

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, 2011 to June 30, 2013



FILED
02/27/2014

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Carrie R. Brier	07-01-11 to 06-30-14
Superintendent of Schools	Derek Marshall	07-01-11 to 06-30-14
President of the School Board	Jerry Mattern Dan DeSutter	07-01-11 to 06-30-12 07-01-13 to 06-30-14



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE ATTICA CONSOLIDATED SCHOOL
CORPORATION, FOUNTAIN COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Attica Consolidated School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2011 to June 30, 2013, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School Corporation's preparation and fair presentation of the financial statement in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2011 to June 30, 2013.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2011 to June 30, 2013, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated January 27, 2014, 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* in considering the School Corporation's internal control over financial reporting and compliance.

Accompanying Information

Supplementary Information

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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

INDEPENDENT AUDITOR'S REPORT
(Continued)

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, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They 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.


Paul D. Joyce, CPA
State Examiner

January 27, 2014



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INDEPENDENT AUDITOR'S 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, 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, the financial statement of the Attica Consolidated School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2011 to June 30, 2013, and the related notes to the financial statement, and have issued our report thereon dated January 27, 2014, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the School Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not 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 items 2013-001 and 2013-002 to be material weaknesses.

INDEPENDENT AUDITOR'S 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2013-002.

Attica Consolidated School Corporation's Response to Findings

The School Corporation's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

January 27, 2014

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FINANCIAL STATEMENT

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

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, 2012 and 2013

-10-

	Cash and Investments 07-01-11			Other Financing Sources (Uses)		Cash and Investments 06-30-12			Other Financing Sources (Uses)		Cash and Investments 06-30-13
	Receipts	Disbursements		Sources (Uses)	Receipts	Disbursements		Sources (Uses)			
General	\$ 324,498	\$ 5,694,701	\$ 5,310,378	\$ (82,726)	\$ 626,095	\$ 5,471,117	\$ 5,175,546	\$ (105,707)	\$ 815,959		
Debt Service	822,205	1,157,498	1,263,880	-	715,823	1,228,857	1,289,587	-	655,093		
Retirement/Severance Bond Debt Service	16,484	124,573	68,784	-	72,273	93,950	133,838	-	32,385		
Capital Projects	304,133	626,416	876,527	-	54,022	697,201	677,491	-	73,732		
School Transportation	119,010	285,941	374,767	10,867	41,051	299,822	341,058	16,407	16,222		
School Bus Replacement	57,795	52,824	82,073	-	28,546	65,874	15,776	-	78,644		
Rainy Day	351,663	-	-	-	351,663	-	-	-	351,663		
Post-Retirement/Severance Future Benefits	-	-	-	91,026	91,026	-	91,026	-	-		
School Lunch	98,023	343,404	409,106	-	32,321	396,897	456,823	-	(27,605)		
Textbook Rental	60,375	88,794	122,516	-	26,653	89,523	102,282	-	13,894		
Levy Excess	7,256	-	-	(7,256)	-	-	-	-	-		
Elementary MOMH 2012-2013	16,425	40,883	57,307	-	1	140,493	142,436	12,500	10,558		
Speech/Hearing Preschool	-	-	-	-	-	13,199	25,440	-	(12,241)		
Speech/Hearing Joint Services	(2,056)	7,364	5,308	-	-	-	-	-	-		
Elementary MOMH 2011-2012	-	193,609	181,626	-	11,983	19,632	31,617	-	(2)		
Special Ed Preschool 2010-2011	13,804	22,026	34,041	-	1,789	80,517	63,251	14,000	33,055		
Special Ed Preschool 2011-2012	(2,320)	121,569	97,366	-	21,883	3,145	52,146	-	(27,118)		
Joint Services and Supply - Area Vocational School	9,335	6,000	15,335	-	-	46,311	46,352	7,100	7,059		
Machine Trades 2011-2012	-	61,710	44,094	-	17,616	-	17,765	-	(149)		
CAD 2012-2013	(5,232)	14,449	9,216	-	1	20,007	58,769	34,000	(4,761)		
CAD 2011-2012	-	68,850	41,242	-	27,608	-	27,607	-	1		
Cisco Academy	-	-	-	-	-	8,825	7,941	500	1,384		
Health Careers 2011-2012	-	66,227	41,221	-	25,006	-	25,006	-	-		
Health Careers 2010-2011	8,373	3,000	11,372	-	1	49,025	39,465	3,200	12,761		
Joint Services and Supply - Other	-	-	34,540	-	(34,540)	18,100	12,560	-	(29,000)		
Alternative Education	2,339	-	-	-	2,339	-	-	-	2,339		
School Library Printed Material	-	-	-	-	-	-	-	-	-		
SAFE School Haven	-	-	-	-	-	-	-	-	-		
Instruction Support	500	-	359	-	141	-	-	-	141		
Cultural Arts	-	-	-	-	-	-	-	-	-		
Scholarships and Awards	-	-	-	-	-	22,065	-	-	22,065		

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, 2012 and 2013
(Continued)

	Cash and Investments 07-01-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13
Construction, Remodeling, and Equipping Buildings	-	133,500	-	-	133,500	65,376	214,661	-	(15,785)
Miscellaneous Programs	-	-	-	-	-	-	-	-	-
Gifted and Talented 2010-2011	(1,064)	-	936	-	(2,000)	27,310	17,457	-	7,853
Gifted and Talented 2011-2012	-	27,337	22,000	-	5,337	-	5,337	-	-
Medicaid Reimbursement	7,591	-	104	-	7,487	-	1,901	-	5,586
Non-English Speaking Programs P.L. 273-1999	4,038	-	-	-	4,038	-	-	-	4,038
School Technology	11,153	32,052	43,575	-	(370)	27,328	53,101	-	(26,143)
Senator David Ford Technology	-	-	-	-	-	-	3,012	-	(3,012)
Excess PTRC Distributions	11,910	16,407	-	(11,910)	16,407	-	-	(16,407)	-
Title I 2011-2012	-	121,181	156,829	-	(35,648)	57,265	21,615	-	2
Title I 2010-2011	(26,734)	35,922	9,190	-	(2)	96,341	115,032	-	(18,693)
Title V, Part A	589	-	-	-	589	-	-	-	589
Special Ed, Part B 2010-2011	(15,032)	36,836	21,804	-	-	180,013	205,904	-	(25,891)
Special Ed, Part B 2011-2012	(218)	191,106	240,502	-	(49,614)	43,909	28,704	34,407	(2)
Drug Abuse Grant 5810	-	-	-	-	-	-	-	-	-
Drug Abuse Grant 5820	-	-	-	-	-	-	-	-	-
Team Nutrition Training Grants	2,712	-	2,712	-	-	-	-	-	-
Project Lead the Way Grant	(3,305)	12,960	9,656	-	(1)	-	-	-	(1)
Criminal Justice Grant	-	34,400	30,000	-	4,400	12,800	17,200	-	-
Improving Teaching Quality, No Child Left, Title II, Part A	(36,492)	8,180	(13,918)	-	(14,394)	50,668	46,326	-	(10,052)
ITQ, Enhanced Education Through Technology, Title II, Part D	2,910	-	2,911	-	(1)	-	-	-	(1)
Title III, Language Instruction	1,022	-	-	-	1,022	-	-	-	1,022
Title I - Grants to LEAs	(24,432)	-	3,601	-	(28,033)	-	(28,033)	-	-
Special Education - Part B	(24,039)	40,705	17,246	-	(580)	-	(580)	-	-
Special Education - Part B - Preschool	3,719	-	3,719	-	-	-	-	-	-
School Lunch Equipment	-	-	-	-	-	-	-	-	-
Education Jobs	-	173,498	179,602	-	(6,104)	12,962	6,859	-	(1)
Clearing Fund	45,044	1,389,298	1,398,088	-	36,254	1,250,736	1,286,428	-	562
Totals	\$ 2,161,982	\$ 11,233,220	\$ 11,209,615	\$ 1	\$ 2,185,588	\$ 10,589,268	\$ 10,828,706	\$ -	\$ 1,946,150

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.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts may 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.

ATTICA CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

State sources include distributions from the State of Indiana and are 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.

Federal sources include distributions from the federal government and are 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.

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 may 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.

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 may include the following:

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.

ATTICA CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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 or highway use taxes are received 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.

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.

ATTICA CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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:

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.

ATTICA CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

Note 7. Negative Receipts and Disbursements

The financial statement contains some receipts and/or disbursements which appear as negative entries. This is a result of correcting entries.

Note 8. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. The Speech/Hearing Preschool; Special Ed Preschool 2011-2012; Machine Trades 2011-2012; CAD 2012-2013; Joint Services and Supply - Other; Construction, Remodeling, and Equipping Buildings; Senator David Ford Technology; Title I 2010-2011; Special Ed, Part B 2010-2011; and Improving Teaching Quality, No Child Left, Title II, Part A funds are a result of the funds being set up as reimbursable grants. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2013.

ATTICA CONSOLIDATED SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENT
 (Continued)

Note 9. Holding Corporation

The School Corporation has entered into a capital lease with Attica Elementary School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the fiscal year 2012 and 2013 totaled \$750,000 for each fiscal year.

Note 10. Restatements

For the year ended June 30, 2012, certain changes have been made to the beginning balance of the financial statement to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of the restated beginning balance.

Fund Name	Balance as of June 30, 2011	Prior Period Adjustment	Balance as of July 1, 2011
Payroll Clearing	\$ -	\$ 45,044	\$ 45,044

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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 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, 2012

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post Retirement/ Severance Future Benefits	School Lunch
Cash and investments - beginning	\$ 324,498	\$ 822,205	\$ 16,484	\$ 304,133	\$ 119,010	\$ 57,795	\$ 351,663	\$ -	\$ 98,023
Receipts:									
Local sources	147,482	1,157,498	124,573	614,957	278,490	52,824	-	-	147,244
Intermediate sources	396	-	-	-	-	-	-	-	-
State sources	5,546,695	-	-	-	-	-	-	-	-
Federal sources	128	-	-	-	-	-	-	-	196,160
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	11,459	7,451	-	-	-	-
Total receipts	<u>5,694,701</u>	<u>1,157,498</u>	<u>124,573</u>	<u>626,416</u>	<u>285,941</u>	<u>52,824</u>	<u>-</u>	<u>-</u>	<u>343,404</u>
Disbursements:									
Current:									
Instruction	3,423,057	-	-	-	-	-	-	-	-
Support services	1,799,965	-	-	314,881	302,476	82,073	-	-	12,953
Noninstructional services	87,356	-	-	-	-	-	-	-	396,153
Facilities acquisition and construction	-	-	-	398,805	-	-	-	-	-
Debt services	-	1,263,880	68,784	162,841	72,291	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	<u>5,310,378</u>	<u>1,263,880</u>	<u>68,784</u>	<u>876,527</u>	<u>374,767</u>	<u>82,073</u>	<u>-</u>	<u>-</u>	<u>409,106</u>
Excess (deficiency) of receipts over disbursements	<u>384,323</u>	<u>(106,382)</u>	<u>55,789</u>	<u>(250,111)</u>	<u>(88,826)</u>	<u>(29,249)</u>	<u>-</u>	<u>-</u>	<u>(65,702)</u>
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	8,300	-	-	-	10,867	-	-	91,026	-
Transfers out	(91,026)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(82,726)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,867</u>	<u>-</u>	<u>-</u>	<u>91,026</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>301,597</u>	<u>(106,382)</u>	<u>55,789</u>	<u>(250,111)</u>	<u>(77,959)</u>	<u>(29,249)</u>	<u>-</u>	<u>91,026</u>	<u>(65,702)</u>
Cash and investments - ending	<u>\$ 626,095</u>	<u>\$ 715,823</u>	<u>\$ 72,273</u>	<u>\$ 54,022</u>	<u>\$ 41,051</u>	<u>\$ 28,546</u>	<u>\$ 351,663</u>	<u>\$ 91,026</u>	<u>\$ 32,321</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, 2012
 (Continued)

	Textbook Rental	Levy Excess	Elementary MOMH 2012-2013	Speech/Hearing Preschool	Speech/Hearing Joint Services	Elementary MOMH 2011-2012	Special Ed Preschool 2010-2011	Special Ed Preschool 2011-2012	Joint Services and Supply Area Vocational School
Cash and investments - beginning	\$ 60,375	\$ 7,256	\$ 16,425	\$ -	\$ (2,056)	\$ -	\$ 13,804	\$ (2,320)	\$ 9,335
Receipts:									
Local sources	53,410	-	40,883	-	7,364	193,609	22,026	121,569	6,000
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	35,384	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>88,794</u>	<u>-</u>	<u>40,883</u>	<u>-</u>	<u>7,364</u>	<u>193,609</u>	<u>22,026</u>	<u>121,569</u>	<u>6,000</u>
Disbursements:									
Current:									
Instruction	-	-	15,407	-	1,648	181,626	14,702	90,977	7,586
Support services	122,516	-	41,900	-	3,660	-	19,339	6,389	7,749
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	<u>122,516</u>	<u>-</u>	<u>57,307</u>	<u>-</u>	<u>5,308</u>	<u>181,626</u>	<u>34,041</u>	<u>97,366</u>	<u>15,335</u>
Excess (deficiency) of receipts over disbursements	<u>(33,722)</u>	<u>-</u>	<u>(16,424)</u>	<u>-</u>	<u>2,056</u>	<u>11,983</u>	<u>(12,015)</u>	<u>24,203</u>	<u>(9,335)</u>
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	(7,256)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(7,256)</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>(33,722)</u>	<u>(7,256)</u>	<u>(16,424)</u>	<u>-</u>	<u>2,056</u>	<u>11,983</u>	<u>(12,015)</u>	<u>24,203</u>	<u>(9,335)</u>
Cash and investments - ending	<u>\$ 26,653</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,983</u>	<u>\$ 1,789</u>	<u>\$ 21,883</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, 2012
 (Continued)

	Machine Trades 2011-2012	CAD 2012-2013	CAD 2011-2012	Cisco Academy	Health Careers 2011-2012	Health Careers 2010-2011	Joint Services and Supply Other	Alternative Education	School Library Printed Material
Cash and investments - beginning	\$ -	\$ (5,232)	\$ -	\$ -	\$ -	\$ 8,373	\$ -	\$ 2,339	\$ -
Receipts:									
Local sources	61,710	14,449	68,850	-	66,227	3,000	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>61,710</u>	<u>14,449</u>	<u>68,850</u>	<u>-</u>	<u>66,227</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	44,094	7,512	41,242	-	41,221	4,163	-	-	-
Support services	-	1,704	-	-	-	7,209	34,540	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	<u>44,094</u>	<u>9,216</u>	<u>41,242</u>	<u>-</u>	<u>41,221</u>	<u>11,372</u>	<u>34,540</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>17,616</u>	<u>5,233</u>	<u>27,608</u>	<u>-</u>	<u>25,006</u>	<u>(8,372)</u>	<u>(34,540)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
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>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>17,616</u>	<u>5,233</u>	<u>27,608</u>	<u>-</u>	<u>25,006</u>	<u>(8,372)</u>	<u>(34,540)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 17,616</u>	<u>\$ 1</u>	<u>\$ 27,608</u>	<u>\$ -</u>	<u>\$ 25,006</u>	<u>\$ 1</u>	<u>\$ (34,540)</u>	<u>\$ 2,339</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, 2012
 (Continued)

	SAFE School Haven	Instruction Support	Cultural Arts	Scholarships and Awards	Construction Remodeling and Equipping Buildings	Miscellaneous Programs	Gifted and Talented 2010-2011	Gifted and Talented 2011-2012	Medicaid Reimbursement
Cash and investments - beginning	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ (1,064)	\$ -	\$ 7,591
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	27,337	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	133,500	-	-	-	-
Total receipts	-	-	-	-	133,500	-	-	27,337	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	936	22,000	-
Support services	-	-	-	-	-	-	-	-	104
Noninstructional services	-	359	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	359	-	-	-	-	936	22,000	104
Excess (deficiency) of receipts over disbursements	-	(359)	-	-	133,500	-	(936)	5,337	(104)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(359)	-	-	133,500	-	(936)	5,337	(104)
Cash and investments - ending	\$ -	\$ 141	\$ -	\$ -	\$ 133,500	\$ -	\$ (2,000)	\$ 5,337	\$ 7,487

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, 2012
 (Continued)

	Non-English Speaking Programs P.L. 273-1999	School Technology	Senator David Ford Technology	Excess PTRC Distributions	Title I 2011-2012	Title I 2010-2011	Title V Part A	Special Ed Part B 2010-2011
Cash and investments - beginning	\$ 4,038	\$ 11,153	\$ -	\$ 11,910	\$ -	\$ (26,734)	\$ 589	\$ (15,032)
Receipts:								
Local sources	-	-	-	16,407	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	32,052	-	-	115,381	35,922	-	36,836
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	5,800	-	-	-
Total receipts	-	32,052	-	16,407	121,181	35,922	-	36,836
Disbursements:								
Current:								
Instruction	-	-	-	-	156,829	9,190	-	21,804
Support services	-	6,500	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	37,075	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	43,575	-	-	156,829	9,190	-	21,804
Excess (deficiency) of receipts over disbursements	-	(11,523)	-	16,407	(35,648)	26,732	-	15,032
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(11,910)	-	-	-	-
Total other financing sources (uses)	-	-	-	(11,910)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(11,523)	-	4,497	(35,648)	26,732	-	15,032
Cash and investments - ending	\$ 4,038	\$ (370)	\$ -	\$ 16,407	\$ (35,648)	\$ (2)	\$ 589	\$ -

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, 2012
 (Continued)

	Special Ed Part B 2011-2012	Drug Abuse Grant 5810	Drug Abuse Grant 5820	Team Nutrition Traning Grants	Project Lead the Way Grant	Criminal Justice Grant	Improving Teaching Quality No Child Left Title II, Part A	ITQ Enhanced Education Through Technology Title II, Part D
Cash and investments - beginning	\$ (218)	\$ -	\$ -	\$ 2,712	\$ (3,305)	\$ -	\$ (36,492)	\$ 2,910
Receipts:								
Local sources	-	-	-	-	12,960	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	191,106	-	-	-	-	34,400	8,180	-
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>191,106</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,960</u>	<u>34,400</u>	<u>8,180</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	240,502	-	-	-	9,656	-	(13,918)	(4,003)
Support services	-	-	-	-	-	30,000	-	6,914
Noninstructional services	-	-	-	2,712	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>240,502</u>	<u>-</u>	<u>-</u>	<u>2,712</u>	<u>9,656</u>	<u>30,000</u>	<u>(13,918)</u>	<u>2,911</u>
Excess (deficiency) of receipts over disbursements	<u>(49,396)</u>	<u>-</u>	<u>-</u>	<u>(2,712)</u>	<u>3,304</u>	<u>4,400</u>	<u>22,098</u>	<u>(2,911)</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
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>(49,396)</u>	<u>-</u>	<u>-</u>	<u>(2,712)</u>	<u>3,304</u>	<u>4,400</u>	<u>22,098</u>	<u>(2,911)</u>
Cash and investments - ending	<u>\$ (49,614)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ 4,400</u>	<u>\$ (14,394)</u>	<u>\$ (1)</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, 2012
 (Continued)

	Title III Language Instruction	Title I Grants to LEAs	Special Education Part B	Special Education Part B Preschool	School Lunch Equipment	Education Jobs	Clearing Fund	Totals
Cash and investments - beginning	\$ 1,022	\$ (24,432)	\$ (24,039)	\$ 3,719	\$ -	\$ -	\$ 45,044	\$ 2,161,982
Receipts:								
Local sources	-	-	-	-	-	-	-	3,211,532
Intermediate sources	-	-	-	-	-	-	-	396
State sources	-	-	-	-	-	-	-	5,609,416
Federal sources	-	-	40,705	-	-	173,498	-	864,368
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	1,389,298	1,547,508
Total receipts	-	-	40,705	-	-	173,498	1,389,298	11,233,220
Disbursements:								
Current:								
Instruction	-	3,601	17,246	3,719	-	158,338	-	4,499,135
Support services	-	-	-	-	-	16,064	-	2,816,936
Noninstructional services	-	-	-	-	-	5,200	-	491,780
Facilities acquisition and construction	-	-	-	-	-	-	-	435,880
Debt services	-	-	-	-	-	-	-	1,567,796
Nonprogrammed charges	-	-	-	-	-	-	1,398,088	1,398,088
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	3,601	17,246	3,719	-	179,602	1,398,088	11,209,615
Excess (deficiency) of receipts over disbursements	-	(3,601)	23,459	(3,719)	-	(6,104)	(8,790)	23,605
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	110,193
Transfers out	-	-	-	-	-	-	-	(110,192)
Total other financing sources (uses)	-	-	-	-	-	-	-	1
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(3,601)	23,459	(3,719)	-	(6,104)	(8,790)	23,606
Cash and investments - ending	\$ 1,022	\$ (28,033)	\$ (580)	\$ -	\$ -	\$ (6,104)	\$ 36,254	\$ 2,185,588

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, 2013

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post Retirement/ Severance Future Benefits	School Lunch
Cash and investments - beginning	\$ 626,095	\$ 715,823	\$ 72,273	\$ 54,022	\$ 41,051	\$ 28,546	\$ 351,663	\$ 91,026	\$ 32,321
Receipts:									
Local sources	63,845	1,228,857	93,950	697,150	286,731	65,874	-	-	117,378
Intermediate sources	396	-	-	-	-	-	-	-	-
State sources	5,406,876	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	279,519
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	51	13,091	-	-	-	-
Total receipts	<u>5,471,117</u>	<u>1,228,857</u>	<u>93,950</u>	<u>697,201</u>	<u>299,822</u>	<u>65,874</u>	<u>-</u>	<u>-</u>	<u>396,897</u>
Disbursements:									
Current:									
Instruction	3,309,073	-	-	-	-	-	-	91,026	-
Support services	1,794,062	-	-	365,304	341,058	15,776	-	-	68,848
Noninstructional services	72,411	-	-	-	-	-	-	-	387,975
Facilities acquisition and construction	-	-	-	312,187	-	-	-	-	-
Debt services	-	1,289,587	133,838	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	<u>5,175,546</u>	<u>1,289,587</u>	<u>133,838</u>	<u>677,491</u>	<u>341,058</u>	<u>15,776</u>	<u>-</u>	<u>91,026</u>	<u>456,823</u>
Excess (deficiency) of receipts over disbursements	<u>295,571</u>	<u>(60,730)</u>	<u>(39,888)</u>	<u>19,710</u>	<u>(41,236)</u>	<u>50,098</u>	<u>-</u>	<u>(91,026)</u>	<u>(59,926)</u>
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	16,407	-	-	-	-
Transfers out	(105,707)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(105,707)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,407</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>189,864</u>	<u>(60,730)</u>	<u>(39,888)</u>	<u>19,710</u>	<u>(24,829)</u>	<u>50,098</u>	<u>-</u>	<u>(91,026)</u>	<u>(59,926)</u>
Cash and investments - ending	<u>\$ 815,959</u>	<u>\$ 655,093</u>	<u>\$ 32,385</u>	<u>\$ 73,732</u>	<u>\$ 16,222</u>	<u>\$ 78,644</u>	<u>\$ 351,663</u>	<u>\$ -</u>	<u>\$ (27,605)</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, 2013
 (Continued)

	Textbook Rental	Levy Excess	Elementary MOMH 2012-2013	Speech/Hearing Preschool	Speech/Hearing Joint Services	Elementary MOMH 2011-2012	Special Ed Preschool 2010-2011	Special Ed Preschool 2011-2012	Joint Services and Supply Area Vocational School
Cash and investments - beginning	\$ 26,653	\$ -	\$ 1	\$ -	\$ -	\$ 11,983	\$ 1,789	\$ 21,883	\$ -
Receipts:									
Local sources	57,669	-	140,493	10,800	-	19,632	80,517	3,145	46,191
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	31,454	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	400	-	-	2,399	-	-	-	-	120
Total receipts	<u>89,523</u>	<u>-</u>	<u>140,493</u>	<u>13,199</u>	<u>-</u>	<u>19,632</u>	<u>80,517</u>	<u>3,145</u>	<u>46,311</u>
Disbursements:									
Current:									
Instruction	-	-	142,436	-	-	18,350	63,251	34,089	46,352
Support services	102,282	-	-	25,440	-	13,267	-	18,057	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	<u>102,282</u>	<u>-</u>	<u>142,436</u>	<u>25,440</u>	<u>-</u>	<u>31,617</u>	<u>63,251</u>	<u>52,146</u>	<u>46,352</u>
Excess (deficiency) of receipts over disbursements	<u>(12,759)</u>	<u>-</u>	<u>(1,943)</u>	<u>(12,241)</u>	<u>-</u>	<u>(11,985)</u>	<u>17,266</u>	<u>(49,001)</u>	<u>(41)</u>
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	12,500	-	-	-	14,000	-	7,100
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>12,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,000</u>	<u>-</u>	<u>7,100</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(12,759)</u>	<u>-</u>	<u>10,557</u>	<u>(12,241)</u>	<u>-</u>	<u>(11,985)</u>	<u>31,266</u>	<u>(49,001)</u>	<u>7,059</u>
Cash and investments - ending	<u>\$ 13,894</u>	<u>\$ -</u>	<u>\$ 10,558</u>	<u>\$ (12,241)</u>	<u>\$ -</u>	<u>\$ (2)</u>	<u>\$ 33,055</u>	<u>\$ (27,118)</u>	<u>\$ 7,059</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, 2013
 (Continued)

	Machine Trades 2011-2012	CAD 2012-2013	CAD 2011-2012	Cisco Academy	Health Careers 2011-2012	Health Careers 2010-2011	Joint Services and Supply Other	Alternative Education	School Library Printed Material
Cash and investments - beginning	\$ 17,616	\$ 1	\$ 27,608	\$ -	\$ 25,006	\$ 1	\$ (34,540)	\$ 2,339	\$ -
Receipts:									
Local sources	-	20,007	-	8,825	-	49,025	18,100	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	20,007	-	8,825	-	49,025	18,100	-	-
Disbursements:									
Current:									
Instruction	(6,342)	58,769	7,418	7,941	8,398	39,465	-	-	-
Support services	24,107	-	20,189	-	16,608	-	12,560	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	17,765	58,769	27,607	7,941	25,006	39,465	12,560	-	-
Excess (deficiency) of receipts over disbursements	(17,765)	(38,762)	(27,607)	884	(25,006)	9,560	5,540	-	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	34,000	-	500	-	3,200	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	34,000	-	500	-	3,200	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(17,765)	(4,762)	(27,607)	1,384	(25,006)	12,760	5,540	-	-
Cash and investments - ending	\$ (149)	\$ (4,761)	\$ 1	\$ 1,384	\$ -	\$ 12,761	\$ (29,000)	\$ 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, 2013
 (Continued)

	SAFE School Haven	Instruction Support	Cultural Arts	Scholarships and Awards	Construction Remodeling and Equipping Buildings	Miscellaneous Programs	Gifted and Talented 2010-2011	Gifted and Talented 2011-2012	Medicaid Reimbursement
Cash and investments - beginning	\$ -	\$ 141	\$ -	\$ -	\$ 133,500	\$ -	\$ (2,000)	\$ 5,337	\$ 7,487
Receipts:									
Local sources	-	-	-	22,065	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	27,310	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	65,376	-	-	-	-
Total receipts	-	-	-	22,065	65,376	-	27,310	-	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	17,457	5,337	-
Support services	-	-	-	-	-	-	-	-	1,901
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	214,661	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	214,661	-	17,457	5,337	1,901
Excess (deficiency) of receipts over disbursements	-	-	-	22,065	(149,285)	-	9,853	(5,337)	(1,901)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	22,065	(149,285)	-	9,853	(5,337)	(1,901)
Cash and investments - ending	\$ -	\$ 141	\$ -	\$ 22,065	\$ (15,785)	\$ -	\$ 7,853	\$ -	\$ 5,586

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, 2013
 (Continued)

	Non-English Speaking Programs P.L. 273-1999	School Technology	Senator David Ford Technology	Excess PTRC Distributions	Title I 2011-2012	Title I 2010-2011	Title V Part A	Special Ed Part B 2010-2011
Cash and investments - beginning	\$ 4,038	\$ (370)	\$ -	\$ 16,407	\$ (35,648)	\$ (2)	\$ 589	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	27,328	-	-	57,265	96,341	-	180,013
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	27,328	-	-	57,265	96,341	-	180,013
Disbursements:								
Current:								
Instruction	-	-	3,012	-	21,615	115,032	-	205,904
Support services	-	6,500	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	46,601	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	53,101	3,012	-	21,615	115,032	-	205,904
Excess (deficiency) of receipts over disbursements	-	(25,773)	(3,012)	-	35,650	(18,691)	-	(25,891)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(16,407)	-	-	-	-
Total other financing sources (uses)	-	-	-	(16,407)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(25,773)	(3,012)	(16,407)	35,650	(18,691)	-	(25,891)
Cash and investments - ending	\$ 4,038	\$ (26,143)	\$ (3,012)	\$ -	\$ 2	\$ (18,693)	\$ 589	\$ (25,891)

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, 2013
 (Continued)

	Special Ed Part B 2011-2012	Drug Abuse Grant 5810	Drug Abuse Grant 5820	Team Nutrition Traning Grants	Project Lead the Way Grant	Criminal Justice Grant	Improving Teaching Quality No Child Left Title II, Part A	ITQ Enhanced Education Through Technology Title II, Part D
Cash and investments - beginning	\$ (49,614)	\$ -	\$ -	\$ -	\$ (1)	\$ 4,400	\$ (14,394)	\$ (1)
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	43,909	-	-	-	-	12,800	50,668	-
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>43,909</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,800</u>	<u>50,668</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	28,704	-	-	-	-	-	46,326	-
Support services	-	-	-	-	-	17,200	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>28,704</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,200</u>	<u>46,326</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>15,205</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,400)</u>	<u>4,342</u>	<u>-</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	34,407	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>34,407</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>49,612</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,400)</u>	<u>4,342</u>	<u>-</u>
Cash and investments - ending	<u>\$ (2)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ (10,052)</u>	<u>\$ (1)</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, 2013
 (Continued)

	Title III Language Instruction	Title I Grants to LEAs	Special Education Part B	Special Education Part B Preschool	School Lunch Equipment	Education Jobs	Clearing Fund	Totals
Cash and investments - beginning	\$ 1,022	\$ (28,033)	\$ (580)	\$ -	\$ -	\$ (6,104)	\$ 36,254	\$ 2,185,588
Receipts:								
Local sources	-	-	-	-	-	-	-	3,030,254
Intermediate sources	-	-	-	-	-	-	-	396
State sources	-	-	-	-	-	-	-	5,465,640
Federal sources	-	-	-	-	-	12,962	-	760,805
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	1,250,736	1,332,173
Total receipts	-	-	-	-	-	12,962	1,250,736	10,589,268
Disbursements:								
Current:								
Instruction	-	(28,033)	(580)	-	-	3,190	-	4,238,190
Support services	-	-	-	-	-	-	-	2,843,159
Noninstructional services	-	-	-	-	-	3,669	-	464,055
Facilities acquisition and construction	-	-	-	-	-	-	-	573,449
Debt services	-	-	-	-	-	-	-	1,423,425
Nonprogrammed charges	-	-	-	-	-	-	1,286,428	1,286,428
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	(28,033)	(580)	-	-	6,859	1,286,428	10,828,706
Excess (deficiency) of receipts over disbursements	-	28,033	580	-	-	6,103	(35,692)	(239,438)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	122,114
Transfers out	-	-	-	-	-	-	-	(122,114)
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	28,033	580	-	-	6,103	(35,692)	(239,438)
Cash and investments - ending	\$ 1,022	\$ -	\$ -	\$ -	\$ -	\$ (1)	\$ 562	\$ 1,946,150

ATTICA CONSOLIDATED SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

OVERDRAWN CASH BALANCES

The financial statement presented in this report included the following funds with overdrawn cash balances at June 30, 2013:

Fund	Amount Overdrawn
School Lunch	\$ 27,605
School Technology	26,143

The cash 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)

CONDITION OF RECORDS

Financial records presented for audit included the following errors:

1. Seven state distributions were posted to incorrect funds. The amount incorrectly posted is immaterial to the financial statements.
2. Transactions were recorded as "negative" receipts and disbursements.
3. The bank reconcilements had numerous adjustments. Electronic payments are posted as adjustments rather than through vendor disbursements.

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)

ERRORS ON CLAIMS

A test of claims identified the following deficiencies with an error rate greater than 10 percent.

1. 100 percent of the Visa claims paid during the audit period were not presented to the Board for approval. This error resulted in \$90,586.47 of expenditures which did not have proper Board approval.
2. 100 percent of the Visa claims paid during the audit period were missing supporting documentation. This error resulted in \$17,520.37 of expenditures which did not have adequate supporting documentation.

Indiana Code 5-11-10-1.6 states in part:

"(b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services.

ATTICA CONSOLIDATED SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

AVERAGE DAILY MEMBERSHIP (ADM) - LACK OF RECORDS

The school principals did not provide written certification that the detailed student records maintained to support the Average Daily Membership claimed was accurate.

Indiana Code 5-15-6-3(f), concerning destruction of public records, states in part: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

Officials shall maintain records (enrollment cards, rosters, reporting forms, etc.) which substantiate the number of students claimed for ADM.

The building level official (Principal, Assistant Principal, etc.) is responsible for reporting ADM to the School Corporation Central Office, should provide a written certification of ADM to properly document responsibility. The certification should at a minimum include a statement detailing the names and location of the records used (these records must be retained for public inspection and audit) to substantiate ADM claimed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

COLLECTION OF AMOUNTS DUE

The amount of \$14,393.51 was due to the School Corporation as of June 30, 2013. This is the net total of all the lunch account balances. There were 38 accounts with negative balances in excess of \$100. Four families had negative balances in excess of \$1,000; two additional families had negative balances in excess of \$800 and one school employee's family had a negative balance in excess of \$600.

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

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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

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

TO: THE OFFICIALS OF THE ATTICA CONSOLIDATED SCHOOL
CORPORATION, FOUNTAIN COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Attica Consolidated School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2011 to June 30, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Basis for Qualified Opinion on Child Nutrition Cluster

As described in item 2013-006 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Equipment and Real Property Management that are applicable to the Child Nutrition Cluster. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that cluster.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

Qualified Opinion on Child Nutrition Cluster

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion* paragraph, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Child Nutrition Cluster for the period of July 1, 2011 to June 30, 2013.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the period of July 1, 2011 to June 30, 2013.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, 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 2013-007, 2013-008, 2013-009, and 2013-010. Our opinion on each major federal program is not modified with respect to these matters.

The School Corporation's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not 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 over compliance 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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

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 items 2013-003, 2013-004, and 2013-005 to be material weaknesses.

The School Corporation's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

January 27, 2014

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying notes presented were prepared 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, 2012 and 2013

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-12	Total Federal Awards Expended 06-30-13
<u>DEPARTMENT OF AGRICULTURE</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553			
			FY 10-11	\$ 10,921	\$ -
			FY 11-12	35,604	12,085
			FY 12-13	-	45,620
Total - School Breakfast Program				<u>46,525</u>	<u>57,705</u>
National School Lunch Program					
National School Lunch Program	Indiana Department of Education	10.555			
			FY 10-11	46,892	-
			FY 11-12	144,765	47,962
			FY 12-13	-	174,041
Total - National School Lunch Program				<u>191,657</u>	<u>222,003</u>
Summer Food Service Program for Children					
Summer Food Service Program for Children	Indiana Department of Education	10.559			
			FY 11-12	6,173	-
			FY 12-13	-	5,672
Total - Summer Food Service Program for Children				<u>6,173</u>	<u>5,672</u>
Total - Child Nutrition Cluster				<u>244,355</u>	<u>285,380</u>
Total - Department of Agriculture				<u>244,355</u>	<u>285,380</u>
<u>DEPARTMENT OF JUSTICE</u>					
Juvenile Accountability Block Grant	Indiana Criminal Justice Institute	16.523			
			09-JB-005	47,200	-
<u>DEPARTMENT OF EDUCATION</u>					
Title I, Part A Cluster					
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010			
			FY 10-11	35,922	-
			FY 11-12	115,381	67,215
			FY 12-13	-	86,291
Total - Title I, Part A Cluster				<u>151,303</u>	<u>153,506</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, 2012 and 2013
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-12	Total Federal Awards Expended 06-30-13
<u>DEPARTMENT OF EDUCATION (continued)</u>					
Special Education Cluster					
Special Education - Grants to States	Crawfordsville Community Schools	84.027	14211-062-PN01	36,836	-
			14212-062-PN01	191,106	43,909
			14213-062-PN01	-	180,013
Total - Special Education - Grants to States				<u>227,942</u>	<u>223,922</u>
Special Education - Preschool Grants	Crawfordsville Community Schools	84.173	45711-074-PN01	5,264	-
			45712-074-PN01	19,941	-
			45713-074-PN01	-	13,199
Total - Special Education - Preschool Grants				<u>25,205</u>	<u>13,199</u>
ARRA - Special Education Grants to States	Crawfordsville Community Schools	84.391	33310-062-SN01	40,705	-
Total - Special Education Cluster				<u>293,852</u>	<u>237,121</u>
Career and Technical Education - Basic Grants to States	Southeast Fountain School Corporation	84.048	11-6200-5855	12,960	-
Improving Teacher Quality State Grants	Indiana Department of Education	84.367	FY 10-11	8,180	-
			FY 11-12	-	25,337
			FY 12-13	-	25,331
Total - Improving Teacher Quality State Grants				<u>8,180</u>	<u>50,668</u>
Education Jobs Fund	Indiana Department of Education	84.410	FY 11-12	179,601	-
			FY 12-13	-	6,859
Total - Education Jobs Fund				<u>179,601</u>	<u>6,859</u>
Total - Department of Education				<u>645,896</u>	<u>448,154</u>
Total federal awards expended				<u>\$ 937,451</u>	<u>\$ 733,534</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, 2012 and 2013. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2012	2013
School Breakfast Program	10.553	\$ 4,408	\$ 5,778
National School Lunch Program	10.555	21,165	21,036

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:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported

Type of auditor's report issued on compliance for major programs:

Unmodified for all programs except Child Nutrition Cluster, which is qualified.

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	yes
--	-----

Identification of Major Programs:

<u>Name of Federal Program or Cluster</u>
Child Nutrition Cluster
Special Education Cluster
Title I, Part A Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee?	no
--	----

Section II – Financial Statement Findings

FINDING 2013-001 - 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 the achievement of financial reporting objectives. The School Corporation has not separated incompatible activities related to receipts: the Treasurer writes receipts, prepares deposits, posts receipts and

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

reconciles the cash balance; payroll and related liabilities: the Treasurer processes payroll from start to finish. There is no approval or review by the governing body or another person; and cash and investment balances: the Treasurer completes the reconciliation and there is no review or approval of the reconciliation. The failure to establish these controls could enable material misstatements or irregularities to remain 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 statement and then determining how those identified risks should be managed. The School Corporation has not identified risks to the preparation of a reliable financial statement and as a result has failed to design effective controls over the preparation of the financial statement to prevent or detect material misstatements, including notes to the financial statement.
3. Monitoring of Controls: Effective internal control over financial reporting requires the School Board to monitor and assess the quality of the School Corporation's system of internal control. The School Board has not performed either an ongoing or separate evaluation of their system of internal controls. The failure to exercise their oversight responsibility places the School Corporation at risk that controls may not be designed or operating effectively to provide reasonable assurance that controls will prevent or detect material misstatements in a timely manner. Additionally, the School Corporation has no process to identify or communicate corrective actions to improve controls.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

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 2013-002 - INTERNAL CONTROL AND COMPLIANCE
OVER SCHEDULE OF FEDERAL EXPENDITURES***

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The School Corporation should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

During the audit of the SEFA, we noted the following errors: two programs were not broken down by appropriate fiscal years; for the National School Lunch Program, snack reimbursements and commodities were not included and a posting error caused an additional misstatement; and six programs were omitted from the schedule. Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA presented in this report. These adjustments resulted in a presentation of the SEFA that is materially correct in relation to the financial statement.

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

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

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)

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with section .310."

OMB Circular A-133, Subpart C, section .310(b) states:

"Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

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

Section III – Federal Award Findings and Questioned Costs

FINDING 2013-003 - INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO SPECIAL EDUCATION - GRANTS TO STATES, SPECIAL EDUCATION - PRESCHOOL PROGRAMS AND ARRA-SPECIAL EDUCATION - GRANTS TO STATES

Federal Agency: Department of Education

Federal Program: Special Education - Grants to States, Special Education - Preschool Grants,
ARRA - Special Education - Grants to States

CFDA Number: 84.027, 84.173, 84.391

Federal Award Number and Year (or Other Identifying Number): 14211-062-PN01, 14212-062-PN01,
14213-062-PN01, 45711-074-PN01,
45712-074-PN01, 45713-074-PN01,
33310-062-SN01

Pass-Through Entity: Crawfordsville Community Schools

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and some of the compliance requirements that have a direct and material effect to the program. This includes the following compliance requirements: Activities Allowed - Allowable Cost - Payroll is processed by the Treasurer from start to finish. There is no approval or review of payroll by any other party. Cash Management and Reporting - There is no review of reports or reimbursement requests prior to submission. Matching, Level of Effort, Earmarking and Period of Availability - There is no monitoring of these requirements. Special Tests and Provisions - The ARRA portion of the grant was not included in the Schedule of Expenditures of Federal Awards. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the grant.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) 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."

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements that have a direct and material effect to the program could result in the loss of federal funds to the School Corporation.

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

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and all compliance requirements that have a direct and material effect to the program.

***FINDING 2013-004 - INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS
THAT HAVE A DIRECT AND MATERIAL EFFECT TO THE CHILD NUTRITION CLUSTER***

Federal Agency: Department of Agriculture

Federal Program: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children

CFDA Number: 10.553, 10.555, 10.559

Federal Award Number and Year (or Other Identifying Number): FY 10-11, FY 11-12, FY 12-13

Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and some of the compliance requirements that have a direct and material effect to the program. This includes the following compliance requirements: Allowable Activities - Allowable Costs - Payroll is processed start to finish by the Treasurer. There is no review or approval. Cash Management and Reporting - There is no review or approval of reimbursement requests prior to submission. Eligibility - Verifications and review were not properly documented. Equipment and Real Property Management - Property records were not maintained. Procurement, Suspension and Debarment - Milk and bread bids were not reviewed or approved by the School Board and some were not available for audit or for use by school personnel in reviewing the claims. Program Income - Line reports were submitted to the School Corporation office but differences between the reports and deposit slips were not identified and explained. Special Tests and Provisions - Verifications of free and reduced applications were not reviewed or approved. "Inventories" were turned in to the Food Service Director, but they were not inventory counts of items on hand and were not reviewed by the Food Service Director. There was no control in place to ensure that a separate food service account was used. There was no control in place to ensure that the School Corporation complied with paid lunch equity requirements. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the grant.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) 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."

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

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements that have a direct and material effect to the program could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and all compliance requirements that have a direct and material effect to the program.

FINDING 2013-005 - INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Number and Year (or Other Identifying Number): FY 10-11, FY 11-12, FY 12-13

Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and some of the compliance requirements that have a direct and material effect to the program. This includes the following compliance requirements: Activities Allowed - Allowable Costs - Payroll is processed entirely by the Treasurer. There is no review or approval by any other party. Cash Management - There is no review or approval of reimbursement requests by anyone other than the Treasurer. Eligibility and Special Tests and Provisions - There was no evidence of verification or review of free/reduced applications which are the basis for establishing a school wide program. Equipment and Real Property Management - Property records were not maintained. Matching, Level of Effort, Earmarking - There were inadequate controls over Form 9s which are the basis for the level of effort calculation. Period of Availability - There was no monitoring of requirement. Procurement, Suspension and Debarment - Some claims were not on the approved claims docket or the claims docket was not signed by a majority of the School Board; Special Tests and Provisions - There was no process to make sure that proper documentation was obtained and retained to prove highly qualified teachers. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the grant.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

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

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) 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."

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements that have a direct and material effect to the program could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and all compliance requirements that have a direct and material effect to the program.

FINDING 2013-006 - EQUIPMENT AND REAL PROPERTY MANAGEMENT

Federal Agency: Department of Agriculture

Federal Program: National School Lunch Program, School Breakfast Program,
Summer Food Service Program for Children

CFDA Number: 10.555, 10.553, 10.559

Federal Award Number and Year (or Other Identifying Number): FY 10-11, FY 11-12, FY 12-13

Pass-Through Entity: Indiana Department of Education

The School Corporation did not maintain a listing of equipment purchased from the food service funds. A physical inventory of the equipment was not taken.

7 CFR 3016.32(d) states:

"Management requirements. Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part with grant funds, until disposition takes place will, as a minimum, meet the following requirements:

- (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 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.
- (3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated.
- (4) Adequate maintenance procedures must be developed to keep the property in good condition.
- (5) If the grantee or subgrantee is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return."

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

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

We recommended that the School Corporation prepare and maintain accurate detailed property records and that inventories of equipment are conducted at least once every two years and reconciled to the detailed property records. Any significant differences should be investigated and the appropriate adjustments made to the records. Also, any equipment acquired with federal funds must be designated as such so that they are not disposed of improperly.

FINDING 2013-007 - PROCUREMENT AND ALLOWABLE COSTS

Federal Agency: Department of Agriculture
Federal Program: National School Lunch Program, School Breakfast Program,
Summer Food Service Program for Children
CFDA Number: 10.555, 10.553, 10.559
Federal Award Number and Year (or Other Identifying Number): FY 10-11, FY 11-12, FY 12-13
Pass-Through Entity: Indiana Department of Education

The bids for bread and dairy products for the 2011-2012 school years were not retained for audit. The School Corporation reported that it is their procedure that invoice amounts are compared to the accepted bid price, but a copy of the bids could not be produced. The bids were not presented to or approved by the School Board for approval in either year of the audit.

7 CFR 3016.36(b)(4) states:

"Grantee and subgrantee procedures will provide for a review of proposed procurements to avoid purchase of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach."

7 CFR 3016.20(b) states in part:

"(2) *Accounting records.* Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income. . . .

(6) *Source documentation.* Accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, contract and subgrant award documents, etc."

Failure to comply with Procurement requirements could prevent the School Corporation from receiving the lowest price. Presentation of the bids to the School Board is critical to ensure the School Corporation is not bound by contracts that do not conform to the federal compliance requirements.

We recommended that the School Corporation establish internal control procedures over Procurement and maintain adequate documentation to ensure that Procurement requirements are met.

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

FINDING 2013-008 - SPECIAL TESTS AND PROVISIONS

Federal Agency: Department of Agriculture

Federal Program: National School Lunch Program, School Breakfast Program,
Summer Food Service Program for Children

CFDA Number: 10.555, 10.553, 10.559

Federal Award Number and Year (or Other Identifying Number): FY 10-11, FY 11-12, FY 12-13

Pass-Through Entity: Indiana Department of Education

The School Corporation did not follow proper procedures in completing the verification of free and reduced lunch applications. In 2012-2013, the calculated minimum number of applications required to be verified was five, but only two applications were verified. One of the applications that was verified was improperly marked "no change." Eligibility was originally determined as "free," but should have been changed to "reduced." The person completing the verification used net wages rather than gross wages.

The School Corporation did not increase lunch prices in the 2012-2013 school year as required to comply with paid lunch equity requirements. The amount was calculated and increased as required in 2011-2012 and 2013-2014, but the calculation was not done, nor was there a price increase for 2012-2013.

7 CFR 245.6a(c) states in part:

"(c) *Verification requirement*—(1) *General*. The local educational agency must verify eligibility of children in a sample of household applications approved for free and reduced price meal benefits for that school year. . . .

- (3) *Standard sample size*. Unless eligible for an alternative sample size under paragraph (d) of this section, the sample size for each local educational agency shall equal the lesser of:
 - (i) Three (3) percent of all applications approved by the local educational agency for the school year, as of October 1 of the school year, selected from error prone applications; or
 - (ii) 3,000 error prone applications approved by the local educational agency for the school year, as of October 1 of the school year.
 - (iii) Local educational agencies shall not exceed the standard sample size in paragraphs (c)(3)(i) or (c)(3)(ii) of this section, as applicable, and, unless eligible for one of the alternative sample sizes provided in paragraph (c)(4) of this section, the local educational agency shall not use a smaller sample size than those in paragraphs (c)(3)(i) or (c)(3)(ii) of this section, as applicable.
 - (iv) If the number of error-prone applications exceeds the required sample size, the local educational agency shall select the required sample at random, i.e., each application has an equal chance of being selected, from the total number of error-prone applications."

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

7 CFR 245.6a(f)(7) states:

"Eligibility changes. Based on the verification activities, the local educational agency shall make appropriate modifications to the eligibility determinations made initially. The local educational agency must notify the household of any change. Households must be notified of any reduction in benefits in accordance with paragraph (j) of this section. Households with reduced benefits or that are longer eligible for free or reduced price meals must be notified of their right to reapply at any time with documentation of income or participation in one of the eligible programs in paragraph (a)(1) of this section."

7 CFR 210.14(e) states in part:

"Pricing paid lunches. For each school year beginning July 1, 2011, school food authorities shall establish prices for paid lunches in accordance with this paragraph.

- (1) *Calculation procedures.* Each school food authority shall:
 - (i) Determine the average price of paid lunches. The average shall be determined based on the total number of paid lunches claimed for the month of October in the previous school year, at each different price charged by the school food authority.
 - (ii) Calculate the difference between the per meal Federal reimbursement for paid and free lunches received by the school food authority in the previous school year (*i.e.*, the reimbursement difference);
 - (iii) Compare the average price of a paid lunch under paragraph (e)(1)(i) of this section to the difference between reimbursement rates under paragraph (e)(1)(ii) of this section.
- (2) *Average paid lunch price is equal to/greater than the reimbursement difference.* When the average paid lunch price from the prior school year is equal to or greater than the difference in reimbursement rates as determined in paragraph (e)(1)(iii) of this section, the school food authority shall establish an average paid lunch price for the current school year that is not less than the difference identified in (e)(1)(iii) of this section; except that, the school food authority may use the procedure in paragraph (e)(4)(ii) of this section when establishing prices of paid lunches.
- (3) *Average lunch price is lower than the reimbursement difference.* When the average price from the prior school year is lower than the difference in reimbursement rates as determined in paragraph (e)(1)(iii) of this section, the school food authority shall establish an average price for the current school year that is not less than the average price charged in the previous school year as adjusted by a percentage equal to the sum obtained by adding: (i) 2 percent; and (ii) The percentage change in the Consumers Price Index for All Urban Consumers used to increase the Federal reimbursement rate under section 11 of the Act for the most recent school year for which data are available. The percentage to be used is found in the annual notice published in the FEDERAL REGISTER announcing the national average payment rates, from the prior year.

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

(4) *Price Adjustments.*

- (i) *Maximum required price increase.* The maximum annual average price increase required under this paragraph shall not exceed ten cents.
- (ii) *Rounding of paid lunch prices.* Any school food authority may round the adjusted price of the paid lunches down to the nearest five cents.
- (iii) *Optional price increases.* A school food authority may increase the average price by more than ten cents. . . ."

Failure to properly verify the eligibility determinations could allow inaccurate determinations or determination based on incorrect data to go undetected. Accurate inventories are necessary to prevent misappropriation of items and to enable the School Corporation to make purchases based on actual needs to minimize waste and use items efficiently. Failure to comply with paid lunch equity could result in an unfair distribution of the cost of the school lunch program.

We recommended that the School Corporation review eligibility guidelines and verification procedures and properly complete and document all verifications. The School Corporation should institute a policy that physical inventories at least annually and also procedures to verify the accuracy of those inventories. We also recommended that the School Corporation add the paid lunch equity calculation to their year-end checklist, perform the calculation annually, and increase prices in accordance with the standard.

**FINDING 2013-009 - PERIOD OF AVAILABILITY - TITLE I
GRANTS TO LOCAL EDUCATIONAL AGENCIES**

Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Number and Year (or Other Identifying Number): FY11-12
Pass-Through Entity: Indiana Department of Education

The School Corporation has set up separate funds for each grant year. Expenditures totaling \$1,105.04 were made from the Title I FY11-12 grant after the period of availability. These expenses should have been made from the Title I FY12-13 grant.

The Notification of Grant Award provided by the Indiana Department of Education indicates the grant funds must be obligated by the end of the grant period, or June 30 of each grant year.

34 CFR 80.23(a) states:

"General. Where a funding period is specified, a grantee may charge to the award only costs resulting from obligations of the funding period unless carryover of unobligated balances is permitted, in which case the carryover balances may be charged for costs resulting from obligations of the subsequent funding period."

34 CFR 80.3 defines obligations as follows: "Obligations means the amounts of orders placed, contracts and subgrants awarded, goods and services received, and similar transactions during a given period that will require payment by the grantee during the same or a future period."

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

The grant expenditures noted above were appropriate but were obligated outside of the applicable period of availability for the grant charged. The wrong Title I Grant Fund was used for payment.

The School Corporation is not in compliance with the period of availability requirement for this grant. Failure to comply with these requirements could cause the School Corporation to be ineligible to receive future federal awards.

We recommended that the School Corporation's management develop procedures to ensure that expenditures are obligated prior to the end of the period of availability for the grant being charged and that all purchasing individuals should be made aware of each grant's period of availability and definition of obligation.

**FINDING 2013-010 - SPECIAL TESTS AND PROVISIONS -
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES**

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Number and Year (or Other Identifying Number): FY10-11, FY11-12, FY12-13

Pass-Through Entity: Indiana Department of Education

The School Corporation did not comply with the Highly Qualified Teachers and Paraprofessionals compliance requirement. The School Corporation hired 11 new teachers during the audit period to teach core academic subjects at the elementary. One of those teachers did not have a license.

34 CFR 200.56 states:

"A teacher described in §200.55(a) and (b)(1) is a 'highly qualified teacher' if the teacher meets the requirements in paragraph (a) and paragraph (b), (c), or (d) of this section.

(a) *In general.*

- (1) Except as provided in paragraph (a)(3) of this section, a teacher covered under §200.55 must—
 - (i) Have obtained full State certification as a teacher, which may include certification obtained through alternative routes to certification; or
 - (ii) (A) Have passed the State teacher licensing examination; and
(B) Hold a license to teach in the State.
- (2) A teacher meets the requirement in paragraph (a)(1) of this section if the teacher—
 - (i) Has fulfilled the State's certification and licensure requirements applicable to the years of experience the teacher possesses; or
 - (ii) Is participating in an alternative route to certification program under which—
 - (A) The teacher—

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

- (1) Receives high-quality professional development that is sustained, intensive, and classroom-focused in order to have a positive and lasting impact on classroom instruction, before and while teaching;
- (2) Participates in a program of intensive supervision that consists of structured guidance and regular ongoing support for teachers or a teacher mentoring program;
- (3) Assumes functions as a teacher only for a specified period of time not to exceed three years; and
- (4) Demonstrates satisfactory progress toward full certification as prescribed by the State; and

(B) The State ensures, through its certification and licensure process, that the provisions in paragraph (a)(2)(ii) of this section are met.

- (3) A teacher teaching in a public charter school in a State must meet the certification and licensure requirements, if any, contained in the State's charter school law.
- (4) If a teacher has had certification or licensure requirements waived on an emergency, temporary, or provisional basis, the teacher is not highly qualified.

(b) *Teachers new to the profession.* A teacher covered under §200.55 who is new to the profession also must—

- (1) Hold at least a bachelor's degree; and
- (2) At the public elementary school level, demonstrate, by passing a rigorous State test (which may consist of passing a State certification or licensing test), subject knowledge and teaching skills in reading/language arts, writing, mathematics, and other areas of the basic elementary school curriculum; or
- (3) At the public middle and high school levels, demonstrate a high level of competency by—
 - (i) Passing a rigorous State test in each academic subject in which the teacher teaches (which may consist of passing a State certification or licensing test in each of these subjects); or
 - (ii) Successfully completing in each academic subject in which the teacher teaches—
 - (A) An undergraduate major;
 - (B) A graduate degree;
 - (C) Coursework equivalent to an undergraduate major; or
 - (D) Advanced certification or credentialing.

(c) *Teachers not new to the profession.* A teacher covered under §200.55 who is not new to the profession also must—

- (1) Hold at least a bachelor's degree; and
- (2) (i) Meet the applicable requirements in paragraph (b)(2) or (3) of this section;
or
(ii) Based on a high, objective, uniform State standard of evaluation in accordance with section 9101(23)(C)(ii) of the ESEA, demonstrate competency in each academic subject in which the teacher teaches.

(d) A special education teacher is a 'highly qualified teacher' under the Act if the teacher meets the requirements for a 'highly qualified special education teacher' in 34 CFR 300.18."

The School Corporation is not in compliance with the Highly Qualified teachers and Paraprofessionals compliance requirement for this program. Failure to comply with this requirement could cause the School Corporation to be ineligible to receive future federal awards.

We recommended that the School Corporation's management develop procedures to ensure that all teachers hired to teach core academic subjects have a teaching license and that the license is on file at the School Corporation.

JR.-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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

December 10, 2013

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:

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

Steps have been taken to create more segregation of duties. An Extra Curricular Treasurer was hired. The Corporation is aware of the issues the State Board of Accounts has with this problem. Being a small corporation, and with money issues, it can become difficult to fund additional positions. The corporation office continues to come up with ideas of more segregation and gladly accepts suggestions from the State Board of Accounts.

FEDERAL FINDING 2011-3, ELIGIBILITY

The action was corrected prior to the end of the previous audit.

FEDERAL FINDING 2011-4, REPORTING

Efforts have been made to provide more detailed reports for the auditors to verify expenditures and receipts from grants. Reimbursement requests and reports and filed on a monthly basis, usually at the end of each month after the bank reconciliation.

FEDERAL FINDING 2011-5, EQUIPMENT AND PROPERTY MANAGEMENT

Inventory spreadsheet is being updated periodically.

FEDERAL FINDING 2011-6, REPORTING

Reimbursement forms are being submitted to the proper agency in a timely manner

FEDERAL FINDING 2011-7, INTERNAL CONTROL/REPORTING

Reimbursement forms are being submitted to the proper agency in a timely manner

FEDERAL FINDING 2011-8, INTERNAL CONTROL/REPORTING

Reimbursement forms are being submitted to the proper agency in a timely manner

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

ATTICA CONSOLIDATED SCHOOL CORPORATION

205 E. SYCAMORE STREET
ATTICA, INDIANA 47918
765-762-7000
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Corrective Action Plan

FINDING 2013-001 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

Contact Person: Carrie R. Brier

Contact Information: 205 E. Sycamore Street, Attica, IN 47918 (765) 762-7002

Being a small school corporation, it is difficult for us to segregate duties to satisfy issues with internal controls. Each year we work to come up with ideas to segregate duties. This year we did implement the duties of extra-curricular treasurer to a new staff member

FINDING 2013-002 - INTERNAL CONTROL AND COMPLIANCE OVER SCHEDULE OF FEDERAL EXPENDITURES

The Treasurer will practice better management of each fiscal year fund

FINDING 2013-003 - INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO SPECIAL EDUCATION - GRANTS TO STATES, SPECIAL EDUCATION - PRESCHOOL PROGRAMS AND ARRA-SPECIAL EDUCATION - GRANTS TO STATES

Federal Agency: Department of Education

Federal Program: Special Education - Grants to States, Special Education - Preschool Grants, ARRA - Special Education - Grants to States

CFDA Number: 84.027, 84.173, 84.391

Federal Award Number and Year (or Other Identifying Number): 14211-062-PN01, 14212-062-PN01, 14213-062-PN01, 45711-074-PN01, 45712-074-PN01, 45713-074-PN01, 33310-062-SN01

Pass-Through Entity: Indiana Department of Education

As previously stated, being a small school corporation makes it difficult to segregate duties. Suggestions offered by the State Board of Accounts are always appreciated and those suggestions will be attempted.

FINDING 2013-004 - INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO THE CHILD NUTRITION CLUSTER

Federal Agency: Department of Agriculture

Federal Program: School Breakfast Program, National School Lunch Program, Summer Food Service Program

CFDA Number: 10.553, 10.555, 10.559

Federal Award Number and Year (or Other Identifying Number): FY 10-11, FY 11-12, FY 12-13

Pass-Through Entity: Indiana Department of Education

The Food Service Director will work with the cafeteria managers to initiate a plan for inventory management.

Derek Marshall
Superintendent

Miguel Rosales
Technology Director

Carrie R. Brier
Treasurer

Tim Roemer
Transportation Director

Jodi Schmid
Food Service Director

Jim Blankenship
Maintenance Director

FINDING 2013-005 - INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO Title I Grants to Local Educational Agencies

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010 Federal Award Number and Year (or Other Identifying Number): FY 10-11, FY 11-12, FY 12-13

Pass-Through Entity: Indiana Department of Education

The Treasurer will practice better management of each fiscal year fund.

FINDING 2013-006, EQUIPMENT AND REAL PROPERTY MANAGEMENT

Federal Agency: Department of Agriculture

Federal Program: National School Lunch Program, School Breakfast Program, Summer Food Service Program

CFDA Number: 10.555, 10.553, 10.559

Federal Award Number and Year (or Other Identifying Number): FY 10-11, FY 11-12, FY 12-13

Pass-Through Entity: Indiana Department of Education

The Treasurer will talk with the Superintendent about hiring an outside firm for a complete inventory of capital assets, as suggested by the State Board of Accounts

FINDING 2013-007, PROCUREMENT

Federal Agency: Department of Agriculture

Federal Program: National School Lunch Program, School Breakfast Program, Summer Food Service Program

CFDA Number: 10.555, 10.553, 10.559

Federal Award Number and Year (or Other Identifying Number): FY 10-11, FY 11-12, FY 12-13

Pass-Through Entity: Indiana Department of Education

The Food Service Director plans to advertise and receive bids for bread and milk.

FINDING 2013-008, Special Tests and Provisions

Federal Agency: Department of Agriculture

Federal Program: School Lunch Program, National School Breakfast Program, Summer Food Service Program

CFDA Number: 10.555, 10.553, 10.559

Federal Award Number and Year (or Other Identifying Number): FY 10-11, FY 11-12, FY 12-13

Pass-Through Entity: Indiana Department of Education

The Food Service Director will verify the proper percentage of free and reduced applications.

Derek Marshall
Superintendent

Miguel Rosales
Technology Director

Carrie R. Brier
Treasurer

Tim Roemer
Transportation Director

Jodi Schmid
Food Service Director

Jim Blankenship
Maintenance Director

FINDING 2013-009 - Period of Availability - Title I Grants to Local Educational Agencies
Federal Agency: US Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Number and Year (or Other Identifying Number): FY10-11, FY11-12, FY12-13
Pass-Through Entity: Indiana Department of Education

The Treasurer will attempt to expend all funding for the Title I Grant by June 30th of each year.

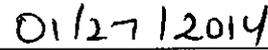
FINDING 2013-010 - Special Tests and Provisions - Title I Grants to Local Educational Agencies

Federal Agency: US Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Number and Year (or Other Identifying Number): FY10-11, FY11-12, FY12-13
Pass-Through Entity: Indiana Department of Education

The Secretary to the superintendent will ensure that all proper documentation has been received from each employee at the time of hire.



Signature



Date

Derek Marshall
Superintendent

Miguel Rosales
Technology Director

Carrie R. Brier
Treasurer

Tim Roemer
Transportation Director

Jodi Schmid
Food Service Director

Jim Blankenship
Maintenance Director

ATTICA CONSOLIDATED SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on January 27, 2014, with Carrie R. Brier, Treasurer; Dan DeSutter, President of the School Board; and Derek Marshall, Superintendent of Schools. The officials concurred with our audit findings.