the accompanying section of the report entitled Official Response. 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

November 10, 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 ATTICA CONSOLIDATED SCHOOL
CORPORATION, FOUNTAIN COUNTY, INDIANA

We have audited the financial statement of the Attica Consolidated School Corporation (School Corporation), for the years ended June 30, 2010 and 2011, and have issued our report thereon dated November 10, 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 deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2011-1 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 sections of the report entitled Official Response and 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

November 10, 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.

ATTICA 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 07-01-09		Other Financing Sources (Uses)		Cash and Investments 06-30-10		Other Financing Sources (Uses)		Cash and Investments 06-30-11	
	Receipts	Disbursements			Receipts	Disbursements			Receipts	Disbursements
General	\$ (44,642)	\$ 5,568,320	\$ 5,064,677	\$ (205,905)	\$ 253,096	\$ 5,628,586	\$ 5,324,591	\$ (232,593)	\$ 324,498	
Debt Service	353,283	1,694,453	1,370,356	614	677,994	1,177,641	1,033,430	-	822,205	
Retirement/Severance Bond Debt Service	67,436	208,980	196,437	(614)	79,365	134,890	197,771	-	16,484	
Capital Projects	63,457	1,189,376	942,770	-	310,063	827,268	833,198	-	304,133	
School Transportation	(46)	555,062	408,491	-	146,525	370,422	397,937	-	119,010	
School Bus Replacement	(19,109)	159,989	68,556	-	72,324	55,269	69,798	-	57,795	
600 Special Education Preschool	25,138	27,262	53,643	1,243	-	-	-	-	-	
Rainy Day	-	-	-	193,048	193,048	-	-	158,615	351,663	
School Lunch	44,181	346,976	313,485	-	77,672	364,701	363,815	19,465	98,023	
Textbook Rental	(2,566)	100,454	85,812	-	12,076	83,325	35,026	-	60,375	
Levy Excess	-	-	-	-	-	7,256	-	-	7,256	
Elementary MOMH	(12,525)	33,368	20,843	-	-	171,995	155,570	-	16,425	
Speech/Hearing - Head Start	-	6,391	22,876	-	(16,485)	7,243	-	9,242	-	
Speech/Hearing - Joint Services	-	-	-	-	-	10,753	15,785	2,976	(2,056)	
Elementary MOMH	-	138,914	145,831	-	(6,917)	40,972	34,055	-	-	
1360 Special Education Preschool	(57,848)	68,286	10,438	-	-	130,626	116,822	-	13,804	
1390 Special Education Preschool	-	75,690	112,177	-	(36,487)	60,866	14,481	(12,218)	(2,320)	
Joint Services and Supply - Area Vocational School	3,785	4,486	8,271	-	-	54,831	45,496	-	9,335	
Machine Trades	-	50,341	46,956	-	3,385	9,552	12,937	-	-	
1430 CAD	672	4,595	5,537	270	-	36,814	42,046	-	(5,232)	
1440 CAD	-	34,969	67,255	(270)	(32,556)	11,793	14,512	35,275	-	
1480 Health Careers	-	31,292	27,511	-	3,781	2,946	7,714	987	-	
1490 Health Careers	6,564	1,383	7,947	-	-	31,084	22,711	-	8,373	
Alternative Education	2,339	-	-	-	2,339	-	-	-	2,339	
School Library Printed Material	88	-	-	-	88	-	-	(88)	-	
SAFE School Haven	199	-	-	-	199	-	-	(199)	-	
Jimmy Durante Grant	500	-	-	-	500	-	-	-	500	
IND Next Leadership Training	182	-	-	-	182	-	-	(182)	-	

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

ATTICA 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
(Continued)

	Cash and Investments 07-01-09	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11
3110 Gifted and Talented	-	-	-	-	-	28,452	29,516	-	(1,064)
3120 Gifted and Talented Medicaid Reimbursement	-	28,885	59,163	11,614	(18,664)	-	11,655	30,319	-
Non-English Speaking Programs P.L. 273-1999	15,716	-	6,879	-	8,837	-	1,246	-	7,591
School Technology	638	2,502	132	-	3,008	1,030	-	-	4,038
Excess PTRC Distributions	9,348	3,509	7,848	-	5,009	17,529	11,385	-	11,153
4110 Title I	-	-	-	-	-	11,910	-	-	11,910
4120 Title I	4,669	186,864	156,699	-	34,834	7,502	25,628	(16,708)	-
Title V, Part A	(9,861)	53,301	43,440	-	-	83,259	126,701	16,708	(26,734)
5210 LD	589	-	-	-	589	-	-	-	589
5220 LD	22,381	-	22,381	-	-	193,037	208,069	-	(15,032)
5810 Drug Abuse Grant	-	158,533	189,483	22,648	(8,302)	45,284	45,067	7,867	(218)
5820 Drug Abuse Grant	-	3,705	-	-	3,705	-	-	(3,705)	-
Team Nutrition Training Grants	(1,171)	-	1,840	-	(3,011)	-	694	3,705	-
Project Lead the Way Grant	-	-	-	-	-	6,075	3,363	-	2,712
Improving Teaching Quality, No Child Left, Title II, Part A	-	15,001	24,401	-	(9,400)	7,373	1,278	-	(3,305)
ITQ, Enhanced Education Through Technology, Title II, Part D	-	33,596	45,374	-	(11,778)	22,097	46,811	-	(36,492)
Title III, Language Instruction	-	144,559	135,984	61,556	70,131	32,265	99,486	-	2,910
Fiscal Stabilization - Education	1,022	-	-	-	1,022	-	-	-	1,022
Title I - Grants to LEAs	255,021	176,920	431,941	-	-	-	-	-	-
Special Education - Part B	31,713	53,224	63,869	(1,241)	19,827	20,182	64,441	-	(24,432)
Special Education - Part B - Preschool	-	89,558	82,948	(15,079)	(8,469)	75,998	91,568	-	(24,039)
Education Technology	-	10,050	3,720	(6,330)	-	3,719	-	-	3,719
School Lunch Equipment	-	61,556	-	(61,556)	-	-	-	-	-
	-	-	-	-	-	19,465	-	(19,465)	-
Totals	\$ 761,153	\$ 11,322,350	\$ 10,255,971	\$ (2)	\$ 1,827,530	\$ 9,794,010	\$ 9,504,603	\$ 1	\$ 2,116,938

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

ATTICA 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.

ATTICA 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.

ATTICA 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.

ATTICA 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 and 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:

ATTICA 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.

ATTICA 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	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	600 Special Education Preschool	Rainy Day
Cash and investments - beginning	\$ (44,642)	\$ 353,283	\$ 67,436	\$ 63,457	\$ (46)	\$ (19,109)	\$ 25,138	\$ -
Receipts:								
Local sources	35,903	1,694,453	208,980	1,014,273	428,617	159,989	-	-
Intermediate sources	396	-	-	-	-	-	-	-
State sources	5,521,206	-	-	-	-	-	27,262	-
Federal sources	10,815	-	-	-	-	-	-	-
Temporary loans	-	-	-	175,103	108,279	-	-	-
Other	-	-	-	-	18,166	-	-	-
Total receipts	<u>5,568,320</u>	<u>1,694,453</u>	<u>208,980</u>	<u>1,189,376</u>	<u>555,062</u>	<u>159,989</u>	<u>27,262</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	2,911,723	-	-	-	-	-	-	-
Support services	1,543,325	-	-	315,343	281,860	68,556	-	-
Noninstructional services	90,264	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	319,135	-	-	-	-
Debt services	-	1,370,356	196,437	308,292	126,631	-	-	-
Nonprogrammed charges	519,365	-	-	-	-	-	53,643	-
Total disbursements	<u>5,064,677</u>	<u>1,370,356</u>	<u>196,437</u>	<u>942,770</u>	<u>408,491</u>	<u>68,556</u>	<u>53,643</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>503,643</u>	<u>324,097</u>	<u>12,543</u>	<u>246,606</u>	<u>146,571</u>	<u>91,433</u>	<u>(26,381)</u>	<u>-</u>
Other financing sources (uses):								
Transfers in	614	614	-	-	-	-	1,243	193,048
Transfers out	(206,519)	-	(614)	-	-	-	-	-
Total other financing sources (uses)	<u>(205,905)</u>	<u>614</u>	<u>(614)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,243</u>	<u>193,048</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>297,738</u>	<u>324,711</u>	<u>11,929</u>	<u>246,606</u>	<u>146,571</u>	<u>91,433</u>	<u>(25,138)</u>	<u>193,048</u>
Cash and investments - ending	<u>\$ 253,096</u>	<u>\$ 677,994</u>	<u>\$ 79,365</u>	<u>\$ 310,063</u>	<u>\$ 146,525</u>	<u>\$ 72,324</u>	<u>\$ -</u>	<u>\$ 193,048</u>

ATTICA 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	Elementary MOMH	Speech/ Hearing - Head Start	Speech/ Hearing - Joint Services	Elementary MOMH	1360 Special Education Preschool
Cash and investments - beginning	\$ 44,181	\$ (2,566)	\$ -	\$ (12,525)	\$ -	\$ -	\$ -	\$ (57,848)
Receipts:								
Local sources	161,270	64,533	-	33,368	-	-	138,914	68,286
Intermediate sources	-	-	-	-	-	-	-	-
State sources	3,928	35,575	-	-	-	-	-	-
Federal sources	181,778	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	346	-	-	6,391	-	-	-
Total receipts	<u>346,976</u>	<u>100,454</u>	<u>-</u>	<u>33,368</u>	<u>6,391</u>	<u>-</u>	<u>138,914</u>	<u>68,286</u>
Disbursements:								
Current:								
Instruction	-	-	-	10,240	-	-	145,831	10,438
Support services	1,214	85,812	-	10,603	22,876	-	-	-
Noninstructional services	312,271	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>313,485</u>	<u>85,812</u>	<u>-</u>	<u>20,843</u>	<u>22,876</u>	<u>-</u>	<u>145,831</u>	<u>10,438</u>
Excess (deficiency) of receipts over disbursements	<u>33,491</u>	<u>14,642</u>	<u>-</u>	<u>12,525</u>	<u>(16,485)</u>	<u>-</u>	<u>(6,917)</u>	<u>57,848</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>33,491</u>	<u>14,642</u>	<u>-</u>	<u>12,525</u>	<u>(16,485)</u>	<u>-</u>	<u>(6,917)</u>	<u>57,848</u>
Cash and investments - ending	<u>\$ 77,672</u>	<u>\$ 12,076</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (16,485)</u>	<u>\$ -</u>	<u>\$ (6,917)</u>	<u>\$ -</u>

ATTICA 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)

	1390 Special Education Preschool	Joint Services and Supply - Area Vocational School	Machine Trades	1430 CAD	1440 CAD	1480 Health Careers	1490 Health Careers	Alternative Education
Cash and investments - beginning	\$ -	\$ 3,785	\$ -	\$ 672	\$ -	\$ -	\$ 6,564	\$ 2,339
Receipts:								
Local sources	75,690	4,486	50,341	4,595	34,969	31,292	1,383	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	75,690	4,486	50,341	4,595	34,969	31,292	1,383	-
Disbursements:								
Current:								
Instruction	82,799	6,125	46,956	4,913	67,255	27,511	3,202	-
Support services	29,378	2,146	-	624	-	-	4,745	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	112,177	8,271	46,956	5,537	67,255	27,511	7,947	-
Excess (deficiency) of receipts over disbursements	(36,487)	(3,785)	3,385	(942)	(32,286)	3,781	(6,564)	-
Other financing sources (uses):								
Transfers in	-	-	-	270	-	-	-	-
Transfers out	-	-	-	-	(270)	-	-	-
Total other financing sources (uses)	-	-	-	270	(270)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(36,487)	(3,785)	3,385	(672)	(32,556)	3,781	(6,564)	-
Cash and investments - ending	\$ (36,487)	\$ -	\$ 3,385	\$ -	\$ (32,556)	\$ 3,781	\$ -	\$ 2,339

ATTICA 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 Library Printed Material	SAFE School Haven	Jimmy Durante Grant	IND Next Leadership Training	3110 Gifted and Talented	3120 Gifted and Talented	Medicaid Reimbursement	Non-English Speaking Programs P.L. 273-1999
Cash and investments - beginning	\$ 88	\$ 199	\$ 500	\$ 182	\$ -	\$ -	\$ 15,716	\$ 638
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	28,885	-	2,502
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	28,885	-	2,502
Disbursements:								
Current:								
Instruction	-	-	-	-	-	59,163	-	132
Support services	-	-	-	-	-	-	6,879	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	59,163	6,879	132
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	(30,278)	(6,879)	2,370
Other financing sources (uses):								
Transfers in	-	-	-	-	-	11,614	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	11,614	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	(18,664)	(6,879)	2,370
Cash and investments - ending	\$ 88	\$ 199	\$ 500	\$ 182	\$ -	\$ (18,664)	\$ 8,837	\$ 3,008

ATTICA 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	Excess PTRC Distributions	4110 Title I	4120 Title I	Title V, Part A	5210 LD	5220 LD
Cash and investments - beginning	\$ 9,348	\$ -	\$ 4,669	\$ (9,861)	\$ 589	\$ 22,381	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	3,509	-	186,864	-	-	-	158,533
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	53,301	-	-	-
Total receipts	<u>3,509</u>	<u>-</u>	<u>186,864</u>	<u>53,301</u>	<u>-</u>	<u>-</u>	<u>158,533</u>
Disbursements:							
Current:							
Instruction	-	-	156,699	43,440	-	22,381	189,483
Support services	6,500	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	1,348	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>7,848</u>	<u>-</u>	<u>156,699</u>	<u>43,440</u>	<u>-</u>	<u>22,381</u>	<u>189,483</u>
Excess (deficiency) of receipts over disbursements	<u>(4,339)</u>	<u>-</u>	<u>30,165</u>	<u>9,861</u>	<u>-</u>	<u>(22,381)</u>	<u>(30,950)</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	22,648
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,648</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(4,339)</u>	<u>-</u>	<u>30,165</u>	<u>9,861</u>	<u>-</u>	<u>(22,381)</u>	<u>(8,302)</u>
Cash and investments - ending	<u>\$ 5,009</u>	<u>\$ -</u>	<u>\$ 34,834</u>	<u>\$ -</u>	<u>\$ 589</u>	<u>\$ -</u>	<u>\$ (8,302)</u>

ATTICA 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)

	5810 Drug Abuse Grant	5820 Drug Abuse Grant	Team Nutrition Tranining Grants	Project Lead the Way Grant	Improving Teaching Quality, No Child Left, Title II, Part A	ITQ, Enhanced Education Through Technology, Title II, Part D	Title III, Language Instruction
Cash and investments - beginning	\$ -	\$ (1,171)	\$ -	\$ -	\$ -	\$ -	\$ 1,022
Receipts:							
Local sources	-	-	-	15,001	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	3,705	-	-	-	33,596	144,559	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	<u>3,705</u>	<u>-</u>	<u>-</u>	<u>15,001</u>	<u>33,596</u>	<u>144,559</u>	<u>-</u>
Disbursements:							
Current:							
Instruction	-	1,840	-	24,401	45,374	135,984	-
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>1,840</u>	<u>-</u>	<u>24,401</u>	<u>45,374</u>	<u>135,984</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>3,705</u>	<u>(1,840)</u>	<u>-</u>	<u>(9,400)</u>	<u>(11,778)</u>	<u>8,575</u>	<u>-</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	61,556	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,556</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>3,705</u>	<u>(1,840)</u>	<u>-</u>	<u>(9,400)</u>	<u>(11,778)</u>	<u>70,131</u>	<u>-</u>
Cash and investments - ending	<u>\$ 3,705</u>	<u>\$ (3,011)</u>	<u>\$ -</u>	<u>\$ (9,400)</u>	<u>\$ (11,778)</u>	<u>\$ 70,131</u>	<u>\$ 1,022</u>

ATTICA 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)

	Fiscal Stabilization - Education	Title I - Grants to LEAs	Special Education - Part B	Special Education - Part B - Preschool	Education Technology	School Lunch Equipment	Totals
Cash and investments - beginning	\$ 255,021	\$ 31,713	\$ -	\$ -	\$ -	\$ -	\$ 761,153
Receipts:							
Local sources	-	-	-	-	-	-	4,226,343
Intermediate sources	-	-	-	-	-	-	396
State sources	-	-	-	-	-	-	5,619,358
Federal sources	176,920	53,224	89,558	10,050	61,556	-	1,114,667
Temporary loans	-	-	-	-	-	-	283,382
Other	-	-	-	-	-	-	78,204
Total receipts	<u>176,920</u>	<u>53,224</u>	<u>89,558</u>	<u>10,050</u>	<u>61,556</u>	<u>-</u>	<u>11,322,350</u>
Disbursements:							
Current:							
Instruction	361,178	63,869	82,948	-	-	-	4,503,885
Support services	70,763	-	-	-	-	-	2,450,624
Noninstructional services	-	-	-	-	-	-	402,535
Facilities acquisition and construction	-	-	-	-	-	-	320,483
Debt services	-	-	-	-	-	-	2,001,716
Nonprogrammed charges	-	-	-	3,720	-	-	576,728
Total disbursements	<u>431,941</u>	<u>63,869</u>	<u>82,948</u>	<u>3,720</u>	<u>-</u>	<u>-</u>	<u>10,255,971</u>
Excess (deficiency) of receipts over disbursements	<u>(255,021)</u>	<u>(10,645)</u>	<u>6,610</u>	<u>6,330</u>	<u>61,556</u>	<u>-</u>	<u>1,066,379</u>
Other financing sources (uses):							
Transfers in	-	-	(15,079)	(6,330)	(61,556)	-	208,642
Transfers out	-	(1,241)	-	-	-	-	(208,644)
Total other financing sources (uses)	<u>-</u>	<u>(1,241)</u>	<u>(15,079)</u>	<u>(6,330)</u>	<u>(61,556)</u>	<u>-</u>	<u>(2)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(255,021)</u>	<u>(11,886)</u>	<u>(8,469)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,066,377</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 19,827</u>	<u>\$ (8,469)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,827,530</u>

ATTICA 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	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	600 Special Education Preschool	Rainy Day
Cash and investments - beginning	\$ 253,096	\$ 677,994	\$ 79,365	\$ 310,063	\$ 146,525	\$ 72,324	\$ -	\$ 193,048
Receipts:								
Local sources	24,750	1,177,641	134,890	661,927	285,313	55,269	-	-
Intermediate sources	396	-	-	-	-	-	-	-
State sources	5,582,164	-	-	-	-	-	-	-
Federal sources	6,276	-	-	-	-	-	-	-
Temporary loans	-	-	-	162,841	72,291	-	-	-
Other	15,000	-	-	2,500	12,818	-	-	-
Total receipts	<u>5,628,586</u>	<u>1,177,641</u>	<u>134,890</u>	<u>827,268</u>	<u>370,422</u>	<u>55,269</u>	<u>-</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	3,180,522	-	-	-	-	-	-	-
Support services	1,632,734	-	-	325,068	304,963	69,798	-	-
Noninstructional services	66,411	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	333,027	-	-	-	-
Debt services	-	1,033,430	197,771	175,103	92,974	-	-	-
Nonprogrammed charges	444,924	-	-	-	-	-	-	-
Total disbursements	<u>5,324,591</u>	<u>1,033,430</u>	<u>197,771</u>	<u>833,198</u>	<u>397,937</u>	<u>69,798</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>303,995</u>	<u>144,211</u>	<u>(62,881)</u>	<u>(5,930)</u>	<u>(27,515)</u>	<u>(14,529)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):								
Transfers in	470	-	-	-	-	-	-	158,615
Transfers out	(233,063)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(232,593)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>158,615</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>71,402</u>	<u>144,211</u>	<u>(62,881)</u>	<u>(5,930)</u>	<u>(27,515)</u>	<u>(14,529)</u>	<u>-</u>	<u>158,615</u>
Cash and investments - ending	<u>\$ 324,498</u>	<u>\$ 822,205</u>	<u>\$ 16,484</u>	<u>\$ 304,133</u>	<u>\$ 119,010</u>	<u>\$ 57,795</u>	<u>\$ -</u>	<u>\$ 351,663</u>

ATTICA 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	Elementary MOMH	Speech/ Hearing - Head Start	Speech/ Hearing - Joint Services	Elementary MOMH	1360 Special Education Preschool
Cash and investments - beginning	\$ 77,672	\$ 12,076	\$ -	\$ -	\$ (16,485)	\$ -	\$ (6,917)	\$ -
Receipts:								
Local sources	150,945	51,811	7,256	171,995	4,575	-	40,972	130,626
Intermediate sources	-	-	-	-	-	-	-	-
State sources	3,487	31,487	-	-	-	-	-	-
Federal sources	210,269	-	-	-	-	10,753	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	27	-	-	2,668	-	-	-
Total receipts	<u>364,701</u>	<u>83,325</u>	<u>7,256</u>	<u>171,995</u>	<u>7,243</u>	<u>10,753</u>	<u>40,972</u>	<u>130,626</u>
Disbursements:								
Current:								
Instruction	-	-	-	155,570	-	-	18,697	116,822
Support services	5,452	35,026	-	-	-	15,785	15,358	-
Noninstructional services	356,485	-	-	-	-	-	-	-
Facilities acquisition and construction	1,878	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>363,815</u>	<u>35,026</u>	<u>-</u>	<u>155,570</u>	<u>-</u>	<u>15,785</u>	<u>34,055</u>	<u>116,822</u>
Excess (deficiency) of receipts over disbursements	<u>886</u>	<u>48,299</u>	<u>7,256</u>	<u>16,425</u>	<u>7,243</u>	<u>(5,032)</u>	<u>6,917</u>	<u>13,804</u>
Other financing sources (uses):								
Transfers in	19,465	-	-	-	9,242	2,976	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>19,465</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,242</u>	<u>2,976</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>20,351</u>	<u>48,299</u>	<u>7,256</u>	<u>16,425</u>	<u>16,485</u>	<u>(2,056)</u>	<u>6,917</u>	<u>13,804</u>
Cash and investments - ending	<u>\$ 98,023</u>	<u>\$ 60,375</u>	<u>\$ 7,256</u>	<u>\$ 16,425</u>	<u>\$ -</u>	<u>\$ (2,056)</u>	<u>\$ -</u>	<u>\$ 13,804</u>

ATTICA 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)

	1390 Special Education Preschool	Joint Services and Supply - Area Vocational School	Machine Trades	1430 CAD	1440 CAD	1480 Health Careers	1490 Health Careers	Alternative Education
Cash and investments - beginning	\$ (36,487)	\$ -	\$ 3,385	\$ -	\$ (32,556)	\$ 3,781	\$ -	\$ 2,339
Receipts:								
Local sources	60,866	54,831	9,552	36,814	11,793	2,946	31,084	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>60,866</u>	<u>54,831</u>	<u>9,552</u>	<u>36,814</u>	<u>11,793</u>	<u>2,946</u>	<u>31,084</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	13,585	45,496	8,690	42,046	13,509	6,260	22,711	-
Support services	896	-	4,247	-	1,003	1,454	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>14,481</u>	<u>45,496</u>	<u>12,937</u>	<u>42,046</u>	<u>14,512</u>	<u>7,714</u>	<u>22,711</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>46,385</u>	<u>9,335</u>	<u>(3,385)</u>	<u>(5,232)</u>	<u>(2,719)</u>	<u>(4,768)</u>	<u>8,373</u>	<u>-</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	35,275	987	-	-
Transfers out	<u>(12,218)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(12,218)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,275</u>	<u>987</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>34,167</u>	<u>9,335</u>	<u>(3,385)</u>	<u>(5,232)</u>	<u>32,556</u>	<u>(3,781)</u>	<u>8,373</u>	<u>-</u>
Cash and investments - ending	<u>\$ (2,320)</u>	<u>\$ 9,335</u>	<u>\$ -</u>	<u>\$ (5,232)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,373</u>	<u>\$ 2,339</u>

ATTICA 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 Library Printed Material	SAFE School Haven	Jimmy Durante Grant	IND Next Leadership Training	3110 Gifted and Talented	3120 Gifted and Talented	Medicaid Reimbursement	Non-English Speaking Programs P.L. 273-1999
Cash and investments - beginning	\$ 88	\$ 199	\$ 500	\$ 182	\$ -	\$ (18,664)	\$ 8,837	\$ 3,008
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	28,452	-	-	1,030
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	28,452	-	-	1,030
Disbursements:								
Current:								
Instruction	-	-	-	-	29,516	11,655	-	-
Support services	-	-	-	-	-	-	1,246	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	29,516	11,655	1,246	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	(1,064)	(11,655)	(1,246)	1,030
Other financing sources (uses):								
Transfers in	-	-	-	-	-	30,319	-	-
Transfers out	(88)	(199)	-	(182)	-	-	-	-
Total other financing sources (uses)	(88)	(199)	-	(182)	-	30,319	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(88)	(199)	-	(182)	(1,064)	18,664	(1,246)	1,030
Cash and investments - ending	\$ -	\$ -	\$ 500	\$ -	\$ (1,064)	\$ -	\$ 7,591	\$ 4,038

ATTICA 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	Excess PTRC Distributions	4110 Title I	4120 Title I	Title V, Part A	5210 LD	5220 LD
Cash and investments - beginning	\$ 5,009	\$ -	\$ 34,834	\$ -	\$ 589	\$ -	\$ (8,302)
Receipts:							
Local sources	-	11,910	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	17,529	-	7,502	83,259	-	193,037	45,284
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	<u>17,529</u>	<u>11,910</u>	<u>7,502</u>	<u>83,259</u>	<u>-</u>	<u>193,037</u>	<u>45,284</u>
Disbursements:							
Current:							
Instruction	-	-	25,628	126,701	-	208,069	45,067
Support services	3,250	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	8,135	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>11,385</u>	<u>-</u>	<u>25,628</u>	<u>126,701</u>	<u>-</u>	<u>208,069</u>	<u>45,067</u>
Excess (deficiency) of receipts over disbursements	<u>6,144</u>	<u>11,910</u>	<u>(18,126)</u>	<u>(43,442)</u>	<u>-</u>	<u>(15,032)</u>	<u>217</u>
Other financing sources (uses):							
Transfers in	-	-	-	16,708	-	-	7,867
Transfers out	-	-	(16,708)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(16,708)</u>	<u>16,708</u>	<u>-</u>	<u>-</u>	<u>7,867</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>6,144</u>	<u>11,910</u>	<u>(34,834)</u>	<u>(26,734)</u>	<u>-</u>	<u>(15,032)</u>	<u>8,084</u>
Cash and investments - ending	<u>\$ 11,153</u>	<u>\$ 11,910</u>	<u>\$ -</u>	<u>\$ (26,734)</u>	<u>\$ 589</u>	<u>\$ (15,032)</u>	<u>\$ (218)</u>

ATTICA 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)

	5810 Drug Abuse Grant	5820 Drug Abuse Grant	Team Nutrition Traning Grants	Project Lead the Way Grant	Improving Teaching Quality, No Child Left, Title II, Part A	ITQ, Enhanced Education Through Technology, Title II, Part D	Title III, Language Instruction
Cash and investments - beginning	\$ 3,705	\$ (3,011)	\$ -	\$ (9,400)	\$ (11,778)	\$ 70,131	\$ 1,022
Receipts:							
Local sources	-	-	-	7,373	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	6,075	-	22,097	32,265	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	-	6,075	7,373	22,097	32,265	-
Disbursements:							
Current:							
Instruction	-	694	-	1,278	46,811	69,608	-
Support services	-	-	-	-	-	29,878	-
Noninstructional services	-	-	3,363	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	694	3,363	1,278	46,811	99,486	-
Excess (deficiency) of receipts over disbursements	-	(694)	2,712	6,095	(24,714)	(67,221)	-
Other financing sources (uses):							
Transfers in	-	3,705	-	-	-	-	-
Transfers out	(3,705)	-	-	-	-	-	-
Total other financing sources (uses)	(3,705)	3,705	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,705)	3,011	2,712	6,095	(24,714)	(67,221)	-
Cash and investments - ending	\$ -	\$ -	\$ 2,712	\$ (3,305)	\$ (36,492)	\$ 2,910	\$ 1,022

ATTICA 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)

	Fiscal Stabilization - Education	Title I - Grants to LEAs	Special Education - Part B	Special Education - Part B - Preschool	Education Technology	School Lunch Equipment	Totals
Cash and investments - beginning	\$ -	\$ 19,827	\$ (8,469)	\$ -	\$ -	\$ -	\$ 1,827,530
Receipts:							
Local sources	-	-	-	-	-	-	3,125,139
Intermediate sources	-	-	-	-	-	-	396
State sources	-	-	-	-	-	-	5,646,620
Federal sources	-	20,182	75,998	3,719	-	19,465	753,710
Temporary loans	-	-	-	-	-	-	235,132
Other	-	-	-	-	-	-	33,013
Total receipts	-	20,182	75,998	3,719	-	19,465	9,794,010
Disbursements:							
Current:							
Instruction	-	64,441	91,568	-	-	-	4,344,944
Support services	-	-	-	-	-	-	2,446,158
Noninstructional services	-	-	-	-	-	-	426,259
Facilities acquisition and construction	-	-	-	-	-	-	343,040
Debt services	-	-	-	-	-	-	1,499,278
Nonprogrammed charges	-	-	-	-	-	-	444,924
Total disbursements	-	64,441	91,568	-	-	-	9,504,603
Excess (deficiency) of receipts over disbursements	-	(44,259)	(15,570)	3,719	-	19,465	289,407
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	285,629
Transfers out	-	-	-	-	-	(19,465)	(285,628)
Total other financing sources (uses)	-	-	-	-	-	(19,465)	1
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(44,259)	(15,570)	3,719	-	-	289,408
Cash and investments - ending	\$ -	\$ (24,432)	\$ (24,039)	\$ 3,719	\$ -	\$ -	\$ 2,116,938

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ATTICA 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:		
Capital leases:		
Computer Lease #24661	\$ 23,849	\$ 10,156
Computer Lease #24535	26,928	18,766
High School Building	5,285,000	750,000
Elementary Building	2,720,000	351,000
Roof Lease #24630	79,089	54,982
Computer Lease #24882	126,000	16,467
Computer Lease #24782	<u>110,242</u>	<u>33,578</u>
 Total capital leases	 <u>8,371,108</u>	 <u>1,234,949</u>
Bonds payable:		
General obligation bonds:		
Taxable Pension Bonds	700,000	68,784
Taxable First Mortgage Bonds, Series 2009	1,950,000	160,031
 Tax Anticipation Warrants	 <u>235,132</u>	 <u>237,981</u>
 Total governmental activities debt	 <u>\$ 11,256,240</u>	 <u>\$ 1,701,745</u>

ATTICA CONSOLIDATED SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

CERTIFIED REPORT NOT FILED

The School Corporation failed to file the Certified Report of Names, Addresses, Duties and Compensation of Public Employees, General Form 100-R, for 2011.

Indiana Code 5-11-13-1(a) states in part:

"Every . . . school official . . . shall during the month of January of each year prepare, make, and sign a written or printed certified report, correctly and completely showing the names and business addresses of each and all officers, employees, and agents in their respective offices, departments, boards, commissions, and institutions, and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts. However, no more than one (1) report covering the same officers, employees, and agents need be made from the state or any county, city, town, township, or school unit in any one year."

INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

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 weaknesses:

1. Lack of Segregation of Duties: Control activities should be selected and developed at various levels of the School Corporation to reduce risks to achievement of financial reporting objectives. The School Corporation has not separated incompatible activities related to receipts, disbursements, payroll and related liabilities, and cash and investment balances. The failure to establish these controls could enable material misstatements or irregularities to go undetected.
2. Preparing Financial Statements: Effective internal control over financial reporting involves the identification and analysis of the risks of material misstatement to the School Corporation's audited financial statements and then determining how those identified risks should be managed. The School Corporation has not identified risks to the preparation of reliable financial statements and as a result has failed to design effective controls over the preparation of the financial statements to prevent or detect material misstatements, including notes to the financial statements.
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 objections, 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.

ATTICA CONSOLIDATED SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

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)

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping were noted. A similar comment was in prior Report B35953.

1. Two distributions from the County Auditor were posted to incorrect funds.

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)

2. Some transactions were recorded as "negative" receipts and "negative" disbursements.

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

MILEAGE REIMBURSEMENT

Some disbursements reviewed that were issued to reimburse employees for mileage and travel expenses did not include a properly completed Mileage Claim, General Form 101. The claims did not always document items such as odometer readings and descriptions of starting and ending locations.

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

CREDIT CARD INTEREST PAYMENTS

Payments to Visa in November and December of 2010 were made after the due date resulting in interest charges assessed to the School Corporation. The total interest paid was \$65.08.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

The School Corporation did not comply with directives of the Indiana Department of Education by failing to submit timely the Title I Cluster Quarterly Monitoring Reports, Special Education Cluster Monthly Reimbursement Claims, and Child Nutrition Cluster Monthly Reimbursement Claims.

ATTICA CONSOLIDATED SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

The School Corporation was not in compliance with reporting requirements of the ARRA Fiscal Stabilization program. The Quarterly Subaward Progress Reports and Quarterly Report of Interest Earned were not filed.

The School Corporation was not in compliance with reporting requirements of the Child Nutrition Discretionary Grant. The final financial report was not filed.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate and timely reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

CAPITAL ASSET RECORDS

The School Corporation did not maintain capital asset records using the Capital Asset Ledger, General Form 369.

Every governmental unit should have a complete inventory of all fixed assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable General Fixed Asset Account Group Form. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

OFFICIAL BONDS

The following official bonds were not filed in the Office of the County Recorder:

Carrie R. Brier, Treasurer	07-01-09 to 06-30-10 07-01-11 to 06-30-12
Jodi K. Schmid, Deputy Treasurer	07-17-11 to 07-17-12
Patrick Stoll, Athletic Director	09-03-10 to 09-03-11
Matt Tuggle, Athletic Director	09-03-11 to 09-03-12
Sally Shirley, Athletic Secretary	09-03-10 to 09-03-12
Charles C. Hutchins, Assistant Athletic Director	09-03-10 to 09-03-12
Jennifer L. Snider, Elementary Cafeteria Manager	02-19-11 to 02-19-12
Carolyn Ransom, High School Cafeteria Manager	11-15-09 to 11-15-11
Penny Haddock, Book Rental Secretary	07-09-09 to 07-09-10 07-09-11 to 07-09-12

ATTICA CONSOLIDATED SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

In addition, evidence was not presented to support the purchase of the following bonds and they were not recorded in the office of the County Recorder:

Carrie R. Brier, Treasurer	07-01-10 to 06-30-11
Jodi K. Schmid, Deputy Treasurer	07-17-09 to 07-17-11
Patrick Stoll, Athletic Director	09-03-09 to 09-03-10
Penny Haddock, Book Rental Secretary	07-09-10 to 07-09-11
Sally Shirley, Athletic Secretary	09-03-09 to 09-03-10
Charles C. Hutchins, Assistant Athletic Director	09-03-09 to 09-03-10
Jennifer L. Snider, Elementary Cafeteria Manager	02-19-09 to 02-19-11
Carolyn Ransom, High School Cafeteria Manager	11-15-11 to 11-15-12

The State Board of Accounts is of the audit position bonds should be filed and recorded in the office of the county recorder. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

Indiana Code 20-26-4-5 states in part:

"For each school year commencing July 1, the treasurer of each governing body and the governing body's school corporation and a deputy treasurer, if so appointed, shall give a bond for the faithful performance of the treasurer's and deputy treasurer's duties written by an insurance company licensed to do business in Indiana, in an amount determined by the governing body."

Whenever deemed necessary to bond any other employee of a school corporation, the governing body may bond or cause to be bonded such employee or employees by either individual or blanket bonds conditioned upon faithful performance of duties, and in amounts and with surety approved by the school board. We recommend bond coverage for any employee handling funds. A blanket bond should not include any officer, deputy or employee for whom an individual bond is required by statute. Individual bonds are required for the school corporation treasurer and the deputy treasurer. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

ATTICA CONSOLIDATED SCHOOL CORPORATION
 AUDIT RESULTS AND COMMENTS
 (Continued)

OVERDRAWN FUND BALANCES

The following funds were overdrawn:

Fund	Year
Speech/Hearing - Head Start	2010
Elementary MOMH	2010
1390 Special Education Preschool	2010
1440 CAD	2010
3120 Gifted and Talented	2010
5220 LD	2010
5820 Drug Abuse Grant	2010
Project Lead the Way	2010
Improving Teaching Quality No Child Left Behind, Title II, Part A	2010
Special Education Part B	2010

The balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (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 ATTICA CONSOLIDATED SCHOOL
CORPORATION, FOUNTAIN COUNTY, INDIANA

Compliance

We have audited the compliance of the Attica 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 2011-3 to 2011-8.

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 compliance and to test and

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)

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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there is no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2011-2 to be a material weakness.

The School Corporation's response to the findings identified in our audit is described in the accompanying Official Response and 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

November 10, 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.

ATTICA 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 Indiana Department of Education Child Nutrition Cluster School Breakfast Program	10.553			
		FY 08-09	\$ 5,597	\$ -
		FY 09-10	28,002	9,230
		FY 10-11	-	26,740
Total for program			<u>33,599</u>	<u>35,970</u>
National School Lunch Program	10.555			
		FY 08-09	28,861	-
		FY 09-10	141,336	49,276
		FY 10-11	-	140,960
Total for program			<u>170,197</u>	<u>190,236</u>
Summer Food Service Program for Children	10.559			
		FY 09-10	-	4,033
Total for cluster			<u>203,796</u>	<u>230,239</u>
Pass-Through Indiana Department of Education Team Nutrition Grants	10.574			
		A58-0-10SS-058	-	3,363
Pass-Through Indiana Department of Education ARRA - Child Nutrition Discretionary Grants Limited Availability	10.579			
		A58-1-11SS-008	-	19,465
Total for federal grantor agency			<u>203,796</u>	<u>253,067</u>
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education Title I, Part A Cluster Title I Grants to Local Educational Agencies	84.010			
		SY 09-10	186,864	-
		SY 10-11	-	90,761
Total for program			<u>186,864</u>	<u>90,761</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389			
		10-2435	51,984	-
		11-2435	-	20,182
Total for program			<u>51,984</u>	<u>20,182</u>
Total for cluster			<u>238,848</u>	<u>110,943</u>
Pass-Through Crawfordsville Community Schools Special Education Cluster Special Education - Grants to States	84.027			
		14210-062-PN01	158,533	-
		14211-062-PN01	-	45,284
Pass-Through Indiana Department of Education Special Education - Grants to States	84.027			
		14211-062-PN01	-	193,037
Total for program			<u>158,533</u>	<u>238,321</u>

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

ATTICA CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2010 and 2011
(Continued)

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>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Crawfordsville Community Schools Special Education - Preschool Grants	84.173	45710-062-PN01	8,012	-
Pass-Through Indiana Department of Education Special Education - Preschool Grants	84.173	45711-062-PN01	-	<u>10,752</u>
Total for program			<u>8,012</u>	<u>10,752</u>
Pass-Through Crawfordsville Community Schools ARRA - Special Education - Grants to States, Recovery Act	84.391	33310-062-SN01 33311-062-SN01	74,481 -	- <u>75,997</u>
Total for program			<u>74,481</u>	<u>75,997</u>
ARRA - Special Education - Preschool Grants, Recovery Act	84.392	44410-062-SN01 44411-062-SN01	3,720 -	- <u>3,719</u>
Total for program			<u>3,720</u>	<u>3,719</u>
Total for cluster			<u>244,746</u>	<u>328,789</u>
Pass-Through Indiana Department of Education Educational Technology State Grants Cluster Educational Technology State Grants	84.318	A58-0-10IT-001 A58-0-10IT-052	78,609 <u>127,506</u>	- <u>32,265</u>
Total for cluster			<u>206,115</u>	<u>32,265</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 09	<u>176,918</u>	-
Pass-Through Indiana Department of Workforce Development Career and Technical Education - Basic Grants to States	84.048	PLTW-9-965	15,000	-
Pass-Through Crawfordsville Community Schools Career and Technical Education - Basic Grants to States	84.048	09-4700-5855 10-4700-5855	5,500 -	- 11,000
Pass-Through Southeast Fountain School Corporation Career and Technical Education - Basic Grants to States	84.048	PLTW-10-721	-	<u>982</u>
Total for program			<u>20,500</u>	<u>11,982</u>
Pass-Through Indiana Department of Education Safe and Drug-Free Schools and Communities - State Grants	84.186	08-108	<u>1,840</u>	<u>694</u>

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

ATTICA CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2010 and 2011
(Continued)

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>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education English Language Acquisition Grants	84.365	FY 09-10	132	-
Pass-Through Indiana Department of Education Improving Teacher Quality State Grants	84.367	09-2435 10-2435	33,596 -	- 22,098
Total for program			33,596	22,098
Total for federal grantor agency			922,695	506,771
Total federal awards expended			<u>\$ 1,126,491</u>	<u>\$ 759,838</u>

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

ATTICA 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 Attica 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	\$ 3,630	\$ 3,120
National School Lunch Program	10.555	18,388	16,851

ATTICA 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 deficiency identified?	none reported
Noncompliance material to financial statements noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiency identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
10.579	Child Nutrition Cluster Title I, Part A Cluster Special Education Cluster State Fiscal Stabilization Fund Cluster ARRA – Child Nutrition Discretionary Grants Limited Availability

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 2011-1 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

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 weaknesses:

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

1. Lack of Segregation of Duties: Control activities were not selected and developed at various levels of the School Corporation to reduce risks to achievement of financial reporting objectives. The School Corporation has not separated incompatible activities related to receipts, disbursements, payroll and related liabilities, and cash and investment balances. The failure to establish these controls could enable material misstatements or irregularities to go undetected.
2. Preparing Financial Statements: The School Corporation has not identified risks to the preparation of reliable financial statements and as a result has failed to design effective controls over the preparation of the financial statements to prevent or detect material misstatements, including notes to the financial statements.
3. Monitoring of 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 objections, 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.

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)

Section III – Federal Award Findings and Questioned Costs

FINDING 2011-2 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

Federal Agency: U.S. Department of Agriculture; U.S. Department of Education
Federal Programs (CFDA Title): Child Nutrition Cluster; State Fiscal Stabilization Fund Cluster;
ARRA – Child Nutrition Discretionary Grants Limited Availability
CFDA Numbers: 10.553, 10.555, 10.559; 84.394; and 10.579
Federal Award Number and Year: FY 08-09, FY 09-10, FY 10-11; FY 09; A58-1-11SS-008 FY 10-11
Pass-Through Entity: Indiana Department of Education

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 weaknesses:

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

1. Lack of Segregation of Duties: Control activities were not selected and developed at various levels of the School Corporation to reduce risks to achievement of financial reporting objectives. The School Corporation has not separated incompatible activities related to receipts, disbursements, payroll and related liabilities, and cash and investment balances. The failure to establish these controls could enable material misstatements or irregularities to go undetected.
2. Preparing Financial Statements: The School Corporation has not identified risks to the preparation of reliable financial statements and as a result has failed to design effective controls over the preparation of the financial statements to prevent or detect material misstatements, including notes to the financial statements.
3. Monitoring of 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 objections, 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.

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)

FINDING 2011-3 - ELIGIBILITY

Federal Agency: U.S. Department of Agriculture
Federal Program (CFDA Title): Child Nutrition Cluster
CFDA Numbers: 10.553; 10.555; and 10.559
Federal Award Number and Year: FY 08-09; FY 09-10; and FY 10-11
Pass-Through Entity: Indiana Department of Education

The following deficiencies were found with the School Corporation's verification process during a coordinated program review of the National School Lunch Program:

1. The verification process was not completed by someone other than the person who approved the application.

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

2. Incorrect coding of student names on the master list resulted in students receiving meal benefits for which they had not been approved.

Applications for free and reduced school provided meals were approved incorrectly. Also, students received meal benefits for which they had not been approved.

7 CFR 210.18 (b)(2)(i) states:

"Performance Standard 1-Certification/Counting/Claiming-All free, reduced price and paid lunches claimed for reimbursement are served only to children eligible for free, reduced price and paid lunches, respectively; and counted, recorded, consolidated and reported through a system which consistently yields correct claims."

7 CFR Part 245.6(a) (e)(1)(i) states in part:

"Activities prior to household notification-(1) Confirmation of a household's initial eligibility. (i) Prior to conducting any other verification activity, an individual, other than the individual who made the initial eligibility determination, shall review for accuracy each approved application selected for verification to ensure that the initial determination was correct. If the initial determination was correct, the local educational agency shall verify the approved application. . . ."

7 CFR 245.6a states in part:

". . . (j) Adverse action. If verification activities fail to confirm eligibility for free or reduced price benefits or should the household fail to cooperate with verification efforts, the school or local educational agency shall reduce or terminate benefits, as applicable, as follows: Ten days advance notification shall be provided to households that are to receive a reduction or termination of benefits, prior to the actual reduction or termination. The first Day of the 10 day advance notice period shall be the day the notice is sent. The notice shall advise the household of (1) The change; (2) The reasons for the change; (3) Notification of the right to appeal and when the appeal must be filed to ensure continued benefits while awaiting a hearing and decision; (4) Instructions on how to appeal; and (5) The right to reapply at any time during the school year. The reasons for ineligibility shall be properly documented and retained on file at the local educational agency."

7 CFR 245.6(c) states in part: ". . . The local educational agency must determine household eligibility, for free or reduced price meals, either through direct certification or the application process at or about the beginning of the school year. . . ."

The School Corporation had several deficiencies within its verification process for eligibility which did not allow them to adequately verify the eligibility status of the required sample of their approved free and reduced price applications. Failure to comply with these requirements could cause the School Corporation to be ineligible to receive future federal awards.

We recommended School Corporation officials properly complete and document the verification of student eligibility status and maintain adequate, auditable files.

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

FINDING 2011-4 - REPORTING

Federal Agency: U.S. Department of Education
Federal Program: ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act
CFDA Number: 84.394
Pass-Through Entity: Indiana Department of Education
Award Number and Year: FY 09

No reports were filed for this grant.

From Circular A-133: Subpart C--Auditees §___.300 Auditee responsibilities. The auditee shall: (a) 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 its Federal programs. (b) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

From a memo from the Indiana Department of Education, Division of Finance: the reporting requirements pertinent to the American Recovery and Reinvestment Act of 2009 (ARRA) is to file a Quarterly Subaward Progress Report and Quarterly Report of Interest Earned Report. The reports are due no later than ten days following the end of every quarter.

As part of the grant agreement between the School Corporation and the Indiana Department of Education, the Corporation is required to file quarterly reports for interest earned and a progress report to Indiana Department of Education; however, the School Corporation did not file these reports timely. The School Board for the School Corporation has not established any controls or procedures for preparing or filing the required reports.

The School Corporation is not in compliance with reporting requirements for this program. Failure to comply with these requirements could cause the Corporation to be ineligible to receive future federal awards.

We recommended that officials prepare all required reports on a timely basis, and that they contact the Indiana Department of Education to verify that all previously required reports are on file.

FINDING 2011-5 - EQUIPMENT AND PROPERTY MANAGEMENT

Federal Agency: U.S. Department of Agriculture
Federal Program: ARRA - Child Nutrition Discretionary Grants Limited Availability
CFDA Number: 10.579
Pass-Through Entity: Indiana Department of Education
Award Number and Year: A58-1-11SS-008, FY 2010-11

A listing of capital assets purchased with grant funding was not presented for audit.

34 CFR 80.32 (d) states in part:

". . . (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the

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

location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property. (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years. . . ."

The School Corporation does not maintain records that identify equipment and other property acquired with federal monies. Equipment purchases during the audit period represent 100 percent of grant expenditures.

Failure to maintain detailed and accurate equipment and property records could result in assets being lost, stolen, misappropriated, or disposed of improperly and not detected within a reasonable time.

We recommended that the School Corporation design and properly monitor procedures that would ensure accurate, detailed capital asset records are maintained and that inventories of property and equipment are conducted at least once every two years and reconciled to the detailed capital asset ledger. Any significant differences should be investigated and the appropriate adjustments made to the records. Also, any assets acquired with federal funds must be designated as such so that they are not disposed of improperly.

FINDING 2011-6 - REPORTING

Federal Agency: U.S. Department of Agriculture
Federal Program: ARRA - Child Nutrition Discretionary Grants Limited Availability
CFDA Number: 10.579
Pass-Through Entity: Indiana Department of Education
Award Number and Year: A58-1-11SS-008, FY 2010-11

No reports were filed for this grant.

From Circular A-133: Subpart C--Auditees §____.300 Auditee responsibilities. The auditee shall: (a) 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 its Federal programs. (b) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

As part of the grant agreement between the School Corporation and the Indiana Department of Education, the School Corporation is required to file quarterly progress reports and a final financial report to Indiana Department of Education; however, the School Corporation did not file these reports. The School Corporation has not established any controls or procedures for preparing or filing the required reports.

The School Corporation is not in compliance with reporting requirements for this program. Failure to comply with these requirements could cause the Corporation to be ineligible to receive future federal awards.

We recommended that officials prepare all required reports on a timely basis, and that they contact the Indiana Department of Education to verify that all previously required reports are on file.

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

FINDING 2011-7 - INTERNAL CONTROL/REPORTING

Federal Agency: U.S. Department of Education
Federal Programs: (CFDA Title) Title I, Part A Cluster
CFDA Numbers: 84.010, 84.389
Pass-Through Entity: Indiana Department of Education
Award Number and Year: SY 09-10, SY 10-11, 10-2435, 11-2435

The School Corporation failed to file timely, the fourth quarter 2010 and the first quarter 2011 quarterly monitoring reports. The School Corporation did not implement internal controls to ensure that reports were timely filed.

As part of the grant agreement between the School Corporation and the Indiana Department of Education, the School Corporation is required to submit quarterly reports to the Indiana Department of Education by the 10th of the month following the quarter. These reports shall include the information and be in the format specified by the State.

The School Corporation is not in compliance with reporting requirements for this program. Failure to comply with these requirements could cause the School Corporation to be ineligible to receive future federal awards.

We recommended that officials implement internal controls to ensure preparation and timely submission of all required reports.

FINDING 2011-8 - INTERNAL CONTROL/REPORTING

Federal Agency: U.S. Department of Education
Federal Programs: (CFDA Title) Special Education Cluster
CFDA Numbers: 84.027, 84.173, 84.391, and 84.392
Pass-Through Entity: Indiana Department of Education and Crawfordsville Community Schools
Award Number and Year: 14210-062-PN01, 14211-062-PN01, 45710-062-PN01 33310-062-SN01,
33311-062-SN01, 44410-062-SN01, 44411-062-SN-01, 45711-062-PN01

The School Corporation failed to file timely the March and May 2011 ARRA Special Education Cluster monthly reimbursement claim reports. The School Corporation did not implement internal controls to ensure that reports were timely filed.

As part of the grant agreement between the School Corporation and the Indiana Department of Education, the School Corporation is required to submit monthly reimbursement claim reports to Indiana Department of Education.

The School Corporation is not in compliance with reporting requirements for this program. Failure to comply with these requirements could cause the School Corporation to be ineligible to receive future federal awards.

We recommended that officials implement internal controls to ensure preparation and timely submission of all required reports.

ATTICA CONSOLIDATED SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

R.-SR. HIGH NCA ACCREDITED



ELEMENTARY NCA ACCREDITED

ATTICA CONSOLIDATED SCHOOL CORPORATION

205 E. SYCAMORE STREET
ATTICA, INDIANA 47918
765-762-7000
FAX 765-762-7007

Corrective Action Plan

FEDERAL FINDING 2011-1 AND 2011-2, INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

Federal Agency: United States Department of Education
Federal Program (CFDA Title): Child Nutrition Cluster; State Fiscal Stabilization Fund Cluster; ARRA – Child Nutrition Discretionary Grants
CFDA Numbers: 10.553, 10.555, 10.559; 84.394; and 10.579
Federal Award Number and Year: FY 08-09, FY 09-10, FY 10-11; FY 09; A58-1-11SS-008 FY 10-11
Pass-through Entity: Indiana Department of Education

Contact Person: Carrie R Brier, Corporation Treasurer
Contact Information: 205 E. Sycamore St., Attica, IN 47918 (765) 762-7002

There will be more segregation of duties. Some have already been implemented, and will be making some additional changes, as per the recommendation of the State Board of Accounts Field Examiner. Our Deputy Treasurer will begin handling all transactions pertaining to Extra-Curricular Accounting, with the Treasurer verifying monthly reports and bank reconciliations. The Superintendent will verify monthly reports and bank reconciliations for the corporation with the Corporation Treasurer on a monthly basis.

FEDERAL FINDING 2011-3, ELIGIBILITY

Federal Agency: United States Department of Agriculture
Federal Program (CFDA Title): Child Nutrition Cluster
CFDA Numbers: 10.553 and 10.555
Federal Award Number and Year: FY 09-10 and FY 10-11
Pass-through Entity: Indiana Department of Education

Contact Person: Jodi Schmid, Food Service Director
Contact Information: 205 E. Sycamore St., Attica, IN 47918 (765) 762-7000, ext. 5000

This action has already been corrected. A representative from the state has audited the applications and corrective matters were implemented in May of 2011. **See attached letter from IDOE.

Derek Marshall
Superintendent

David Huckleberry
Technology Director

Carrie R. Brier
Treasurer

Howard Crawford
Transportation Director

Jodi Schmid
Food Service Director

Jim Blankenship
Maintenance Director



R.-SR. HIGH NCA ACCREDITED

ELEMENTARY NCA ACCREDITED

FEDERAL FINDING 2011-4, REPORTING

Federal Agency: United States Department of Education
Federal Program: ARRA- State Fiscal Stabilization Fund (SFSF)- Education State Grants, Recovery Act
CFDA Number: 84.394
Pass-Through Entity: Indiana Department of Education
Award Number and Year: FY 09

Contact Person: Carrie R Brier, Corporation Treasurer
Contact Information: 205 E. Sycamore St., Attica, IN 47918 (765) 762-7002

The Treasurer was unaware that reimbursement forms were to be submitted. In approximately January 2011, it was brought to my attention that the reimbursement forms were to be submitted by the 1st and/or the 15th of each month. I am planning to submit reimbursement forms at the first of each month for the prior month end negative balances.

FEDERAL FINDING 2011-5, EQUIPMENT AND PROPERTY MANAGEMENT

Federal Agency: United States Department of Agriculture
Federal Program: ARRA-Child Nutrition Discretionary Grants
CFDA Number: 10.579
Pass-Through Entity: Indiana Department of Education
Award Number and Year: A58-1-11SS-008, FY 10-11

Contact Person: Carrie R Brier, Corporation Treasurer
Contact Information: 205 E. Sycamore St., Attica, IN 47918 (765) 762-7002

A spreadsheet has been completed with updated information before the end of the audit. This was something our former superintendent was keeping and I didn't have access to it. We will keep the inventory sheet updated.

FEDERAL FINDING 2011-6, REPORTING

Federal Agency: United States Department of Agriculture
Federal Program: ARRA- Child Nutrition Discretionary Grants
CFDA Number: 10.579
Pass-Through Entity: Indiana Department of Education
Award Number and Year: A58-1-11SS-008, FY 10-11

Contact Person: Carrie R Brier, Corporation Treasurer
Contact Information: 205 E. Sycamore Street, Attica, IN 47918 (765) 762-7002

The Treasurer was unaware that reimbursement forms were to be submitted. In approximately January 2011, it was brought to my attention that the reimbursement forms were to be submitted by the 1st and/or the 15th of each month. I am planning to submit reimbursement forms at the first of each month for the prior month end negative balances.

R.-SR. HIGH NCA ACCREDITED



ELEMENTARY NCA ACCREDITED

FEDERAL FINDING 2011-7, INTERNAL CONTROL /REPORTING

Federal Agency: U.S. Department of Education
Federal Programs (CFDA Title) Title I, Part A Cluster
CFDA Numbers: 84.010, 84.389
Pass-Through: Indiana Department of Education
Award Number and Year: SY 09-10, SY 10-11, 10-2435, 11-2435

Contact Person: Carrie R Brier, Corporation Treasurer
Contact Information: 205 E. Sycamore St., Attica, IN 47918 (765) 762-7002

The Treasurer was unaware that reimbursement forms were to be submitted. In approximately January 2011, it was brought to my attention that the reimbursement forms were to be submitted by the 1st and/or the 15th of each month. I am planning to submit reimbursement forms at the first of each month for the prior month end negative balances.

FEDERAL FINDING 2011-8, INTERNAL CONTROL / REPORTING

Federal Agency: U.S. Department of Education
Federal Programs (CFDA Title) Special Education Cluster
CFDA Numbers: 84.010, 84.173, 84.391 and 84.392
Pass-Through: Indiana Department of Education
Award Number and Year: 14210-062-PN01, 14211-062-PN01, 45710-062-PN01
33310-062-SN01, 33311-062-SN01, 44410-062-SN01, 44411-062-SN-01,
14211-062-PN01, 45711-062-PN01

Contact Person: Carrie R. Brier, Corporation Treasurer
Contact Information: 205 E. Sycamore St., Attica, IN 47918 (765) 762-7002

The Treasurer was unaware that reimbursement forms were to be submitted. In approximately January 2011, it was brought to my attention that the reimbursement forms were to be submitted by the 1st and/or the 15th of each month. I am planning to submit reimbursement forms at the first of each month for the prior month end negative balances.

Signature Carrie R Brier

Date 11/03/2011

Derek Marshall
Superintendent

David Huckleberry
Technology Director

Carrie R. Brier
Treasurer

Howard Crawford
Transportation Director

Jodi Schmid
Food Service Director

Jim Blankenship
Maintenance Director



Center for School & Student Academic Support
Office of School and Community Nutrition

September 19, 2011

23-2435

Mr. Derek Marshall, Superintendent
Attica Consolidated School Corporation
205 E. Sycamore Street
Attica, IN 47918

Dear Mr. Marshall:

All corrective actions outlined in your letter received August 11, 2011 are acceptable and should resolve the findings noted during the review of the National School Lunch Program. As a result, the State Agency considers the review closed.

Based on the information provided in your corrective action plan we have calculated the required fiscal action. Unless you can document why we should not disallow meals, the State Agency will amend your April 2011 claim for reimbursement using these figures:

Line 1b (paid meals) will be changed to	3,128
Line 2b (free meals) will be changed to	1,754
Line 3b (reduced meals) will be changed to	563
Line 5b (total meals) will remain the same at	5,445

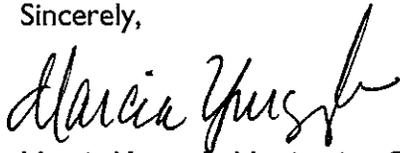
The above changes result in a total deduction of **\$1,302.10** from future reimbursement.

If you disagree with the findings and recommendations taken for the items listed under any or all Performance Standards, you have the right to appeal. You may refute the actions specified in person or by written documentation to our office. Your right to appeal the action stipulated would expire 15 calendar days from the day you receive this notice.

Your school nutrition program has a major influence on children and their need for a healthy diet. We encourage you to continue your commitment of providing children with good nutrition.

Thank you for your time and cooperation. Should you have any questions or need assistance, please contact Emily Cates, School Nutrition Specialist, at (800) 537-1142 or directly at (317) 771-9196.

Sincerely,



Marcia Yurczyk, Monitoring Coordinator
School and Community Nutrition

MKY/eac

attachment

cc: Ms. Jodi Schmid, Food Service Director
Attica Consolidated School Corporation
205 E. Sycamore Street
Attica, IN 47918

ATTICA CONSOLIDATED SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on November 10, 2011, with Jerry Mattern, President of the School Board, and Derek R. Marshall, Superintendent of Schools. The officials concurred with our audit findings.

The contents of this report were discussed on November 10, 2011, with Carrie R. Brier, Treasurer. The Official Response has been made a part of this report and may be found on page 60.



ATTICA CONSOLIDATED SCHOOL CORPORATION

205 E. SYCAMORE STREET
ATTICA, INDIANA 47918
765-762-7000
FAX 765-762-7007

November 15, 2011

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

To Whom It May Concern:

In reference to the below listed comment during our Audit of July 1, 2009 through June 30, 2011, please accept my following response:

I enter negative receipts and negative expenditures because I feel it is a cleaning accounting of a correction.

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping were noted. A similar comment was in prior Audit Report B35953.

(1) Two distributions from the County Auditor were posted to incorrect funds.

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) (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

(2) Some transactions were recorded as "negative" receipts and disbursements.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9) (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Sincerely,

Carrie R Brier
Corporation Treasurer

Derek Marshall
Superintendent

David Huckleberry
Technology Director

Carrie R. Brier
Treasurer

Howard Crawford
Transportation Director

Jodi Schmid
Food Service Director

Jim Blankenship
Maintenance Director